**Gordon Institute
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Strategies implemented by companies to retain employees post mergers and acquisitions.

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Philosophy (International Business).

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Abstract

This research paper discusses employee retention strategies post-mergers and acquisitions. The researcher has looked at different employee retention strategies that are used in the workplace to successfully ensure a reduction in employee during and after merger and acquisition activities. Furthermore, the researcher has probed the socio-cultural factors that influence these strategies. Lastly, the researcher examined the stakeholders or parties that exist outside of an organisation who serve as co-creators of employee retention strategies post-merger and acquisition. Through the use of qualitative interviews with participants who, at the time of the interviews were in leadership roles at their respective organisations, the researcher was able to collect valuable insights on the subject. The participants had mixed experience in cross-border merger and acquisition activities from the perspective of being the target firm, the acquiring firm and a merging of organisations. The researcher was able to successfully answer the research questions while methodically and thoroughly dissect this topic for a better understanding. The selected approach also allowed the researcher to suggest some new avenues to develop the available body of literature.

Definition of key terms

Key term	Definition	Synonym/Similar phrase
Acquisition	an asset or object bought or obtained	Gaining, attainment, purchase
Employee	a person employed for wages or salary	Worker, member of staff
Employer	a person or organization that employs people	Owner, company, boss
Merger	a combination of two things, especially companies, into one	Union, fusion, meld
Retention	the continued possession, use, or control of something	Holding, preservation, maintenance

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 Philosophy in International Business 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.

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Name & Surname   Signature

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Chapter 1: Introduction to the research

1.1. Introduction

While employee retention is a much-studied occurrence in the business world, the purpose of this research paper has been to explore and understand what employee retention strategies exist in the context of post-merger and acquisition organisations. Further development has been achieved in the realm of understanding the socio-cultural employee related factors that influence the creation and development of employee retention strategies and how they drive the implementation process. Moreover, various external stakeholders exist that influence and work as strategy co-creators of the retention of employees. As co-creators outside of an organisation, this research paper has identified these actors through interviews with real-life business leaders. Additionally, the researcher has discovered how reliant organisations are to these external actors. In light of the global pandemic, the fourth industrial revolution and fast changing economic conditions being experienced globally, the purpose of this qualitative research paper was to find the most relevant and appropriate strategies to retain employees, post-merger and acquisition, which is introduced in more detail in the sections to follow.

1.2. Background to research problem

The role of dedicated and motivated employees is crucial to all businesses globally (Raub, 2017). Committed employees ensure that the goals and objectives of an organisation are fulfilled (Sobral, Furtado, & Islam, 2017) and that client needs are seen to in the best possible way (Holliday, 2021). Employees keep an organisation going and flourishing with their skills and abilities, which can be summed up as the human capital of an organisation (Akhmetshin, Sharafutdinov, Gerasimov, Dmitrieva, Puryaev, Ivanov, Miheeva, 2018). These skills and abilities possessed and expressed by the employees create a competitive advantage for the organisation that further stimulates and adds to the value of the business (Hamadamin & Atan, 2019). The value and competitive advantage that the human capital and ultimately the employees of a business can bring, can often result in other rival companies coming to seek out the employees or even the entire business (Chen, Gao, & Ma, 2021).

A common means of acquiring human capital and employees is through a merger and acquisition (M&A). An M&A can be simply defined as the combining of two or more

entities into one or the acquiring of ownership of specific assets belonging to another firm (Jindal, 2015). The notion of M&A activity is always deemed attractive to management and shareholders who often see M&As as investment opportunities that can increase the value of their business and contribute to organisational efficiencies (Mavlutova & Olevsky, 2015). In developed or mature markets in all industries, growing market share is extremely difficult, causing firms to move into new markets through M&As (Shukla & Gekara, 2010). The motives for M&As can vary from expansion into new geographies, risk-spreading and competitor take overs (Brouthers, Hastenburg, & Ven, 1998).

While companies and their shareholders look at the positive reasons for considering an M&A, it is important to note that customers and employees have differing perceptions which are often negative. Some customers view M&As as a reduction in choice (Thorbjørnsen & Dahlén, 2011) while employees have a host of other perceptions around job security and change of the organisation's direction (Creasy, Stull, & Peck, 2009). Coming back to the role of employees in a company, it cannot be underestimated and is often a major reason why firms seek to acquire a specific, target firm (Chen, Gao, & Ma, 2020). As already mentioned, employees and their human capital, aid in enhancing a firm's competencies and can add to the competitive advantage of a target firm (Barney, 1995).

Three perspectives are important to consider when looking at employees during organisational transitions, like M&As. The first perspective is that of employees being seen as surplus after the transaction has occurred and are made redundant by the acquiring firm. The second relates to employees that leave or consider leaving due to low morale and anxiety brought about by the acquisition. The third perspective would be of competitors or other industry players targeting talented employees of either the target, acquiring or the newly merged organisation. Regardless of aspect, employers should be driven to retain key employees (Awadh & Saad, 2013). No factor, regardless of how insignificant it might seem, should be ignored if it may result in loss of talent because a company's success is driven by the talents its employees bring (Lupina-Wegener, 2013).

Retaining talent is not just an organisational priority, in countries like South Africa, there exists a major skills shortage that negatively impacts recruitment efforts and ultimately organisational performance (BusinessTech, 2021). This is pushing the responsibility of leaders in companies to rethink their strategies of retaining staff, even though "three in five haven't taken any steps to do this yet" (PriceWaterhouseCoopers, 2021). South

Africa is an emerging market country with low to middle per capita income (World Bank, 2021). Like most other emerging markets, it is not fully protected from external economic shocks. When a recession hits developed economies, the South African economy is also impacted (Danciulescu, 2012). External events like 2020's Covid-19 pandemic and the resultant lock downs, resulted in a global recession, starting with a stock market crash in the United States, South Africa was impacted (AccountancySA, 2020). Combined with numerous internal challenges in South Africa, a downward spiral affected the economy of South Africa (Gopinath, 2020). One long existing problem that was compounded were the high levels of unemployment in South Africa which reached 30.8% in the third quarter 2020, a 20-year high (Trade Economics, 2021).

For those that are employed, a poor performing economy provides fewer opportunities for employment. This results in the loss of skilled and experiences workers to other countries (Mfeka, 2020). South Africa is suffering from a major skills shortage in various sectors. A major shortage of skills can be extremely detrimental to the "socio-economic growth and development" of a country (Rasool & Botha, 2011). While there are numerous causes for the skills shortage, it would be more beneficial for stakeholders to focus attention on retaining skills especially at an organisational level. Therefore, it would be of high importance for companies to scrutinise the strategies they employ to ensure adequate retention of employees during and post-M&A activities.

1.3.   Research problem.

1.3.1. Academic problem

Organisations that do not plan ahead when engaged in M&A activities and don't implement employee retention strategies, they risk losing employees at a high rate and negatively impacting company performance (Cloutier, Felusiak, Hil, & Pemberton-Jones, 2015). There is also much known about the dangers of losing employees post-M&A, financial costs of hiring replacement staff, loss of intellectual property, loss of human capital and potential loss of customers (BambooHR, 2019). Additionally, the benefits of retaining employees are clear; cost saving, increased productivity, positive employee experience, increased revenues and an improved customer experience (Holliday, 2021).

It is unclear however what influences the choice of specific retention strategies are used post-M&A, especially since the motives of M&As vary (Lee, 2017). Further, due to a firm's operating environment consisting of various external stakeholders, it would be important to see who these actors are and how they are involved in developing these post-M&A

employee retention strategies. The global economy is moving at an astonishing pass due to technological advancements. Furthermore, in light of the global disruption caused by COVID-19 pandemic (Aggarwal & Mishra, 2021) and the technological advancements of the fourth industrial revolution (Paredes, 2016), organisations and employees' expectations, perceptions and goals are changing from what has been previously understood. There is, therefore, a clear need to develop theory in the how the strategic actors interact with employee retention strategies post-M&A in the current economy. This study has focused on the employee retention strategies companies have employed to manage employee retention post-M&A as well as the socio-cultural factors that influence them.

1.3.2. Practical problem

As economies struggle and firms seek to grow, the tried and tested method of M&As remain a popular choice as a competitive advantage (Ferrer, Uhlaner, & West, 2013). M&A activities in emerging market regions such as Sub-Saharan African have seen a historic increase, especially between 2018 and 2019. Inbound M&As increased by 7% with both domestic and outbound increasing 96% and 145% respectively with South Africa being a top player in three categories (Refinitiv, 2019).

Motives for M&As vary from region to region. Businesses from emerging markets differ in motive as some seek opportunity and others seek knowledge, efficiency or credibility (Rugman, 2009). Further to this some companies merge or acquire horizontally for "market dominance (economies of scale), hybrid mergers for risk spreading and cost cutting and, in some cases, merging for survival" (Schuler & Jackson, 2001). The human capital element would be an important asset that adds to the equity of that firm if nurtured appropriately (Donangelo, 2014). Whilst firms with developed human capital perform optimally, they make themselves a target for rival firms or new entrants that covet various aspects of a business, often resulting in them attempting an acquisition (Gubbi, Aulakh, Ray, Sarkar, & Chittoor, 2009).

During M&A activities, tensions can be high with employees. The subject brings anxiety to employees as it has a preconceived negative reputation (Galpin & Herndon, 2014). There is a dark side to M&As in the context of human resources, specifically with how they have proven to be detrimental to employment (Malikov, Demirbag, Kuvandikov, & Manson, 2021). In the case of hostile takeovers, the fight is taken directly to the shareholders with quite often the entire management team being replaced as a start. Job losses are therefore inevitable (Conyon M. , Girma, Thompson, & Wright, 2001).

With retention of employees as a focus, attention must be given to the dangers to a business related to employees leaving the employ of a company. Staff turnover should be avoided at all costs to reap the benefits of an M&A, which is achieved through securing business continuity (BambooHR, 2019). Additionally, ensuring the retention of employees can assist an organisation in avoiding financial costs of hiring replacement staff, loss of intellectual property, loss of human capital (Skills, knowledge and experience) and potential loss of client relationships (BambooHR, 2019). The skills, relationships built and expertise of existing employees, can add to the competitive advantage of a firm (Barney, 1995). Therefore, another danger of not retaining staff, is loss of employees to direct competitors.

The benefits of retaining staff include but are not limited to cost saving, increased productivity, positive employee experience, increased revenues and an improved customer experience (Holliday, 2021). Cost savings occur from the fact that there is reduced need to recruit, screen and train replacement staff. The learning curve of new staff who require time to receive training and learn their environment while building relationships, can hamper productivity. However, if staff are retained, there is no need for this learning curve which can have a positive impact on customer satisfaction. Reduction in recruitment requirements and an increase in customer experience can directly influence higher revenues, as costs are kept low and potential loss of clients decreases. Furthermore, a positive employee experience means an environment that has more engaged employees, who trust their employer and who work to increase overall productivity and performance of a company.

1.4. Research purpose

Despite company strategies having both positive and negative impacts, proven strategies are chosen to aid M&A activity (Weber, Tarba, & Oberg, 2014). Special focus will be applied to the chosen strategies. The purpose of this research paper will be to explore and understand employee retention strategies.

Main objective

To understand what and how do stakeholders of a firm implement the most appropriate strategies to retain employees after an M&A.

Secondary objectives

To understand what the specific retention strategies that are implemented post-M&A.

To understand how the socio-cultural conditions, influence post-M&A retention strategies.

To investigate the role of other external parties in the creation process of the retention strategy as well as an organisations reliance on these stakeholders.

1.5. Significance of the study

While employee retention and M&As are well studied phenomena in both the academic and business world, the traditional context in which the global economy has changed. With respects to the fourth industrial revolution and the dramatic generational changes in the workplace (Tirta & & Enrika, 2020) experienced in the global economy, are forcing change, with calls for policy reform and democratising ownership (Chiles, Broad, Gagnon, Negowetti, Glenna, Griffin, Tami-Barrera, Baker, Beck & Kelly, 2021). Traditional methods of retaining employees are being challenged in this "fast changing working environment" (Gan & Yusof, 2019) and therefore require an update to the current body of literature.

1.6. Scope of the study

This study explores the experiences of eight real-life participants who have engaged in qualitative, semi-structured interviews. The participants were all in leadership roles within their respective organisations at the time of the interviews and had experienced M&A related activities including cross-border M&As at some point in their careers. The participants were asked questions to gauge their experience with M&As, employee retention strategies, the socio-cultural factors that influence the formation of the retention strategies and the external stakeholders that work as co-creators to create retention strategies. The scope of the study was limited to a few anonymous firms, that the participants work for, with international ties who have engaged in M&A activities and needed to retain employees.

Chapter 2: Literature Review

2.1. Introduction

This literature review has systematically looked at the available body of knowledge relating to the retention of employees as a critical organisational issue that has to be dealt with (Gaan, 2011). The high importance of strategising around staff retention demands that this literature review must examine available literature on the constructs of M&As, employee retention strategies, socio-cultural factors as well as the role of external parties that firms consult with. The review has explored the constructs to assist the researcher in building onto the existing knowledge and understanding of retention strategies and their application in the realm of International Business.

Academic journals of other researchers have been read and reviewed to understand research methods, concepts and theories available in the body of learnings. Sources have been compared and evaluated to ensure the appropriate research works applicable to develop the body of knowledge are used. An objective has been to ensure that saturation is reached when sourcing available literature by utilising all available journal databases (Allen, 2017). In this case, literature about M&As, employee retention strategies, socio-cultural factors as well as the role of external parties has been sourced. All the relevant literature has been sourced and has been synthesised to aid the researcher to substantiate, blend the findings and create appropriate arguments related to the research paper.

In the case of M&As, there is a plethora of literature as well as literature related to M&As and employee retention strategies. The subjects of socio-cultural factors and external parties is somewhat lacking. An extensive review of the available research works has helped the researcher to see the gaps and new avenues for consideration. Some retention strategies work but they have critics, some sociocultural factors might be hot topics for the day, but employee/organisational fit might be a more important consideration. Ultimately, the researcher has looked at all available literature on the subject of post-M&A employee retention strategies.

2.2. Theory

Theory has also been brought in to test and guide the researcher by providing explanations for any relevant phenomena that occur. While M&As seem straight forward and well-studied, they are complex tools used to grow and develop businesses

(Lausberg & Stahl, 2009). The theories used, are done so to help develop the overall theory on whatever subject a researcher is embarking on. To this end, this literature review has also acknowledged some opposing viewpoints and challenges with ideas that are brought out in the literature. The researcher has looked at two theories, namely, Job Embeddedness theory and Hertzog's Two factor theory.

2.2.1. Job Embeddedness Theory.

The first theory has been used to help derive research questions is Job Embeddedness theory. By incorporating social, cultural and organisational factors, Job Embeddedness theory helps in explaining why employees stay at companies, making it a good framework for this research (Jiang, Liu, McKay, Lee, & Mitchell, 2012). In fact, the theory argues that employees that are attached to their companies based on two types of embeddedness, namely 'on-the job' and 'off-the job', they are more likely to stay at the company (Mitchell, Holtom, Lee, Sablynski, & Erez, 2001). 'On-the job' embeddedness looks at how the employee is bound specifically to the organisation and factors based at the employing firm. 'Off-the job' embeddedness looks at factors outside of the employing organisation like the employee's community that make it difficult for the employee to leave an employer due to relocation. Both types of embeddedness directly influence the decision an employee makes to stay at a firm but also can influence each other (Ng & Feldman, 2014).

Within the components of 'on-the' job and 'off-the' job embeddedness are three factors: fit, links and sacrifices (Lee, Mitchell, Sablynski, Burton, & Holtom, 2004). 'On-the' job fit looks at if an employee's skillset is aligned to the role they fulfil, while 'off-the' job fit will look at available activities within the employee's community that are of interest to them and keep them engaged (Lee, Mitchell, Sablynski, Burton, & Holtom, 2004). 'On-the' job links refer to the work-related relationships that develop between staff members or colleagues in the same department (Holtom, Mitchell, & Lee, 2006). 'Off-the' job links refers to the relationships an employee develops outside of work, at home and in their community (Holtom, Mitchell, & Lee, 2006).

The last factor is sacrifices, which relates to how easily an employee can give up attachments. 'On-the' job sacrifices can be tangible and intangible in nature. They can extend to the prestige an employee feels for working at a particular company or in a specific department (Mallol, Holtom, & Lee, 2007). Additionally, they can be the attachment an employee has to certain benefits they receive from their employer like medical aid and group insurance benefits. 'Off-the' job sacrifices include the tangible and

intangible value they put on services within their community that make life easier or convenient. If they had an option to relocate, the idea of moving to another area that does not offer certain services could make the entire relocation unfavourable (Mallol, Holtom, & Lee, 2007).

While Job embeddedness theory looks at retention from an employee perspective, it is important because it gives an employer context to what employs value most when it come to their employment. Both the 'on-the' job and 'off-the' job embeddedness serve as predictors of an employee's intention to leave their employer (Felps, Mitchell, Hekman, Lee, Holtom & Harman, 2009). Job embeddedness in itself like job security and job satisfaction can be aligned to the retention strategies used by a firm (Aman-Ullah, Aziz, Ibrahim, Mehmood, & Abbas, 2021), linking this theory directly to research sub-question 1 and 2.

2.2.2. Herzberg's Two Factor theory

The second theory the researcher has chosen in relation to exploring retention strategies is Herzberg's Two Factor theory. Frederick Herzberg developed this theory in 1959 in an attempt to understand what factors influenced an employee's attitude towards their employment. The two factors are identified as Hygiene or factors of dissatisfaction and Motivators or factors of satisfaction (Herzberg, Mausner, & Snydermann, 1959). Reasons or factors relating to why employees leave organisations can be categorised into these two categories, although employees could leave due to a combination of them (Ongori, 2007).

The first category is hygiene or factors of dissatisfaction include company policies, working conditions and salary (Ozsoy, 2019). Although employees cannot control policy and working conditions, employers can work at making sure policies are fair and equitable which can reduce employees' dissatisfaction if it is present. Analysis of policies and working conditions can assist firms in ascertaining if they are too harsh or overly strict. Analysis of salaries can also help a firm see if the wages they pay employees is fair or competitive.

Motivators or factors of satisfaction include the actual work, career opportunities and recognition. When employees enjoy a reward for work done and feel personal achievement, they are motivated (Ganta, 2014). It is important give employees a feeling that their work contribution is meaningful and has an impact on the overall business. This

is a motivating factor but if employees do not see how their role fits into the bigger picture, a reduction in satisfaction would likely follow as the employee has no incentive to perform (Burton, 2012). Firms and managers can work at emphasizing employees' contributions by sharing positive interactions in company communications and meetings to help improve employee perceptions.

Herzberg's Two Factor theory, also referred to as the motivation-hygiene theory, allows firms to analyse individual factors pertaining to job satisfaction. This study will use Herzberg's Two factor theory to explore the two factors, whereby strategies could be employed to manage staff retention. Using the first category on hygiene factors, organisations post-M&A, may introduce company policy reforms that enable flexibility, better working conditions and ultimately job satisfaction (Yousaf, 2020).

Alternately, using the second category of motivators like career growth and development planning the firm can create an environment that provides employees with the perception of recognition and advancement (Alrawahi, Sellgren, Altouby, Alwahaibi, & Brommels, 2020). This theory is directly linked to research sub-question 2 relating to the socio-cultural factors and personal factors of employees.

2.3. Background and motives of M&As.

Although M&As vary in type and structure, they can be simply defined as the combining of two or more entities into one or the acquiring of ownership of specific assets belonging to another firm (Jindal, 2015). M&A activities in the modern context, can be traced back to the 1870s and have subsequently be identified as a "economy-wide, global phenomenon" (Brakman, Garretsen, & Marrewijk, 2008). M&As can have many different motives (Nguyen, 2012). M&As can be employed for varying reasons like expansion into new geographies, synergies, risk-spreading and competitor take overs (Jinomol & George, 2020)(Brouthers, Hastenburg, & Ven, 1998). In developed or mature markets in all industries, growing market share is extremely difficult causing firms to move into new markets, vertical integration, diversification and consolidation of holdings (Jinomol & George, 2020)(Shukla & Gekara, 2010). Some other motives are acquisition power, achievement, sensation seeking, and prestige as discovered in research done into German M&A activity in banking (Lausberg & Stahl, 2009).

M&As are prevalent despite having a high failure rate. This high failure rate has hidden costs especially employee expectations are not met and the lack of consideration for

employees (Young, Stammerjohan, Bennett, & Drake, 2018) results in employees leaving the firm. However, prevalence in the past few decades makes sense when the reason for their use helps gain access to a different market or even securing of a unique resource. Ultimately increasing share price is a big driver (Angwin, 2007). Share price however is driven by more than just the notion of a merger and acquisition as "investors may be worse off following an M&A transaction" because all that is happening is the merging of cashflow streams (Cummins & Weiss, 2004). In cross-border M&A's investors are offered protection and the local economies where investment takes place, can benefit from value creation (Dell'Acqua, Etro, Piva, & Teti, 2018).

Cummins and Weiss (2004) go on to highlight how increasing of economies of scale through an M&A can transition a "firm operating at a suboptimal scale" into a growing, profitable firm. Additionally, and more applicable to this research proposal is the theory of economies of scope can help manage costs from the "joint use of inputs such as managerial expertise" (Cummins & Weiss, 2004). Most commentators either do not or seldomly attribute the acquisition of one firm by another solely or partly to the employees and their human capital. Although the employees of any firm bring experience, skills and knowledge that add to the firm's capabilities and competitive advantage (Beaumont, Hebert, & Lyonnet, 2019). This introduces acquisitions driven by human capital, where the trade secrets, skills, abilities, intellectual property and experience of the employees of a firm have a high perceived value thus rendering some form of acquisition as a feasible transaction (Chen, Gao, & Ma, 2021).

2.3.1. M&As in the context of International Business

Cross border M&As are grounded by Dunning's ownership, location and internalization (OLI) paradigm and the institutional theory, especially as the location element of OLI is directly applicable to International Business studies and this research paper (Dunning, 2009). Driven by numerous factors, cross border M&As are keen to exploit the geographic advantages of a host country including its cost reduction, technology and innovation, which are driven primarily by its people or employees (Iammarino & McCann, 2013).

Knowledge-seeking motivates location choice in many M&As, especially for emerging market firms looking to advanced economies for the knowledge which again lies primarily in the employees of those advanced markets (Jindra, Hassan, & Cantner, 2014). On the flip side firms from advanced economies often look to cross border M&As with emerging

market companies for the cost reduction benefits, one of which is a cheaper labour pool (Deng, 2012).

2.4. The impact of M&As on employee retention

Employee turnover at all levels within a firm increase substantially when there is an M&A due to the perceptions about M&As (Glaister, Weber, Tarba, & Ahammad, 2012). Some sources link employee turnover, especially in the case of executive turnover and talented employees leaving, as a major reason why M&As have a high failure rate (Krug, Wright, & Kroll, 2014). Employees, executives and talented staff at the target or acquired organisation are seen as the most at risk to leave, in some cases due to the breakdown of any feelings of ownership they have of their former company by the acquiring firm (Lee, Kim, Kim, Kwon, & Cho, 2013).

The negative impact of employees leaving can also extend to lower performance levels of employees who have become demotivated, due to their colleagues leaving (Bilgili, Calderon, Allen, & Kedia, 2017). A successful merged organisation is synergised and streamlined but if employees leave especially key individuals, the management team of an organisation is not appropriately (Weber, Tarba, & Rozen Bachar, 2011).

In the case of cross border M&As, both organisational and national culture differences can have a negative impact on employee retention after an M&A as well as the performance of the M&A (Sarala, 2010). Tensions between the merging organisations employees due to cultural differences and thus an increase in the possibility of conflict (Sarala, 2010).

2.5. Employee retention strategies

Employee turnover is a challenge to any M&A that has both tangible and intangible implications if not addressed, including the failure of the M&A (Dess & Shaw, 2001) (Degbey, Rodgers, Kromah, & Weber, 2021). It can increase costs around employee replacement greatly such as salary, advertising, and recruitment (Hebenstreit, 2008). Human capital is important and its effect on the competitive advantage of a firm. It can also create challenges to the culture of the company culture and employee morale (Ahammad, Tarba, Liu, & Glaister, 2016). The true cost isn't fully understood by companies as the tangible costs are combined with intangible costs like Retaining staff is about retaining knowledge and intellectual property. If an employer is unable to retain

knowledge, they will not be successful and therefore not be a desirable career option (Balakrishnan & Vijayalakshmi, 2014).

If strategies that manage and promote retention of employees are not developed, firms run the risk of losing their best employees (Kuttappa, 2013). Retention strategies, however, are also not just about paying employees the highest wage to prevent them from leaving for a competitor. The retention of employees would need to be managed by organisations through analysing the cause of turnover, then strategizing to create initiatives and development plans to help retain talent (Allen, Bryant, & Vardaman, 2010). Development of the retention process aims at holding onto skilled employees therefore, retention management is too a source of competitive advantage (Vaiman, 2008).

Firms are set on driving retention with human resource departments focused on lowering turnover (Iqbal, Guohao, & Akhtar, 2017). Firms do this in various ways by addressing concerns around job satisfaction, training, rewards and supervision (Nwokocha & Iheriohanma, 2012).   These more traditional methods have been employed by companies for many years and still have relevance in the modern workplace. For instance, a reward strategy can take the shape of salary, working conditions or job security. Furthermore, effective communication is critical to ensure that efforts by a firm to retain employees are clearly understood by all employees.

Reward Strategies

A reward strategy can also take the shape of recognition, responsibility and growth (Bassett-Jones & LIoyd, 2005). In some sectors like education, a lack of reward strategy can cause employees to consider leaving firms and even the industry due to low salaries in the sector (Ruhland, 2000). Therefore, firms often believe that retaining staff through competitive salaries is the right motivation to avoid staff turnover and when human resources incorporate reward strategies like higher compensation into their policies it goes a long way in not just retaining but attracting talent (Armstrong, 2003). High salaries on their own are not always the answer and can still result in disengaged and dissatisfied employees (Agarwal & Ferratt, 2002). Long term incentives as well as executive retirement plans help influence employee behaviour when attracting and retaining talented employees (Llewellyn, 2016).

Training Strategies

Another traditional method of retention is training. Training is viewed by firms and training as key in developing skills which directly benefit the productivity of the business as

organisational effectiveness increases (Aguinis & Kraiger, 2009). Training, when combined with career development also motivates staff to do their best as they feel the firm is committed to them (Babakus, Yavas, Karatepe, & Avci, 2003). When employees receive training, they are able to operate at higher performance levels and get better results which contribute towards increased job satisfaction and higher retention levels (Fletcher, Alfes, & Robinson, 2018). Additionally, employees are exposed to more opportunities within the organisation when they are trained (Koster, de Grip, & Fouarge, 2011).

Holistic Strategies

Newer trends with more holistic strategies are emerging like fully fledged strategic retention plans, personalised compensation plans, career development plans and work flexibility (Nwokocha & Iheriohanma, 2012) are gaining traction as more thought and consideration is going into formulating them. Rather than focus on one area of an employee's needs, wants and expectations, these holistic strategies group together numerous components to deliver a more desirable package.

Career Development Strategies

Take career development planning which is comprised of training and development in key critical skills in conjunction with a clear career path and opportunities within the organisation (Butler & Waldrop, 2001). Strategies like this increase the marketability of the employees but are valued by employees as it is recognition and a long-term reward, a clear investment in them by the firm. Some scholars argue is the right way of strategising for retention (Wan, 2007). In the context of M&As why and how firms use retention strategies is not clear especially due to M&As varying in motive (Brouthers, Hastenburg, & Ven, 1998).

Job Design Strategies

"Motivation is the process of increasing employee commitment and it is considered one of the key fundamentals, which are essential for organizational success" (Tumi, Hasan, & Khalid, 2021). While training and development is important, the complimentary activity of aligning employee job content and responsibilities can help increase the employees' scope in the company and thus engage them to stay (Heathfield, 2008). Ramsey (2013) spoke about the "right fit advantage" whereby the job requirements and expectations match an employee's skills and motivational abilities. This is important because if an employee is in a role that matches their skills and abilities, job satisfaction, their positive engagement as well as their retention is assured (Frino, Djibo, & Desiderio, 2019).

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Opportunities to increase "employee commitment and job involvement" are therefore not limited to promotion but can include employees being rotated within the company (Mahalakshmi & Uthayasuriyan, 2015). This exposure for employees can go a long way in making employees feel involved, promote ownership and retain them (Gray, 2014). Enriching an employee's role by diversifying their work, giving them degrees of independence and allowing them to organise their own work schedule motivates employees and it is extremely positive on their self (Dost & Khan, 2012).

<u>Communication Strategies</u>

Communication however is often seen as a very reliable tool at retaining and empowering employees. "Effective communication should be encouraged" (Cloutier, Felusiak, Hill, & Pemberton-Jones, 2015) by leadership and while communication is a broad term, there are various methods and channels in which company leadership can communicate to their employees. Regular or continuous communication with staff through meetings, creating an onboarding strategy and having a clear value statement that is communicated to employees (Kolar, 2016). Effective communication works as a stimulator of employee engagement which in turn drives down employee absenteeism and increases productivity (Baldoni, 2013). It is very important for employees to know their place at an organisation and feel valued (Baldoni, 2013), which is why clear communication between all levels of employees must be promoted (Bell & Martin, 2014).

<u>Diversity and Inclusion Initiatives</u>

Promoting diversity and inclusion in the workplace can increase employee retention and should be considered as a strategy, employers can use to retain employees, post-merger and acquisition. By leaders ensuring that they know and understand their employees' diversity but also ensure they include them in the business, employers can ensure that they will not lose employees through their own "neglect or ignorance" (Brown, 2018). An example of diversity and inclusion is the hiring of more women in a male dominated business, from which an employer can reap some nuanced benefits (Riemenschneider, Armstrong, Allen, & Reid, 2006). Care also needs to be taken however to avoid negatively impacting the employee/organisation fit. The employee profile needs to match the job and culture of the business (Gilmore & Turner, 2010). The employee/organisation fit will directly impact the employees job satisfaction (Gabriel, Diefendorff, Moran, & Greguras, 2014). This means, if the fit is wrong it could end up causing the employee to leave anyway.

<u>Organisational Culture</u>

In line with diversity and inclusion is the key factor of corporate culture. When firms merge or one firm acquires another, there is a convergence of two different corporate cultures (Vaara, Sarala, Stahl, & Björkman, 2011). Culture has been identified as a key success factor to a successful M&A, also as a reason to why they fail in such high frequency (Ahammad & Glaister, 2011). Cross cultural management, while promoted by academic theory, is not utilised properly by business leaders mainly because the subject of culture is not fully understood by executives (Weber & Tarba, 2010). Integration is seen as a pivotal part of an M&A (Lai, 2017), especially integration of cultures.

2.6.   Socio-Cultural factors that influence retention strategies

Decision making is a complex process when developing strategies or for employees when making important life changing choices. Numerous contributors or personal factors influence the decision-making process (Naser, Nuseibeh, & Al-Hussaini, 2012). Various Socio-cultural factors exist with employees of a firm. Age, gender, ethnicity, nationality, career backgrounds, educational orientations, religious beliefs and organizational tenure play an important role in an employee's development. These factors influence how employees engage in the workplace and also introduce broader socio-cultural factors such as organisational readiness. Organisational readiness encompasses how employees should act in the workplace, "gender appropriate behaviour" as well as occupational aspirations (Griffin, Learmonth, & Piper, 2018).

<u>Age</u>

Kashyap & Rangnekar (2014) found that with younger employees entering into the workplace (generational changes), retention strategies were becoming less effective (Kashyap & Rangnekar, 2014). This highlights that age is an important factor to be considered when designing employee retention strategies. Risk aversion is also linked to age (Ahmed, Khattak & Anwar, 2020), with older people favouring certainty and younger people more willing to take career risks. Linked to age is experience and tenure at a firm. A company benefits from having experienced employees with a long tenure contributing to productivity and output, as any investments in the employee's development are returned over time in kind (Ramlall, 2004).

<u>Gender</u>

The role of gender is an important consideration in understanding what aspects of employment are of greater importance. Sthapit & Shrestha (2018) in their study of

important factors related to employee retention, found that male respondents predominantly valued "compensation and career growth" as stronger motivators. Females predominantly placed a higher value on work life balance and employer branding (Sthapit & Shrestha, 2018). Additionally, career mobility patterns have been observed as being different between men and women resulting in differences or disparities in "wages and seniority" between the two genders (Ali, Bishu, & Alkadry, 2018). The socio-cultural factor of gender further opens up other areas for discussion like "structural, organisational, personal and human capital factors" (Ali, Bishu, & Alkadry, 2018).

Educational levels

Differences in education levels play an important role as higher education levels create more job opportunities and raises the need for companies to retain their staff (Khalid & Nawab, 2018). Further to education are the on-the-job skills and knowledge that develop through doing the actual work. Employees can be classed into two groups in this respect: knowledge workers and traditional workers (Pobst, 2014).

Knowledge workers do not view employment as a lifelong commitment and job security from one employer but choose to grow their skills set in a fashion that opens up career opportunities. Traditional workers seek security and do not necessarily add to a business's competitive edge like knowledge workers do (Pobst, 2014). This is an important consideration because knowledge workers, through their advanced skill set, have more bargaining power (Jayasingam, Govindasamy, & Garib-Singh, 2016). Their independence from their employer and lack of fear to leave and seek employment elsewhere could therefore be costly to the company (Jayasingam, Govindasamy, & Garib-Singh, 2016).

Family commitments

The families of employees play a larger role in an employee's career and employer choices than is given credit. Employees with families need job security from an employer, providing job security retains employees (Hu, Jiang, Probst, & Liu, 2021). Employees with families also want to know that they are covered from a benefits perspective, organisations that offer their employees the best benefits are more inclined to retain their staff (Hegarty, 2018). Work-life balance is also very important to employees who have families, as when employees are able to meet their personal commitments while still being able to develop their careers without being penalised, those employees become more loyal to their respective employer (Chaudhuri, Arora, & Roy, 2020).

Employee engagement

Organisations that have highly engaged employees are also more likely to have lower staff turnover levels, higher productivity and better client satisfaction levels (Jindal, Shaikh, & Shashank, 2017). This highlights how important employee engagement and career development are to the competitive advantage of a firm as well as the employee's work-life balance therefore everyone's success (Houssein, Singh, & Arumugam, 2020). Policies and strategies developed by an organisation should therefore work towards engaging employees by helping employees to have "vigour, dedication and absorption" in their commitment to their employer (Sepahvand & Khodashahri, 2021).

Employee development

Training and development of employees by companies is critical to the retention process as it gives employees a reason to remain loyal and not leave (Heathfield, 2008). Developing employees gives employees access to better themselves, have access to better opportunities because their skills and expertise have broadened or improved (Koster, de Grip, & Fouarge, 2011). There is therefore a direct link to employee retention and training and developing employees (Fletcher, Alfes, & Robinson, 2018).

Employee preferences and work-life balance

Employee preferences extend to a number of things that employees feel strongly about in their workplace settings, from individual employee differences, interpersonal relationships in the workplace to organisational characteristics (Holtom, Mitchell, Lee, & Eberly, 2008). Further to this, have their preferences that will determine whether they leave or stay an organisation like, job satisfaction, company commitment and rewards offered by the firm (Hausknecht, Rodda, & Howard, 2009). In the realm of job satisfaction is work-life balance. Employees want a workplace that respects their personal life and responsibilities (Deery & Jago, 2015) which is more apparent during and post-M&A. Policies and strategies for retaining employees post-M&A that a company develop need to be "employee friendly" (Chaudhuri, Arora, & Roy, 2020)

2.7.   The role of external parties

The various external parties that are brought out by the literature are the clients or customers, competitors, labour or trade unions, regulatory bodies and consultants. Involvement by these stakeholders or at least consideration of them is important when developing strategies to retain employees and reduce turnover.

Customers

Customers are the life blood of a business, a firm's ability to respond to the constantly changing needs in combination with the changing environment is therefore important (White, Varadarajan, & Dacin, 2003). While M&As are commonplace in the business world, their failures are noted as a common occurrence. If there is no consideration about the customer during the M&A process, that lack of focus could actually cause the M&A transaction to fail (McLelland, Goldsmith, & McMahon, 2014). Managing the client relationship is thus an important part of the M&A. This should also extend further than the clients' perception of M&A transactions as a whole, but also in relation to the staff involved in providing a product or service to them. If staff that are responsible for client management are lost due to them leaving the company, become disengaged or keep changing, gaps in customer service should be expected, which will jeopardise the overall relationship.

Competitors

Competitive advantage is held in the human resources employed at a firm and the skills and expertise they have. If employees are not retained, a firm could lose this advantage to their competitors (Tan & Rider, 2017). Responsiveness to competitors is of high importance to a firm, however due to their being little to no interaction between management at competing firms it is difficult to see what strategies or policies competitors are using to attract and retain employees (Homburg, Grozdanovic, & Klarmann, 2007). Firms need to ensure that competitors do not poach key staff. Continuity of employees within a business needs to be maintained so as to not reduce the value proposition of the M&A transaction (Lai, 2017).

Labour/Trade Unions

Although not always applicable, labour unions have great influence when it comes to employees' attitudes and working conditions (Boxall, Macky, & Rasmussen, 2003). Labour unions work to ensure a fair work environment for their members and enforcement of the law (Morton & Siebert, 2001). Labour unions work hard to robustly protect the jobs of employee (Adewumi, 2020) which is an important role in "helping the country's economy" (Jones, 2016). It is important to note that globalisation and internationalisation have changed the dynamics around labour and capital, to the advantage of capital (Smit, 2016). This further adds to the key role unions have in the consultation process to ensure employee retention after an M&A.

<u>Regulators</u>

Regulation to protect competition, customers, employees and other stakeholder rights, are upheld by regulatory bodies (Mehta, Srinivasan, & Zhao, 2020). Regulators can impact whether or not the M&A actually happens or not as through financial regulations, controls like antitrust laws are put in place to prevent unfair behaviours like monopolies (Awan, Shah, Khan, & Javeed, 2020). Regulatory bodies are tasked to protect the interest of the industry, when looking at matters relating to employees, it is important for the regulator to create boundaries to ensure skills are retained in the industry (Caiger-Smith, 2015). Government drives most regulation to ensure that it is in line with a country's socio-economic objectives. Matters relating to employee retention which are directly linked to unemployment are therefore chief on the agenda of Government (Jochem, Ladika, & Sautner, 2018).

<u>Consultants</u>

Consultants come in all shapes and forms and are employed by a transitioning organisation "to access expertise, impose reforms and drive organisational change" (Pemer, Börjeson, & Werr, 2020). As external actors, consultants whether legal, financial, human resource or change consultants help develop and drive different elements of an organisation's strategy in the absence of the skills and ability of the organisation to do it themselves (Laage, 2021). "Big organisational changes are affecting" the jobs of employees around the world (Galbraith, 2018). In the case of an M&A, organisational change will be a definite occurrence. Professional Change Managers help leadership to plan and implement strategies relating to employee retention while communicating throughout the process (Galbraith, 2018).

Chapter 3: Research Questions

<u>Main Question</u> – What and how do various actors use specific staff retention strategies after a merger and acquisition?

> <u>Sub-question 1</u> - What are the specific strategies implemented to retain employees post-M&A activity? Firms are set on driving retention with human resource departments focused on lowering turnover (Iqbal, Guohao, & Akhtar, 2017). Employee retention is an important subject because it ensures that an organisation operates optimally. The employees also form part of the marketability of a target firm, so if they leave, the target firm loses value and becomes less desirable to the acquirer. While retention strategies are commonplace, this question looks at strategies, firms' employee post-M&A activity to ensure the retention of employees.

> <u>Sub-question 2</u> - How do the socio-cultural factors influence the staff retention strategies? There exist may differences between employees as well as similarities. Those different factors drive the way employees act and react especially during uncertain times like an M&A, where they have different priorities and expectations from an employer. Retention strategies that were previously successful are proving obsolete as a different generation enters the workplace (Kashyap & Rangnekar, 2014). This question explores what the different socio-cultural factors as drivers, influencing strategy development and implementation. Furthermore, this question looks at how the different, relevant socio-cultural factors influence the choice of retention strategies implemented.

> <u>Sub-question 3</u> - What is the role of external parties, such as consultants, competitors, and labour unions, as cocreators of staff retention strategies in mergers and acquisitions? There are various parties or actors that are involved in the creation of employee retention strategies, some directly and others indirectly. External actors more specifically have a very important role to play in their day-to-day involvement with an organisation. Some external parties, like customers, can make or break a successful M&A (McLelland, Goldsmith, & McMahon, 2014). This question seeks to investigate who these actors are and what specific impact these co-creators have on the creation of employee retention strategies post-M&A.

Chapter 4: Research Methodology

4.1. Introduction

Chapter 4 of this research paper discusses the methodology that was used to approach the study, plan for the data collection, execute the data collection and analyse the data. The research methodology used in this research was qualitative while the theory was developed inductively. The research design was exploratory with data collected through semi-structured qualitative interviews. Furthermore, in this chapter will be a discussion around the data population, sample and time horizons. Limitations to the chosen approach will be provided based on how the researcher carried out the research. A systematic and detailed discussion of the research methodology will follow.

4.2. Research philosophy

The researcher's goal is to thoroughly explore the research questions 'What are the specific strategies implemented to retain employees post-M&A activity, how do the socio-cultural factors influence the staff retention strategies and What is the role of external parties, such as consultants, competitors and labour unions, as cocreators of staff retention strategies in mergers and acquisitions. Ensuring that these questions are answered or explored to the full degree, the researcher has utilised the research philosophies of ontology and epistemology.

The researcher has expanded on the ontological assumptions, that of Neuman (2000), that there is no single reality of mergers and acquisitions (Neuman, 2000). The researcher has therefore used ontology to study the existence and realities of the social actors, both internal and external, and their involvement in creating retention strategies (Hoffman & Kumar, 2020). The knowledge that the researcher sought was about individuals within institutions, the questions asked are therefore epistemological in nature as they produce knowledge (Cruickshank, 2020). Additionally, epistemology strives to gain knowledge that is true, valid and reliable, with an element of common sense (Mills, Durepos, & Wiebe, 2010).

Businesses or companies are constructed from the ideas of individuals of common interest that want to create value, a social construct of sorts. Rather than making assumptions or predictions, the researcher has striven to get an understanding of the research results. The research philosophy that was followed in this research paper is that of Interpretivism. Due to the nature of M&As all being different in motive, planning,

implementing and outcome, as an interpretivist it is important to understand that the multiple realities of the businesses and people involved are dependent on various systems such as geography, various internal and external stakeholders including government and the operating industry (Neuman, 2000).

This gave the necessity to study the phenomena in their natural environment. All three research questions aimed at benefiting from an understanding of employee retention strategies post-M&As as not just something that can be "objectively determined" but built subjectively by people who experience them (Carson, Gilmore, Perry, & Gronhaug, 2001). Hudson and Ozanne (1988) highlight that the goal of interpretivism is to explore and understand human behaviour rather than generalising (Hudson & Ozanne, 1988). To fully grasp an understanding of the research problem and questions the researcher needed to "understand motives, meanings, reasons and other subjective experiences" (Hudson & Ozanne, 1988) in relation to the secondary information (journals, articles, books, etc.) to gain full context.

4.3. Approach to theory development – Induction

The theory to conduct this research was developed through Induction as the researcher was "moving from specific observations towards broad generalisations that influence the formation of concepts and theories" (Locke, 2007). Induction has been used in this case because it is exploratory in nature, helping to focus on the specific activity of creating retention strategies post-M&A (Hammersley, 2019). While exploratory in nature this inductive approach has helped the researcher in theorising some of the data elements that are new or not in common practice (Bansal, Smith, & Vaara, 2018). Strategies around the retention of employees are well studied but there is much room to fill in the gaps when it comes to the socio-cultural factors and the external actors.

Induction is common in qualitative research, it works to provide a "rich understanding of complex social contexts" is important as the aim of this research was to gain an understanding of how the social actors within companies perceive and understand the employee retention strategies post-M&As through the collection of qualitative data (Pascale, 2011). More importantly it was the experience the chosen sample population have, in respect of M&As.

4.4. Research Strategy – Qualitative case study

The researcher's aim was to look at how and why various actors influence the development of post-M&A employee retention strategies, deeming the viability of a qualitative approach to this study (Holmlund, Witell, & Gustafsson, 2020). The aim of this qualitative research method was "to examine human behaviour in the social, cultural, and political contexts in which they occur" (Van Zyl, 2014). A qualitative approach is fitting in many the business world and management settings, allowing the researcher to be reflective when observing strategy choices (Cassell, Cunliffe, & Grandy, 2018).

Everyone has a different perspective of life, especially on how they approach strategy creation. The researcher has structured this research in the form of a multiple case study to help generate the development of the knowledge. The data collected has been organised based on these "multiple case trajectories" (Lewis-Beck, Bryman, & Futing Liao, 2004). Multiple case studies demonstrate a holistic viewpoint of different contexts and aspects of a situation and their relatedness allowing for generic conclusions to be reached (Tight, 2017). The data was collected through the use of semi-structured qualitative interviews with a range of experienced people leaders, skilled specialists and human resources professionals. Qualitative interviews are a rich source of data that is unique to the participants as it is collected from participants with varying backgrounds, roles and experiences (Myers, 2013).

4.5. Purpose of the Research Design – Exploratory

In this discussion of retention strategies post-M&As, conditions that influence them and the external actors have been discussed to note how they influence each other. The researcher has used exploratory research to discover a better understanding of the topic, finding details with a goal to grow the knowledge base of this subject (Jupp, 2006).

4.6. Time horizon – cross-sectional

The time horizon is cross-sectional, as the data collected from individuals was done at one point in time. Although interviews have not been conducted together and at the same time, the participants had a single, defined time slot to relay their feedback to questions. The time factor has not created any bias but has afforded the researcher possible variations due to the different perspectives of the same phenomenon (Lavrakas, 2008). A comparison of individual variables like retention strategies and M&As has been done, while examining them against the sub-groups of individuals working in companies (Allen,

2017). While there are many challenges and opportunities related to using this time horizon, the researcher maintains that longitudinal time horizons would not have been appropriate as he was not observing a phenomenon while it was occurring.

4.7. The Sample

4.7.1. Population

The population for this research was a finite group of companies that have undergone or experienced M&As in their recent history. These organisations have numerous employees that have worked for them in different capacities. Those employees have shared their different experiences with the researcher but further shared commonality in the fact that they were senior staff members involved in decision making at the time of the data collection. The companies and context vary between a South African firm acquiring a multinational, a South African firm being acquired by an English multinational, an American multinational acquiring a global competitor as well as local companies growing their local footprint. The participants are the content, the companies they work for are the population, the global economy was the extent and the time horizon was cross-sectional in 2021 (Lavrakas, 2008).

4.7.2. Unit of Analysis

The unit of analysis is the subject of the study, the retention strategies used by firms post-M&A (Lewis-Beck, Bryman, & Futing Liao, 2004). There hasn't been a focus on a specific occurrence or specific organisation, rather participant experiences of various events, that are brought out in the collected data. International Business elements have been brought out as follows from the interviews; participants who worked for a South African firm acquiring a multinational, a South African firm being acquired by an English multinational and an American multinational acquiring a global competitor. No other data has been collected outside of the rich data collected from the semi-structured qualitative interviews. While the qualitative data was collected from individuals, analysis of the data could take place with different units and not necessarily the same ones (Spickard, 2021).

4.7.3. Sampling technique

The researcher has identified organisations that have undergone M&A activity either as the target firm or acquiring firm. From those organisations, the researcher has identified individuals or employees that were willing to share their experience, therefore purposive or purposeful sampling was the sampling technique used, because a very specific group of people was selected (Mathison, 2005). This intentional sampling technique involving

preselected participants has therefore been ideal, as the researcher has used sound judgement to obtain a suitably representative sample (Black, 2010). The sample group is diverse in numerous aspects namely, diverse in age, skill level and discipline, educational background, industry, work and leadership experience as well as gender. The sample group is therefore heterogenous (Saunders & Lewis, 2018). There are some disadvantages to this technique, such as possibility of errors in judgement or high levels of bias. However, the researcher avoided struggling with limited primary data source participants as well as time constraints, deeming this technique as adequate.

4.7.4. Sample size

The goal of a qualitative study was "transferability and discovery", so the researcher needed to ensure that the study was not undermined by deviating from that sample size (Griffith, 2013). Ideally, the researcher's goal was to get as many responses to the interviews as possible. There were numerous challenges to sourcing the sample due to the time availability of participants. Most of the participants are very senior members of their respective organisations and were busy with yearend activities and board meetings. The objective in the sample size was to reach data saturation (Tietjen & Sharma, 2017), as the researcher got participant responses to the interview questions, this enabled the researcher to manage any biases, fallacies and missed questions to the interview within the brief timeframe. However, the researcher opted for a sample size of at least eight participants for a qualitative case study which has enabled the researcher to manage the process within the brief timeframe (Creswell, 2002).

4.8. Research instrument

Interpretivism is inclined to focus on the experience of the sample participants with inductive logic of enquiry (Shemmings & Ellingsen, 2012). A semi-structured qualitative interview is the best tool to use to get that level of information. There are however some disadvantages, such as cost and a high chance of bias. In the case of interviews, there might be potential for growing costs when considering interviews with multiple individuals. The quality of the information collected from interviews could also be vulnerable and dependent on the level of skill possessed by the interviewer (DeFranzo, 2021).

The interviews have been conducted only after ethical clearance was received over an online conferencing tool that is convenient to the participant. Microsoft Teams was used to facilitate, record and transcribe the conversations between the researcher and the

participants. A transcript per participant of the interviews was done based on the recordings. Video recordings were made to ensure no technical mishaps using Microsoft Teams on the researcher's laptop. The estimated time expenditure was initially thirty to forty-five minutes in length per interview, but the actual interview times varied greatly from each other due to the level of experience of each participant but also time constraints on the part of the participants. The participants were advised in the informed consent form as well as prior to the interview of the recordings. The researcher assured confidentiality of what the interviews yielded. Each participant's name was requested but will not be included in the final research paper. As this research focuses on the experience of the participants, company related information has not been requested and the researcher has ensured that the participant's employer remains anonymous. Semi-structured qualitative interviews have been conducted to gain primary data.

The semi-structured qualitative interviews were guided by an interview guide that was developed using five phases (Kallio, Pietilä, Johnson, & Kangasniemi, 2016), namely:

1. Identify prerequisites for using semi-structured interviews
2. Retrieve and use previous knowledge
3. Formulate the preliminary semi-structured interview guide
4. Pilot the guide
5. Present the complete semi-structured interview guide

By developing the qualitative interview guide in this in depth and thorough manner, the researcher has ensured that the data collected is "objective and trustworthy" (Kallio, Pietilä, Johnson, & Kangasniemi, 2016). The research questions were modified in the qualitative interview guide to facilitate a free-flowing conversation. Below are the interview questions, as per the qualitative interview guide, mapped to the corresponding research question. While the main research question is "what and how do various actors use specific staff retention strategies after an M&A" and relates to the overall purpose of this research paper, focus with in this chapter will be on the sub-questions as they contribute to the main research question.

Table 4.8.1. Interview guide versus research questions

Research Questions	Interview Questions
Participant profile	What is your education level?
	How many years industry experience do you have?
	How many years leadership/HR experience do you have?
	Have you experienced a merger and acquisition and when was that experience?
	What side of the acquisition were you on?
Sub-question 1 - What are the specific strategies implemented to retain employees post-M&A activity?	What strategies have you/would you use to retain employees?
	What considerations do you make when developing retention strategies?
Sub-question 2 - How do the socio-cultural factors influence the staff retention strategies?	How do the personal factors of the employees influence choice of strategy?
Sub-question 3 - What is the role of external parties, such as consultants, competitors, and labour unions, as cocreators of staff retention strategies in mergers and acquisitions?	How do external parties effect the development of retention strategies?
	How reliant is business on these external parties?

The sample group of participants was a diverse mix of employed professionals with managerial/leadership experience relevant to the research scope of post-M&A employee retention strategies. The participants ranged in age from thirty-one years of age to over sixty years of age. The gender split was fairly balanced with four female and five male participants. The diversity of the sample group extended to the diverse educational backgrounds of the participants ranging from a professional change manager, qualified engineers and accountants, actuaries and a PhD. The industry split was also different with the reinsurance, project management, educational, banking, IT and investment industries represented.

The high-level participant profiles will be presented a table format below with identifiers that will not compromise the confidentiality provided for in the informed consent. The order of the participants was determined based on the participants scheduled availability. This order will be reflected in the order of the table below.

Table 4.8.2. Interview participants in chronological order

Parti-cipant	Work/Leadership experience in years	Gender	Educational background	Participant profile	Type of M&A/Organisation	Length of interview in minutes
1	LE: 25 Years	Male	BSC Actuarial Science, MBA, PhD	CEO of a group of educational institutions, Director of an investment company	South African firm acquiring a multinational	63
2	WE: 25 years/LE: 19 years	Male	BCom honours Insurance and Risk, MBA	Senior executive at a UK owned reinsurance multinational	Multinational acquiring a global competitor	30
3	WE: 37 years/LE: 31 years	Male	BSC Engineering, Certified director	Non-Executive Chairman at a UK owned reinsurance multinational	Multinational acquiring a global competitor	34
4	WE: 12 years/LE: 5 years	Male	BSC Actuarial Science	Executive at a SA owned insurance multinational	South African firm with international ties strengthening local footprint	23
5	WE: 8 years/LE: 4 years	Female	BSC Actuarial Science, Associate actuary	Executive at a SA owned insurance multinational	South African firm with international ties strengthening local footprint	21
6	WE: 21 years/LE: 8 years	Male	BCom Information Systems and accounting	Senior manager at a large SA based IT and services provider	UK based multinational acquiring a large South African firm	31
7	WE: 20 years/LE: 15 years	Female	Bachelor of business administration, Professional change manager, Project management certifications	Executive Change leader at a group of educational institutions	South African firm acquiring a multinational	19
8	WE: 9 years/LE: 6 years	Female	Degree in Civil Engineering, Masters Engineering management	Senior manager at a large state-owned enterprise	South African firm strengthening local footprint	19
				Average interview time		30
				Total interview time		240

The request for participation in the qualitative semi-structured interviews was voluntary and not presented with any expectations outside of the purposes of an academic request. The participants were also advised that the interviews would be recorded and

transcribed, with the files stored on secure servers. Privacy and security were chief concerns of the researcher who also removed personal identifiers that could potentially remove the comfort of confidentiality.

Another objective of the researcher in the qualitative interview process was to get the participants personal experiences and perceptions around the topic of post-M&A employee retention strategies and the research questions. The interview guide ensured that the researcher and participants were able to discuss key aspects of this. The interviews were initially scheduled to be between thirty and forty-five minutes in length. Some interviews were much shorter with one being over sixty minutes. The interviews commenced towards the end of September 2021 and continued through October 2021. The interviews were conducted on Microsoft Teams, an online conferencing application which allows users to facilitate, record and transcribe meetings and interviews all-in-one. The interviews were held via this form of online tool due to the lockdown regulations imposed by the South African government to curb the spread of COVID-19.

Overall, the qualitative interviews that were held, were a success with all the participants maintaining a high level of professionalism and understanding of the topic based on their varying experiences. A big challenge to the researcher was the time availability of the participants which ultimately shortened the time spent on most of the interviews. Most of the participants are extremely senior members of their respective organisations and were engaged in various board meetings and other projects, year-end commitments. Another point to address relates to Participant 8 who works for a state-owned enterprise (SOE). Generally, consensus with SOEs is that they are not involved in M&A type activities or transactions. Participant 8 and their respective employer however have been involved in various low-profile acquisitions of suppliers and consolidation efforts, affording them the opportunity to be part of the participants for this research project. The following section will delve into the analysis process of coding.

4.9. Data storage

By using interviews as the method of data collection, the researcher was able to comprehensively develop an understanding of the research phenomena by means of getting first-hand accounts (Patton, 1999). These first-hand accounts are seen to the researcher as the intellectual property of the participants which therefore require safe keeping, especially since the participants gave their accounts in trust. The data gathered from the interviews including the recordings are all saved in digital format. The

researcher has ensured that all records relating to the interview are stored electronically behind a 2-factor verification on his personal drive on his company's server. This will ensure that the data is not overwritten but rather backed up, to ensure no damage, decay or corruption (Given, 2008). Only the researcher has access to the raw data, no other people have authorization to access the data while on the personal drive. The researcher has no intention of distributing this data outside of research purposes and the purposes of the MPhil.

4.10. Qualitative Data Analysis

The researcher has attempted to analyse the collected data by firstly reviewing the recordings and transcripts of the interviews. Understanding the discussions held have enabled the researcher to apply content analysis which provide frequency related statistics. The number of times a specific issue is identified, it will be counted and reported to enable accurate measurement (Byrne, 2017).

To support the analysis process, the researcher will use Atlas TI to manage all the documents and notes. Atlas TI is a qualitative data analysis tool. Through use of this software the researcher will be able to code and analyse the data better and faster.

4.10.1. Coding the primary data

The coding process was done using Atlas TI, a qualitative data analysis tool provided to the researcher by the university. Atlas TI would be used to assist the researcher to be able to do a thorough thematic analysis, which is a qualitative data analysis method. The researcher applied a six-step process to conduct the thematic analysis:

1. Familiarisation – getting to know the data before analysing
2. Coding – selecting specific sentences and phrases that best describe what is being discussed
3. Generating themes – themes combine codes that are in a similar vein or idea
4. Reviewing themes – sense checking to ensure there is no duplication or assessing if there is a need to split up the codes into separate themes
5. Defining themes – ensuring that the themes are succinct and covey the thinking of the participants
6. Write up

The data sourced from the qualitative interviews drove the themes, highlighting that the researcher used an inductive approach to create the themes. Data that was sourced directly from the qualitative interviews, via the transcripts that were created. The transcripts were read through and analysed prior to the creation of codes. Once the researcher was able to clearly understand the responses from the participants as per the transcripts, he engaged the qualitative data analysis tool. Key points were taken from each of the qualitative interviews and coded accordingly with a quotation relevant to the interview questions that were asked. The researcher was able to extract One hundred and Ninety-six codes from the nine interviews. The codes were accompanied by Two hundred and Fifty-two quotations. The codes extracted were next grouped together with other codes of similarity. The groups were then organised into categories and themes which are in line with the research questions as presented in Chapter 3. The codes, groups, categories and themes are split between the participant profiles and the research questions as the reader will note in Chapter 5 of the presentation of the results and findings. Additionally, codes, groups, categories and themes specific to each research question will be illustrated in summary and discussed in detail in Chapter 5 of the presentation of results and findings.

4.11. Ethical consideration

In order to demonstrate a high value towards providing ethically sound research the researcher has made various sureties. In the case of all participants, the researcher has ensured transparency with detail around exactly what the intentions are when requesting their consent, without being deceptive. Both through the informed consent form as well as a verbal mention, the researcher conveyed the motivation for the research as well as the goals and objectives of the researcher. The researcher respects the privacy of each participant and that of those who declined to participate.

The researcher did not plagarise, falsify or fabricate data or literature. The researcher has used tools like Turnitin to ensure the researcher monitors for any possible anomalies in the texts that could jeopardise the research's credibility.

4.12. Limitations

Firstly, there are limitations related to the sample and the interviews. The research that was collected was based on a small sample group therefore the experience and opinions expressed were based on a small group across multiple industries. The diversity of the

sample group was critical to ensuring that the sample was not homogenous. The size of the sample combined with their diversity could possibly limit the study as the results may not reflect the views and opinions or the greater majority of working professionals.

A major limitation that was noted relates to the amount of time spent in the interviews. Some participants offered a great amount of detailed information about their experience however there was not enough time to fully capture this information. Further to this, was the time of year that greatly impacted the availability of the participants as well as other potential participants that could not avail themselves due to other commitments as leaders of their respective organisations. In some respects, with hindsight, the interview guide could have also included some additional open-ended questions to gain further insights.

Next are limitations related to the methodology and design will now be discussed. Content analysis is a very time-consuming exercise due to the potential volumes of data available. Additionally, the context of the data is often ignored whilst being reductive when dealing with complex texts (Colorado State University, 2021). Case studies are likewise time consuming and might be expensive depending on how the data is sourced. However, they are well recognized in the field of business to explain, describe or explore events or phenomena and lending itself well to capturing information on more explanatory 'how', 'what' and 'why' questions (S. Crowe, 2011). Case studies are a one stop shop to rich, detailed qualitative data whose advantages greatly outweigh any limitations or weaknesses. There is always a benefit of validity, reliability and generalisability as authors might impose their personal biases, however avoiding sources that contain predatory artefacts will assist in managing the risk.

4.13. Conclusion

The objectives of this research were to understand why and how strategic actors of a firm choose and implement the most appropriate strategies to retain employees, to understand what the specific retention strategies that are implemented, how the socio-cultural conditions influence retention strategies and the role of other external parties in the creation process of the retention strategy.

From the available literature, it is somewhat still unclear why specific retention strategies are used post-M&A in the real world with real employees, especially since the motives of M&As vary and employees present very different priorities. Furthermore, it is not clear

how the actors involved in these strategies implement them post-M&A. There is a clear need to develop theory in the how the strategic actors interact with employee retention strategies post-M&A. This study has focused on the employee retention strategies companies employ to manage employee retention post-M&A by growing and developing the knowledge on the subject.

Chapter 5: Findings

5.1. Introduction

This chapter will present the data, findings and results gathered after having completed qualitative semi-structure interviews with eight participants. The interviews were conducted online due to Covid-19 restrictions using Microsoft Teams to facilitate, record and transcribe what the conversations between the researcher and the participants. A third party would be requested to sense check and edit the transcripts where necessary, subject to a standard non-disclosure agreement. The interviews were spread over a three-week period due to the availability of all parties involved. Informed consent was given by all participants, with the participants all signing the informed consent form prior to the interviews. The informed consent forms and the process were explained to all the participant beforehand to ensure they how the process would be executed.

The objective of the researcher was to get a range of experienced people leaders, skilled specialists and human resources professionals to participate in the qualitative interviews. This objective was achieved as the sample group of participants was a diverse mix of professionals, diverse in age, skill level, educational background, industry, work and leadership experience as well as gender. This diversity contributed towards eight dynamic, interesting and revealing interviews. All the participants have had exposure to M&A type activity in one shape or form. Some had worked for firms that were acquiring another firm and others worked at target firms that were acquired by another firm. While some had experienced both it is important to note in relation to the International Business aspect of this research paper, that as per the participant list in table 4.8.2., participants were able to speak from the perspective of cross-border M&As.

This chapter will begin with a clear and comprehensive description of the qualitative interview participants whilst maintaining the agreed confidentiality advised to them in the informed consent form. The presentation of the results and findings chapter will be guided by the research questions as brought out in Chapter 3 of this research paper. Those questions respectfully:

Main Question - What and how do various actors use specific staff retention after a merger and acquisition?

> Sub-question 1 - What are the specific strategies implemented to retain employees post-M&A activity?

- How do the socio-cultural factors influence the staff retention strategies?

<u>Sub-question 3</u> - What is the role of external parties, such as consultants, competitors, and labour unions, as cocreators of staff retention strategies in mergers and acquisitions?

The analysis of the research questions as well as the data gathered from the qualitative, semi-structured interviews was conducted using a qualitative data analysis methodology. The researcher utilised Atlas TI as the qualitative data analysis tool to assist in getting codes from all the interviews, grouping of those codes and arranging those codes into categories and themes. Various theme came out of the analysis process that will used in this chapter in conjunction with the research questions. This chapter will start off with a description of the qualitative interview participants, then it will move on into the results and findings of the qualitative interviews.

5.2.   Research sub-question 1

"What are the specific strategies implemented to retain employees post-M&A activity?"

The first of the secondary objectives to this research paper is "to understand what the specific retention strategies that are implemented" which is succinctly brought out in this section. The interview questions as discussed in Chapter 4 specific to this research sub-question are as follows:

Table 5.2.1. Interview questions versus research questions.

Research Questions	Interview Questions
Sub-question 1 - What are the specific strategies implemented to retain employees post-M&A activity?	What strategies have you/would you use to retain employees?
	What considerations do you make when developing retention strategies?

The participants were asked based on their knowledge and experience what employee retention strategies they had implemented or were familiar with. The examples given were based on actual, real life examples that the participants brought in their experiences

from different organisations and different time periods. Furthermore, they brought in perspectives from different levels in their respective organisations. Each theme will start off with a table of the codes, code groups/categories and the themes applicable. A full presentation of the findings, results and codes will follow.

5.2.1. Theme 1: Communication

Communication was a common theme that was brought up by all the participants. Fifty-three quotations were retrieved under the theme of communication as relevant for this research paper. The most frequent codes, as observed in the table below, were "transparency, clear communication, aligning of expectations and employee participation and decision making". The other codes brought out under the theme of communication like "communication to staff and other stakeholders", "communication on a regular basis" and "listen to employees" will be discussed next.

Table 5.2.1. Codes, code groups, categories under theme - Communication

Codes	Code Group/Categories	Theme
Communication to staff and other stakeholders	Communicate with stakeholders	Communication
Roadshow	Develop communication channels	
Align expectations, Clear communication, Communication on a regular basis, Debrief	Clear and regular communication	
Forums, Project team, Workshops	Develop communication channels	
Day-to-day communication, Top-down communication, Listen to employees, Face to face meetings, Employee participation and decision making	Employee communication	

Starting with internal communication, the participant responses were consistent around the communication needing to be clear and regulator. Clear communication from the very beginning and throughout the process with all parties, everyone on both sides of the transaction, whether it be a merger or an acquisition. Communication is important also whether the employee was on the target side, acquirer side or from the perspective of an employee in final combined entity. Participant 7 brought in the point that with an M&A, the combining of organisations heralded the creation of new organisation, an idea that needed to be sold to the employees and done so through transparent conversations.

Participant 7: "here is an opportunity for you to sell the new vision of this new organization to your employees and be really open and transparent in your conversations with them".

Participant 5 echoed this point by saying that the business needs to get the message across to their staff that they are part of the bigger picture and that they need to buy into that message.

Participant 5: "you need to get buy in from employees and they need to almost relay that message. So, you need to consider how you make your staff feel like they are still part of the bigger picture".

Achieving employee buy-in however is not an easily achieved goal as depending on the level and competency of the employees, not all employees understand what an M&A is nor is understanding of how they develop and impact the employee as an individual. Participant 3 brought this point out in the quote below.

Participant 3: "some staff understand what the merger is, some don't understand what a merger is".

In order to get buy-in then, a common understanding has to be cultivated as Participant 2 brought up in their quote below.

Participant 2: "really communicating and making sure that there is a common view of what we need to achieve is much more important".

These points open the way to aligning the expectations of all parties affected without creating false expectations, are per Participant 2, that change once the dust has settled and the transaction is over. For employees on the target side, it is important to remind them that there was a reason behind why their business was acquired and that they were a driving force in that decision, a point highlighted by Participant 6 reinforcing that there was nothing wrong with old organisation.

Participant 2: "The thing is to not give false hope to someone, and then they find they are not actually going to achieve whatever they might have expected within those changes that might arise".

Participant 6: "It's also about understanding that the entity that you come into, the very reason we bought it is not because it was suffering before, it was performing".

While many stakeholders are important in an M&A, it is therefore important for employee communication to be transparent, planned, precise and deliberate. Day-to-day communication is a necessity to keep employees aware of what is happening on a regular basis. Communications need to be sent out frequently without fear of over-communication. If reassurances need to be made, they should be made. To the point of communication being clear, information needs to be shared from the source, directly from the most senior persons right down to the lower-level employees.

Participant 7: "keep your people informed, even if it's just day-to-day communication about what's actually taking place in terms of the organizations strategic direction. Send out as much communication as you can. I don't think you can over-communicate, but what you want to do is be transparent and reassure people too. You know, if there are not going to be any job losses, they need to know that".

Participant 8: "it required a lot of communication. So, we got the directive from the top and then through line management it was then filtered down to the employees and then they communicate it directly to their line and information was taken up and then to the different operating divisions to obviously get an indication of what resources are required so they can place people in appropriate positions".

Participant 3: "There are people in the communication side that we had regular communication to staff as a team. But then within that team we are speaking to the tea lady right up to your number 2 at both at both organizations".

Various channels for communicating need to be created. Participants of advised forums, project teams and workshops that were created or held to encourage employee participation as well as empower employees to feel like they were a driving part of the process. Consideration in some examples was also given to COVID-19 lockdown restrictions. Some transactions took place over this period and it did not assist in the communication efforts. Face-to-face meetings through the use of informal settings should be held where possible.

Participant 1: "we started creating forums in which people could participate and that would be decision-making forums and we actually started sitting in on kind of daily

operational meetings. So, sales would have a meeting. Go sit there, listen, give feedback to their manager afterwards. Stuff gets actioned, it gets done".

Participant 3: "we set up a project team from my side with one or two people and the other side it's one or two people just to understand their business model in the concerns".

Participant 1: "Phase two was a roadshow or tour. Where we actually then went into every operation and division in the business and we just listened. So, it's 3 directors. We sat there, we listened. We made lists of all peoples issues". "We would create kind of informal spaces in which we could just talk. Yeah, and also face to face opportunities to just engage so and that was exceptionally important". "A couple of times we got together physically, once again in covid that was something that was of high value".

Granting employees, a platform to air their concerns is also supported by the notion of listening to the employees and in certain cases actioning their requests or ideas (Participant 1). Having individual and team discussions assists in aligning team members so that they know where they fit in (Participant 3). Reflecting on the points employees brought up and the progress of retention activities also helps to affirm the decisions made or make changes if necessary. Retention of employees can be assured by creating participation through communication (Participant 1).

Participant 1: "Just share some ideas. Be informal, be formal, be whatever version of the truth we needed to just talk etc and get them to vent because they're trying to say things and we're trying to listen ".

Participant 3: "Personalities of certain individuals. So, then you also need to have individual communication".

Participant 6: "And also that then helps us to align who needs to be in what team and the makeup of the different teams".

Participant 1: "We also spent a lot of time debriefing on what happened up to that point". "By creating participation, it created retention because people just thought OK".

Overall, the consensus from all participants was that communication was a feature in the process of retaining staff which Participant 3 summed up well in their statement below.

Participant 3: "I would say communication was extremely key and we agreed that we would communicate on regular basis to both staff and mainly clients".

5.2.2. Theme 2: Employee engagement

Under the theme of employee engagement code groupings emerged around actual "employee engagement", "employee input" and "employee motivation" where very similar sentiments to Theme 1 were shared. "Transparency" again scored a high frequency, along with "employee buy-in" which opened the way to references about "listening, managing needs and giving assistance". The participants understood the value of giving employees comfort and helping employees to get their desire results from their jobs, but they also see how valuable it is to "bring people along". This section will delve into the specific codes and quotations that are fundamental to the theme of employee engagement.

Table 5.2.2. Codes, code groups, categories under theme – Employee engagement

Codes	Code Group	Theme
Go with people's ideas, Listening managing needs and giving assistance, Retain senior managers	Employee involvement	Employee engagement
Bring people along, Encourage staff to open up, Involving individuals impacted, Just share some ideas, Understanding employee desires, Whatever you want to say whenever you want to ask	Employee input	
Get employee buy-in, Get them engaged, Give comfort to get buy-in to the new company, Invigorate employees, Transparency	Employee motivation	

Since this process is specifically about retaining employees, the organisation needs to know what employees want, expect and what they value, as brought out by Participant 8.

Participant 8: "I do think that when you are basically selecting a strategy, you need to consider what it is that people want. What it is that people value".

Participant 1 was cognisant that implementing a strategy is not something the organisation can just jump into from "day one". A more systematic yet "deliberate" approach is required while maintaining "transparency" and a "natural" feel about it.

> Participant 1: "I don't think you can just come in. Execute your strategy from day one. You have to be kind of very stepwise and very deliberate and very natural about it and transparent".

Participant 5 repeated the point around "transparency" and being "honest" about the "journey" which will develop the "trust" between employees and the organisation. The strategy needs to be guided by this. Although not all employees will buy-in, especially those who are "risk averse".

> Participant 5: "the first thing that needs to guide any strategy that she put down is transparency. I think it's important to always be really transparent and honest in terms of what the journey will look like, and I think that creates trust and element of trust and I think for any transaction there's always going to be people who are risk adverse versus um, risk neutral".

Getting the employees' input is thus important rather than making assumptions. But this is easier said than done as the organisation needs to encourage the employees to open up and be clear without having any fear. The organisation has to work on how it encourages employees to open up (Participant 2).

> Participant 2: "encourage them to open up when in individual one on one basis."

This "bring people along" approach was conveyed by Participant 6 wanted to keep employees fully informed and address any of their fears by communicating all the details of what was happening. Allowance for discussion was important too to avoid giving the impression of an autocratic process that would further add to any stresses.

> Participant 6: "Not all people respond very easily to change, so it's about the communication part of things and we bring people along, so they make sure that they are fully informed about the different steps that we are taking at every turn and then obviously allay any peoples, all the people's fears. And more importantly is to get them engaged to be part of the design of where we are going versus a

dictating type of environment where we say you are going to do this now. It's more about bringing them in and then saying these are the types of things we want to get".

In order to fully enable openness of the employees and get the "truth", encouragement to share ideas and share complaints was advised by Participant 1. This effort to allow employees to voice their concerns was followed by Participant 1 also encouraging employees to ask questions if they are unsure. Assurance was given that the organisation was listening, and this enabled dialogue to occur even on more difficult topics.

Participant 1: "Just share some ideas. Be informal, be formal, be whatever version of the truth we needed to just talk etc and get them to vent because they're trying to say things and we're trying to listen". "And we just started, took a view of transparency. Just whatever you wanna ask whenever you wanna ask it however you wanna ask it just. Just ask, we will talk. Let's just talk until, and it's so weird, I mean nobody ever asked us the hard questions".

In some cases, some employees are more impacted by the process than others as Participant 6 reflected. Tackling this challenge from as many "perspectives" as needed by being clear about what the organisation wanted to achieve.

Participant 6: "It's more about bringing them in and then saying these are the types of things we want to get. Where are we going wrong? What we should be doing first and all of that. So, it's looking at it from multiple perspectives from directly from the people from the individuals impacted from the different processes".

Motivating employees is an important part of getting employees engaged as brought out by Participant 2 is about getting employees to buy into where the organisation is going through helping them understand the "vision" and the "challenges" that will be encountered in the new team. Participant 7 also promoted the point on selling the "new vision of this new organisation" while being "transparent" in all "conversations" with employees.

Participant 2: "A sense of buying into the vision, into the forecast, into the challenges that they are going to be, you know, taking on in the new team".

Participant 7: "here is an opportunity for you to sell the new vision of this new organization to your employees and be really open and transparent in your conversations with them".

Participant 2 went on to say that "an immediate connection" needs to be made to instil "a sense of belief" in the employees which is more important than incentivisation. Communication again was brought out to deliver "comfort" and create a sense of ownership as part of the "buy-in" promotion.

Participant 2: "from a retention perspective more than incentives, in my view, it's making sure that there is an immediate connection that you can make with the with the individuals involved that they can I have a sense of belief". "Of course, there would be communication that requires our ownership, so to speak, to ensure that you know there is a comfort, there is a buy in of the new company".

Participant 5 also brought out this idea of giving "comfort" to employees. Although not tangible, giving comfort to employees gave the employees "some job security".

Participant 5: "obviously there was some softer sides to it. Where comfort was, where the idea to give comfort to staff that for instance. There was some job security".

By being transparent and communicating properly to all employees especially when it comes to addressing their "fears", will invigorate the employees (Participant 2). This is a big contributor to employee motivation because they are taken seriously. Participant 6 raised the point of keeping employees "informed" during every step of the process which will "allay" the fears employees might have.

Participant 2: "they are invigorated to go forward with it because at the end of the day there are genuine fears around whatever role".

Participant 6: "Informed about the different steps that we are taking at every turn and then obviously allay any peoples, all the peoples' fears".

Participant 6 brought out the point that listening to the employees should be the start of the engagement process, with all reasonable requests given attention and assurances

based on those requests being given. These steps get the employees engaged which is an important aspect of the "design" of the retention strategy (Participant 6) and navigating the climate created by an M&A.

> Participant 6: "to me it's more about, you know, listening, managing the needs and giving assurance where practical, where it's reasonable to do so". "More importantly is to get them engaged to be part of the design of where we are going versus".

Another point brought out by Participant 1 was "enabling" employees to do their work better by transforming the systems they use.

> Participant 1: "In this first phase we focused a lot on systems transformation, enabling people to do their work in a better way".

Ensuring continuity of work by the organisation viewing "senior managers" as a priority due to their "skills and expertise" (Participant 4).

> Participant 4: "in terms of the acquisition you will have cases where you always want to retain like a senior managers skills and expertise".

5.2.3. Theme 3: Access to leadership

The leadership of any enterprise are responsible for creating and implementing all strategies for their respective organisation. While theme 1 and 2 are of great importance in the strategies used to retain employees after an M&A, the leadership needs to be seen as invested and believing in the process. Leaders, whether executives or manager on all levels need to be visible, available and receptive of feedback. Furthermore, leaders need to be supported and coached to do this properly. These aspects are brought up in this section, as the codes are brought to life with the participant's feedback.

Table 5.2.3. Codes, code groups, categories under theme – Access to leadership

Codes	Code Group	Theme
Executive visibility, Feedback given to managers, Getting to know the executive team,	Mobilise leadership	Access to leadership
Spend time and coach executives, Spent time with every single manager	Support leaders to lead	

Regarding the visibility of the "executive team", Participant 1 mentioned that as the acquiring company they dedicated one of their "executive team" to be on the ground, not just part of the executive committee but to be available while diving into the "inner" workings of the organisation.

> Participant 1: "as the acquiring, executive team. We nominated a member to spend most of their time in the business and create visibility in the business. So that was my job and so started being part of the EXCO. Being part of the structure is getting inside the inner rings of the organization".

An acquiring company also needs to be able to trust and have a good working relationship with the senior leaders of the newly acquired organisation as per Participant 1.

> Participant 1: "From a very experienced professional, are these the people that we want to be working with or not? OK. And that's absolutely critical. You have to figure out if you can work with your executive team and trust them".

When two companies merge it is also important to consider that the original entities both had CEOs. Now those two have two have to work together with one ultimately being the new CEO and the other in a supportive role. Communication needs to be had to clear the air and cooperate going forward regardless of how they might feel about each other (Participant 3).

> Participant 3: "Now my counterpart is himself. He's also obviously because he was CEO and was very good at what he does, he would also have his own considerations, but he will share with me OK. That much because that's personal to him. Whether he was comfortable reporting to me, he will never tell me. He'll probably say yes, and that's OK. But you know inside 'cause he's saying he's saying it just to make sure that things move on, but inside he probably wasn't happy and was probably looking so I had to visualize that. And in my own plans like contingency scenarios. What would I do if this guy doesn't come across? And if he doesn't come across as a leader of the other team?

Participant 1 who was involved in the acquisition of a multinational organisation advised how engagements with managers in all areas of the business was important. Participant

1 wanted to understand the "biggest issues" facing these managers so met with "every single manager" thus making themselves visible but also open to conversation.

> Participant 1: "we actually flew up and met management and spent time with every single manager understanding their biggest issues".

Further to this, "feedback" was given to managers from the "forums" and "operational meetings" discuss in section 5.4.1.1 (Participant 1).

> Participant 1: "we started creating forums in which people could participate and that would decision making forums and we actually started sitting in on kind of daily operational meetings so sales would have a meeting. Go sit there, listen, give feedback to their manager afterwards".

Support for senior staff was looked as important for them to do their jobs and work in accordance with all strategies while remaining engaged and invested in the company. Participant 1 therefore employed the services of an experienced human resources professional to work as an "executive coach" to get the executives and managers in line with the process and to assess if they would be part of the journey going forward.

> Participant 1: "brought in a key person from our HR kind of an executive coach level type person to spend some time with every uh, executive team member. So, our first objective was to get the executive team on sides. Yeah, because if you if you don't have managers that will run with you, you have nothing, and we had them assessed. Kind of quietly. They didn't necessarily know at that time that they're being assessed".

5.2.4. Theme 4: Policy changes

The final theme for research sub-question 1 is policy changes which specifically refers to organisation specific codes. Codes groups in this section will be developed such as "business needs", understanding the "external environment", "culture" development, "job design" and "job certainty" to name a few. This is the largest theme in this section with the most codes and quotations. Some interesting perspectives came up in this section as well as differing opinions and approaches which the researcher will highlight.

Table 5.2.4. Codes, code groups, categories under theme – Policy changes

Codes	Code Group	Theme
Client engagement, Industry players want key staff, Strategy must be responsible to environment, Understand the operating market, Threat of competitor recruitment	Understand external environment	Policy changes
Listened to what the customer was saying, The business sells employee skills	Customer needs	
Deliberate execution, Aligning with head office	Be deliberate	
Change the systems, Duplicate roles, Need to replace old systems, No need for many staff	Business needs	
Become part of the culture, Blend employee experiences, Build an employee value proposition, Building trust, Establish an identity, Propose a new culture, Rebuild and forge a different culture, Start introducing cultural initiatives	Develop the culture	
Leaving jobs to live somewhere else, People needed to be placed into appropriate positions, See what role and what contribution employees will make	Employee circumstances	
Job rotation, Key employee profiles, Map out level of skills, Promote learning and development, Skills and job alignment	Employee development	
Brought in key HR person, Moratorium to protect jobs, Promote belief in employees, We're not going to get rid of anybody	Human resources changes	
Changing the way things work, Employee relocation, Employees would be absorbed into other divisions, Enable people to do their work better, Implement a learning type of organisation, Introduce change management, People need to learn new skills, Promote career opportunities, Relook current skills, Repurpose employees	Job design strategies	
People are retiring/Contracts ending	Natural attrition	
Confirmation of continuity, Give staff more certainty, Growth without job losses,	Employment guarantees	
Allay all the people's fears, Dispel fears, Job security, Opportunity to change roles/products, Respond to fears	Job certainty	
Ensure staff understand the process	Employee motivation and engagement	

Compensate high talent employees, Employee benefits, Ensure longevity in remuneration policy, Financial incentives, Financial rewards, It doesn't hurt to incentivise, Key staff retention bonus, Long term employee recognition, Monetary, Money given, Remuneration, Retention bonus, Retention incentives	Remuneration

Starting with policies that affect the internal workings of the organisation is codes under the category of human resources and company policy that are important to contributing to employee retention. Participant 1 again brought out the point of deliberate execution of a strategy but doing so in a step-by-step fashion.

> Participant 1: "I don't think you can just come in. Execute your strategy from day one. You have to be kind of very stepwise and very deliberate and very natural about it and transparent".

Policy assessment is a good point to start from because it is the guide to how the organisation operates. Participant 4 emphasised the alignment of activities with the "head office" way of doing things. "Updating" the policies to be "in line with the group".

> Participant 4: "You make sure that everything that you do is actually in line with what they do at head office and stuff like that. Also updating like some of the policies and all those things, making sure that whatever you're doing is actually in line with the group".

The development of a united, new company culture is good but when acquiring an organisation, there are already existing cultures at play. Participant 1 brought up the dismantling the existing culture and starting from new to ensure a new and improved culture through "cultural initiatives".

> Participant 1: "So we first had to become part of the culture, not knock everything that was there before and systematically start improving it up to the point where we could actually start introducing cultural initiatives and other stuff so".

Participant 4 had a differing opinion to that of Participant 1. Participant 4 acknowledged that differing cultures exist but their approach was to "maintain" the existing culture of the acquiring firm while the business transitions to prevent the new acquired employees from working in silos, separate from their colleagues.

> Participant 4: "obviously the company may have different culture. You need to make sure that you kind of like maintain the same culture while moving or transferring people from actually one company to the other. Because if you are one company, don't want two people to actually operate in silos as if they're not part of the main company".

Participant 6 also had a slightly differing approach with a goal to "blend" the experiences of the employees. The idea that the target firm was acquired because it has value to offer and a "new way" of doing things can be blended to "forge" a new culture. This idea of forming a new culture is similar to Participant 1.

> Participant 6: "You bought it because it's a performing entity. So now you need to blend, the idea was to try and blend the experiences and in forging the new way for both sides of employees". "I think the strategy has been mostly to try and rebuild, try and forge a different culture and then get the people to try and go along with their new way of doing things".

Participant 1's viewpoint to tear down and build up a new culture was substantiated by their comment about an organisation's culture being their "immune system". This "immune system" was "designed to kick out" non-conformance.

> Participant 1: "coming in with proposing a new culture and, my one colleague describes it quite well. He says culture is a is an organizations immune system and it's designed to kick you out if you don't conform".

When working on establishing a new culture Participant 1 discovered the need from interacting with the employees and noticing that they did not know who they were as a collective. This required the establishment of an identity.

> Participant 1: "It was an interesting kind of set of communication because we sat there and said, you don't know who we are, and we don't know who you are because we haven't agreed on who we are collectively".

This drove Participant 1 to start a "culture initiative", first through communicating with employees and getting them to express who they were. A new brand would be developed through consultation with all employees (Participant 1).

> Participant 1: "And we sat there and said, that's not for us to tell you. That's for us to all have a conversation around that. So, we launched a culture initiative where we appointed external consultants". "The new brand and part of the new brand was that we extensively consulted with everybody around".

Participant 7 brought in the points about even changing the "branding", "values" and "behaviours" to send a strong message to employees that the organisation is forging a "totally new culture". The points were driven home by communicating the idea of a "brand new start" for the organisation that all employees would be a part of with an "amazing vision".

> Participant 7: "And with it comes along, perhaps a change in the organisations branding and perhaps a change in the organisations values and the behaviours that are attached to those values. And so that is one key area then where communication comes in quite strong, because what you're trying to forge now is a totally new culture".

> Participant 7: "And what you also want to do is make this an exciting new culture. One that's really going to talk to core values of the individuals that are I left behind in this organization, and one that's going to sell this sort of amazing vision to them. That's really going to want to make them stay and be part of this journey to this totally new, brand new start that the organization is having. So yes, absolutely, this is a great time to seriously look at the culture element of the organization".

Participant 6 highlighted working with human resources to "build an employee proposition" that would make the idea of employees getting involved look attractive. The organisation has to build "trust" with the employees, hence the need for developing the culture and communicating (Participant 1).

> Participant 6: "one of the things we've done now is to work with HR to build an employee Value Proposition. So, what is what is as an organization that we offer to employees that come into the market. And that is also informed by what is happening

out there. What are the other entities doing? And one of the big things that was identified as we were going through the exercise over the last 12 to 15 months. The onboarding process was extremely lacking".

Participant 1: "building trust there and just all of it is about building trust".

Employee circumstances need to be looked at especially in the current business climate as brought upon by the COVID-19 pandemic as well as technological advancements. Employees seek flexibilities from their jobs, such as the ability to live and work from wherever they want within reason (Participant 6). Employers need to be aware of this and relook their policies that control location.

Participant 6: "It's already happening in many areas in America where people leaving their jobs because they've decided to live somewhere else. So, the trends of what's happening in the in the market greatly impacts on that retention strategy".

Another point related to employees being placed in the right or suitable role to match their skills set. The organisation needs to assess what they need from a resourcing perspective and by putting employees in "appropriate" roles the employees will be able to make a better contribution (Participant 8). The organisation will also benefit from including this in their future planning to make their business an exciting future prospect (Participant 2).

Participant 8: "we got the director from the top and then through line management it was then filtered down to the employees and then yeah they communicate it directly to their line and information was taken up and then to the different operating divisions to to obviously get an indication of what resources are required so they can place people appropriate positions".

Participant 2: "tapping into the company's future and making it as exciting as possible for the employees at an individual level, so that they can see what role and what contribution they will make, I think is even more important".

Employee development is an area that employees, especially key individuals, who take their careers seriously value. The organisation needs to understand exactly what skills and expertise they possess in their employees (Participant 6). Participant 3 brought out

how "key employee profiles" need to be established to help this process of understanding what skills and expertise employees possess.

> Participant 6: "map out the level of skills that we have as an entity".

> Participant 3: "Know what their capabilities are, their level of education, who they are, their preferences, and so on, and discuss. This is also very important for us that we understand the profiles of the key staff members and in our business. The key staff members would be on the sales side as well as on the operational side, but they sales side was more as more probably took a bit more of the of the effort because of fear of losing both".

Once an understanding of what skills and expertise is developed, an alignment of skills and job needs to occur. Included in that alignment is the alignment to "people's interests" to help drive the "attitude towards the work and how they get things done" (Participant 6).

> Participant 6: "One of the big things that we've had to consider is the skills levels of the different people and also aligning people's interests with what their skill at and also just a general attitude towards the towards the work and how they get things done".

Job designs need to be rethought to better address the needs of the new organisation. The need to change the way employees work to suite the acquirer or new business however goes beyond changing the systems they use as per Participant 6.

> Participant 6: "And there were a lot of obviously people who get stuck into their own ways. And this links back to what I'm currently working with now where we are fundamentally changing the way things work, so it's we've actually doing things that it's not just replacing a system. We've actually done a project where we look at the total operating model and saying why are you doing this whatever task that you're doing".

Participant 6 highlighted in conjunction with the above that "new skills" would need to be learned and the organisation as a whole should facilitate this by transforming into a "learning" organisation. Participant 6 went on to add that an assessment of current skills

was necessary to see what new skills could be learned to "support the new operating environment".

Participant 6: "one of the strategies about implementing a learning type of organization, so when people understand that it is going to evolve very quickly, and people need to learn new skills". "So, I need to relook at my resource allocation as well as the current skills. What kind of courses do I need to send them on in readiness to support the new operating environment?".

This drive to help employees do their work better coincided with Participant 1 transforming the systems that the employees were using. Participant 6 shared a similar thought around repurposing employees' role after integrating new technology to the business. As the business changed, employees would need to be moved around (Participant 8). Career opportunities would need to be promoted to ensure employees feel like they can still develop themselves and their careers (Participant 8).

Participant 1: "we focused a lot on systems transformation, enabling people to do their work in a better way".

Participant 6: "with the technologies that were bringing in, if it is still required, how do you repurpose the current employees or the people that are doing those jobs".

Participant 8: "A strategy that was used was to allow employees to be able to maybe select the operating division that they would like to go to, and if there are positions available there then they would be absorbed there". "Also promotes the idea that even if you move to like and another division, there is still potential for growth in your career". "making the employees aware that even if you move to this operating division, you can still qualify as a CA or you know you can still get your engineering qualification as an example".

An aspect to consider as brought out by Participant 4 is if an employee wants to move to another geographic location where the organisation has an office, the organisation should consider this for its strategy. After an acquisition, employees might need to move to a different location. This has to be managed to ensure a smooth "transition" which could also impact the company "culture" (Participant 4).

Participant 8: "Another strategy that was used was basically if employees preferred to maybe live in a different, province provided obviously that the that they have offices with a base there then that was an option for that".

Participant 4: "So you find that if a company is acquired and then now the staff has to move, let's say to another province. I think staff relocation is also an important one and also making sure that the transition is actually smoother in terms of culture".

Organisations could take advantage of the M&A process to "reshuffle and restructure" the business. This will enable the business to focus on its core functions, however it could also result in retrenchment which is contrary to the goal of employee retention (Participant 7).

Participant 7: "If you're going to be focusing more on sort of your core business, there's going to be some structural changes that are going to come up so that is definitely a strategy and an opportunity to look at some of the operational changes you can make, which might result in perhaps some retrenchment of staff that have become redundant in their roles and also creates the opportunity too for development opportunities and promotion opportunities for the talent within your organization". "This is also an opportunity, perhaps, if there is some reshuffling and restructuring that's taking place due to changes in roles and changes in some of your products".

Participant 8 highlighted the importance of managing the change process from the beginning and during this whole process and not just at the end. Change management would help to reduce any "resistance" and uncertainty that an M&A and all the other changes would bring.

Participant 8: "ordinarily you want to sort of introduce change management like beforehand and ensure that once the merger etc is finalized or signed off that there's a plan, so they did a sort of. In retrospect, they told people there's going to be a merger, and then they started sort of the change management process, which obviously you won't get resistance from people because of uncertainty".

From a human resources perspective, the organisation would need to help promoting belief in the employees by removing the anxiety of the employees having endure the changes while still being expected to reach their performance targets, thus allaying

employees' fears (Participant 1). Participant 1 spoke about the mantra that they created to help employees understand that the employees should not fear losing their jobs as job losses would not happen.

> Participant 1: "We believe in you, but you might not believe in yourself. We believe in you. We think we can do this, and the big thing is for now, don't worry about the targets". "We spent a lot of time initially just telling everybody the mantra that says we're not going to get rid of anybody".

Professional human resource personal would be brought in to help coach and support the senior employees to help drive down employee concerns (Participant 1).

> Participant 1: "brought in a key person from our HR kind of an executive coach level type person to spend some time with every uh, executive team member. So, our first objective was to get the executive team on sides".

Another policy effort that could be included is the concept of a "moratorium" to "protect" employees working conditions and ultimately their employment for a defined period (Participant 5). This idea would provide assurance to the employee that they have a job and should dispel their fears.

> Participant 5: "there was meant to be a mortarium to protect the staff from the risk of retrenchment, for a period of at least three years".

The reasoning behind all the points brought up by participants thus far are to ensure a sense of job security is instilled into employees to prevent the loss of talent. Employees want guarantees, they want some form of certainty even though that does not always work at retaining employees (Participant 5).

> Participant 5: "there's some people who require more certainty in their lives and will leave anyway".

Participant 2 advised that the strategy is to provide certainty that it will be business as usual even though there was an acquisition. Participant 3 brought up the phrase "confirmation of continuity" and as the intention is for the business to grow, it must be clear that the desire is to not cut jobs (Participant 1).

Participant 2: "The strategy is to make sure that there is certainty, there is assurance to personnel that there are not going to be major disruptions arising from the acquisition or the purchase".

Participant 3: "Some confirmation that continuity was going to be there. So those would be about the two major strategies on understanding the business and communication with our stakeholders".

Participant 1: "We would grow growth in the business, and it was clearly understood for my part that the intention was not to shed off staff".

Participant 8 made the point clear that employees want certainty about their employment which is making them feel safe in their jobs. This was echoed too by Participant 5, who repeated the point of "job security" but also added in the element of certainty for an "amount of time".

Participant 8: "People want to know that their jobs are safe". "it is very prudent to and ensure that there's a job security when you're doing a merger and acquisition. So, you need to make the employees feel that their jobs are safe".

Participant 5: "the idea around that was obviously to give people job security, to feel like their jobs were secured for a certain amount of time".

As Participant 6 already brought out, it is important to "allay" employee fears by keeping them "informed" every step of the way. Participant 7 mentioned that showing employees that everything is under "control" and that the organisation has their "best interests" in mind during the process, will help employees manage their "uncertainties".

Participant 6: "Informed about the different steps that we are taking at every turn and then obviously allay any peoples, all the peoples' fears".

Participant 7: "And if there are some uncertainties, let them know that too, but also give them the sense that you are in control of things and that you are looking out for their best interests".

Participant 5 discussed that employee profiles played a part in how employees viewed the risk attached to uncertainty about job security. Although this will be brought up in

section 5.4.2, employees with "families" and with "young children" look for "more certainty and more job security" (Participant 5). Participant 3 added to this by referring three bands or grades of employees, "lower", "middle and high". While the "middle and high" levels of employees might be more knowledgeable about the employment risks surrounding M&As, the lower end of the staff are "at your mercy". There is a clear need to vocalise to all employees that there "will be no job losses (Participant 3).

Participant 5: "The profile of your employees if I can put it that way. So, if your employees are skewed towards people who are have families. For instance, right with young children for instance, there will obviously influence the strategy in a different way because you know that those people are looking for more certainty and more job security".

Participant 3: "the lower levels would be more or less at your mercy, the middle to high would still take what you're saying. The pinch of salt. So, if you say it will be no job losses, some believe you, but some don't believe you because they will say how is that possible".

Recognition and rewards are the next avenue used and discussed by almost all of the participants. Financial incentives in various shapes and forms are used to try and retain employees. Participant 5 was most familiar with "remuneration" of employees of employees being a common go to strategy. Participant 2 too, brought out how retention incentives are "part and parcel of the game". Participant 4 was in the same school of thought referring to "money" being given to "retain" employees.

Participant 5: "most of all the one that I was privy to or aware of were the ones that were related to remuneration".

Participant 2: "within the whole overall strategy there is also potentially retention incentives, then that becomes part and parcel of the game". "So, you need to ensure naturally that you are countering that by having some form of financial incentives in some instances, but perhaps at selected levels you know rather than just across the board in that sense".

Participant 4: "So in most cases you find that there's actually money given to those guys just to retain them in a way, in the company".

While Participant 8 acknowledged that financial incentives was a "big" strategy used by organisations, they advised that financial incentives might not always be "feasible" especially during times of global economic uncertainty like the COVID-19 pandemic.

> Participant 8: "one of the big strategies uses obviously financial obvious or rewards blah blah blah, but for our company it wasn't feasible because it's it. It sort of coincided with COVID-19 pandemic, so that was not an option that was used".

The participants then began to bring out how a targeted approach to retention through financial incentive was necessary. Not all employees are seen as equal. Based on the participants responses, preference was given to senior and top talent. Participant 7 said that "compensation strategies" need to be "aligned to retaining those high talent employees". Participant 4 spoke about how financial incentives were used to retain "senior managers" during an M&A he was part of and how the "financial incentives" made it easier to do so. Participant 4 also spoke about prioritising "senior executives and staff" over "general staff".

> Participant 7: "employees want to feel valued. They want to feel also fairly rewarded and compensated. So, you know when it comes to top talent, that is definitely one of the areas one would need to ensure that their compensation strategies, their rewards, their benefits are aligned to retaining those high talent employees".

> Participant 4: "So in terms of staff I guess it was a bit easy because some of let's say the senior managers, I think before the acquiring or before the company was bought by Momentum, they actually retained, I think, almost all of them. But I guess there was actually an incentive for doing so in the first place. Like I said, in most cases it is financial incentives". "So, I think in most cases it's more monetary that is actually given to the other company, especially senior executives and staff. For general staff, normally not so much".

Participants 3 and 5 were more specific about who were "deemed" worthy of the retention bonuses. The participants referred to "key staff" and "top guys", not necessarily senior employees in the organisation's structure.

Participant 3: "the other point that we consider so that they're not here was that for the top guys whom we were really concerned, we had to make a guess to say this one. We will see how it develops. This one if he goes, it's OK. We can go on, but this one, if it goes well stuffed. So, with for something 'cause only one we actually had to give him a retention bonus".

Participant 5: "so that was for the key staff or people who are deemed key staff individuals were obviously given a retention bonus in order to stay over the period of the transaction".

Incentivising for senior staff members would also include both "short term" and "long term" incentives (Participant 4). Incorporating the long-term incentives gives employees the sense that they are valued for their "long term" contribution rather than leaving them feeling like the organisation just wants them to focus on "short term" goals (Participant 5). This speaks to the longevity of the remuneration policies of the organisation, whereby a message is sent to the employees that financial incentives are not a "short term solution" (Participant 5).

Participant 4: "I think for senior, exactly like I said that it's more monetary and also maybe devising long term incentives and short term for those guys".

Participant 5: "it's more it speaks more to how the person is valued over the long term and not necessarily that in the short term we need you to complete XY and Z and that's why we need to keep it for at least that period".

Participant 5: "I think also when you're doing that, you need to be very careful to ensure that the remuneration policy doesn't make it seem like it's a short-term solution".

Participant 5 related that during their experience of an acquisition, as the target company, the transaction took longer than expected and "an additional bonus" was offered to "all staff members".

Participant 5: "The transaction did take longer than was expected. So that was also as memory serves me bonus was, topped up with an additional bonus, but I think this one was offered to all staff members".

The final category under the theme of policy changes relates to environmental awareness. An organisation has to understand the external environment in which it operates in. Strategies and policies that are created to retain employees after an M&A need to be formulated with this understanding. Understanding client needs and the threats from competitors while being responsible and responsive to the market. While the external parties will be discussed in section 5.4.3 in more detail, these external parties influence the strategy used or created.

Client communication is "key" (Participant 3). Participant 1 spoke about listening to the customer. They went on to explain how during the height of the COVID-19 pandemic, while "evaluating their business model and their "campus footprint", they took a decision to adjust their plans according to the feedback received from customers. Participant 6 highlighted that the client experience and their engagement was dependent on employee engagement, because it was the skills of the employees that were being sold to the clients.

> Participant 3: "communication to clients was key".

> Participant 1: "we started evaluating the impact of covid and also starting to listen to what people, what the customer was saying is that we believe that blended experiences are going to be far more of an issue into the future and that the campus footprint is actually in our favour, so it wasn't our intent to follow this business model".

> Participant 6: "I think employee engagement, the type of business we are in. We don't sell widgets. You know we sell mostly people skills, how they engage with the customers".

Participant 3 added to this that clients have their preference of staff. If the preferred staff leave the company, the clients might leave as well for fear of not getting the same service as before or that service levels would drop. Participant 5 felt the same way, that if the client feels that the original "mandate or value proposition", the reason they are doing business with the organisation, is not being fulfilled, then the client could be lost.

> Participant 3: "The key staff who were servicing the clients would they leave, are they happy? They'll be (unhappy) if the key staff are going to leave. The client may feel uncomfortable and therefore move to another client (competitor)". "So, we have to

address that. Clients also have specific preferences of staff so they will want to know which staff member, are you going to allocate to me".

Participant 5: "I'll talk about it from a client perspective. If they feel like the merger is stretching the mandate or the value proposition to why they got into the relationship with you. They're not going to stick around and if they don't stick around then like I said, it impacts the valuation of the transaction and all the commercials attached so almost not nullified, but it would take away from it's from the from the perspective of the person acquiring business". "whether or not. They feel like they benefit from whatever they get from the, the, the relationship with the arrangement, is not threatened and so in order to show that that is achieved you need to get buy in from employees and they need to almost relay that message. So, you need to consider how you make your staff feel like they still part of the bigger picture and show that they still somehow feel like they're valued. Uhm, and to ensure that they still engaged and are able to sort of give certainty and comfort to external clients".

The main threat from competitors relates to them trying to poach or recruit an organisation's talented employees. Participant 2 said that "talented individuals" "will immediately become targets" "for competitors". Participant 2 also said that competitors would take advantage of any feelings of fear among the organisation's employees. Top talent is "more marketable" and an attractive prospect to competitors (Participant 3). Once the market hears there is an M&A, interested parties come looking for talent and in some cases no matter how well an organisation tries to retain its employees, they will leave (participant 3).

Participant 2: "I think for the very good talent, for the really talented individuals, they will immediately become targets anyway for competitors or other employers". "In some cases, those would be obviously in selected role levels where you're saying you don't want to lose people out of fear or because suddenly some companies, some competitors would look at it as an opportunity to pick out the good talent".

Participant 3: "So the opposition starts looking at your staff to get them and obviously the top staff are more marketable, so they start speaking to our top employees". "Then the other outside forces which I should have mentioned actually other 3rd parties, will be our competitors. Once they hear we have a merger. They start looking at all staff so they will identify those high, those good staff members would know their

job. Those good brokers, mainly who lose their job and because they have some unset, no matter how you communicate that everyone won't lose their job".

Concerns around client engagement and the threat of competitors are real and require understanding. This means that before anything, the organisation needs to understand how the market operates and what the main focus of it is because the market is keeping tabs on the organisation (Participant 3). This brings back the point made by Participant 1 that a "strategy must be responsible to the environment".

Participant 3: "As much as possible. Even before we started speaking to them. To understand how they operate in the market. Which markets they operate? Their main focus in terms of products and services to that market. And then check against us is too".

Participant 1: "we started evaluating the impact of covid and also starting to listen to what people, what the customer was saying is that we believe that blended experiences are going to be far more of an issue into the future and that the campus footprint is actually in our favour, so it wasn't our intent to follow this business model, but I think that the strategy must be responsible to the environment".

This concludes the section for research sub-question 1 and its themes of Communication, employee engagement, access to leadership and policy changes.

5.2.5. Summary of findings

The main themes that came out of this section were communication, policy changes, employee engagement and access to leadership. Communication was a common feature that was spoken about by all the participants across all of the research sub-questions. Based on the participant's responses, both internal and external communication from the organization needed to be transparent and regular. Communication channels needed to be developed and employees needed to be encouraged to engage in the dialogues around their concerns as well as the organizational direction. This communication is important to reaffirm the organisations stance that the intention is not to retrench all employees and give some semblance of job security. The same was said about client and other stakeholder communication, with all communication requiring effort on the part of the organization.

Organisations also need to invest in the policies they had that impacted their employees while still ensuring that business needs or operational requirements were achieved. The culture of the company needed assessment and development to ensure employees understood who they were and what the company stood for. Considerations around job design needed to be looked at to try and support employees during the transition process. Employee circumstances and their development were highlighted as forms of engaging and empowering employees, thus making them feel that their jobs were safe. Remuneration as a strategy and correct application of remuneration policies for retention purposes emerged, with communication of these initiatives still having a place in that context.

This led to the next theme of employee engagement, where getting employees to buy-in to the new organization drove the theme. Transparency came up again as participants discussed how an organization needs create initiatives to comfort, listen and give support to its employees. Listening to employees come up with ideas and concerns all to drive their engagement and to "invigorate" them.

The last theme of this research sub-question was access to leadership where leaders, executives and managers needed to be visible and accessible. Leaders also needed to be supported to do their jobs better as the firm transitioned while also being able to be given feedback from the employees and operations.

5.3. Research sub-question 2

"How do the socio-cultural factors influence the staff retention strategies?"

The second of the secondary objectives to this research paper is "to understand how the socio-cultural conditions, influence retention strategies". The interview question as discussed in Chapter 4 specific to this research sub-question are as follows:

Table 5.3.1. Interview questions versus research questions.

Research Questions	Interview Questions
Sub-question 2 - How do the socio-cultural factors influence the staff retention strategies?	How do the personal factors of the employees influence choice of strategy?

The researcher used the interview question, "how do the personal factors of the employees influence choice of strategy", to draw from the experiences of the participants.

The responses to this question from the participants resulted in three themes emerging. The codes as well as their respective groupings and categories will be tabulated at the beginning of each section.

Next, each of the three themes and the responses from the participants will be laid out to provide insight to what these organisational leaders has experienced during their careers. The socio-cultural factors they brought out during the qualitative interviews, which are represented by codes, will be supported by quotations.

5.3.1. Theme 1 – Personal factors

The personal factors of employees that were brought out by the participants included traditional demographics such as age, gender, background and whether or not employees had families and children. These factors were seen as important considerations in determining how a retention strategy is formulated or why specific strategies were used post-M&A.

Table 5.3.1. Codes, code groups, categories for theme – Personal factors

Codes	Code Group	Theme
Age, Background, Gender	Involuntary	Personal factors
Employees with families, Location preferences	Voluntary	

Participant 5 brought out how age and the "average age" of an organisation's "staff profile" was an important consideration. Interestingly only the two youngest participants brought up age as an important factor to be considered in employee retention strategies. Participant 5 further referenced how younger employees were willing to take more risks with their careers and possibly even stay at companies during uncertain times, as long as there is incentive for them to do so.

> Participant 5: "I think you need to consider your staff profile and consider stuff like average age". "As opposed to if you have a younger employee profile, those guys are a lot more than less risk averse and hence are likely to ride out merges if there is enough reward at the end of it".

Participant 8 had a different perspective when discussing age. Participant 8 brought how age can be a factor to an employee's preference when considering what job, they do, especially in the case of companies that have different shifts or "long shifts".

Participant 8: "when it comes to age as well, we do have a lot of sort of night shift. Day shift like long shifts. So as people get older, obviously, you wanna take that into consideration as like who must work where. So, I think it does influence the strategy".

The employees' background was next highlighted by Participant 5 who focused on the employees educational and skill background. The skill level of employees vary in employees and higher skilled employees are not afraid to go find another job. The strategy has to "speak" to that, because it makes highly skilled more difficult to please.

Participant 5: "Consider stuff like background. Also, skill set. I think if you have a staff compliment that is. I don't wanna say highly qualified, but if you do have a staff compliment that is more skewed towards people who have higher like higher education qualifications and stuff that will. Highly skilled individuals these if you have that, then there's also you need to factor that in because those guys aren't worried in terms of whether they'll find an alternative to this current job. So, your strategy will need to make it worth their while in terms of why they need to stick out with this period of uncertainty because there is a lot of uncertainty there's attached to it and a lot of stress attached to acquisition and mergers".

The next factor was that of gender. Participant 5 brought up how if the perception of males being the "breadwinners" in employee households is maintained and the organisation is made up of mostly men, aspects of certainty and job security will need to be incorporated by the organisation in the overall strategy towards male staff.

Participant 5: "Also gender. I think it's important to factor in gender as well, because obviously. Most logical it speaks to that whole thing about being a breadwinner versus not. Uhm, and yeah, if you and I don't wanna make it seem like this is how things still are. But if your staff compliment is weighed more towards males, that could speak to people who are seen as breadwinners and thus also requires some sort of certainty that their jobs are secure".

Participant 8 discussed how in their organisation, due to "safety" precautions, certain roles were "gender-based" roles.

Participant 8: "in my organization they all sort of gender-based roles, just purely based on safety, etc. So those need to be considered when developing the strategy".

Participant 5 mentioned how employees with families needed "more certainty and more job security". Participant 7 complimented and expanded on this point around families and the emotional aspect around job security. Participant 7 mentioned that regardless of age, people with families, single parent households and employees that "support their parents" need to be taken care of emotionally from a support and an employee wellness perspective.

> Participant 5: "The profile of your employees if I can put it that way. So, if your employees are skewed towards people who are have families. For instance, right with young children for instance, there will obviously influence the strategy in a different way because you know that those people are looking for more certainty and more job security".

> Participant 7: "And then I mean if you stick to personal matters, you know one that's quite big is the emotional changes employees go through. So however old they are, and they are family people, often single mothers or ones that support their parents. So many personal factors come into play and then you know the emotional element, making sure that you have got a strategy in place to take care of them emotionally. So making sure that as far as employee Wellness is concerned that you are servicing your employees and giving them the support that they need".

While still referring to employees with children and partners, Participant 4 brought in how employees have location preferences and having families makes it difficult for the employees to just change location.

> Participant 4: "So if the company is quite smaller, let's say specialist company with less than 30 employees, you can actually be able to kind of discuss some of these things with individual employees on whether they're willing to relocate, whether their kids and spouses are willing to relocate, and stuff like that, but for a bigger company, let's say with more than 1000 people, it becomes a bit difficult. It's more or less a take it or leave it kind of a strategy. So, we just say, OK, we are moving. You can actually either come with us or not. As was the case with Clover when they moved from Northwest".

Staying with the factor of location preferences, some employees are not able to "change their base location", so retention strategies have to accommodate this (Participant 7).

Participant 7: "one of the factors was the inability of people to have to change their base location. To move to another city". "So geographic location comes into play at some time and does affect your strategies there in terms of retaining your employees".

5.3.2. Theme 2 – Employee driven factors

This theme deals with how the employee engages with the organisation from employee engagement factors to employee self-worth. While employees are individuals with their own uniqueness, when they are in the workplace that uniqueness is brought out in other ways.

Table 5.3.2. Codes, code groups, categories for theme – Employee driven factors

Codes	Code Group	Theme
Employees feel listened to, Half the team is not fully engaged, Lack of understanding, Not engaged, Unhappy with reporting line	Employee engagement	Employee driven factors
Employee egos, Self-belief	Employee self-worth	

Participant 1 brought out how employees need to feel listened to. This feeling helps them open up because they know their "issues" will be "addressed". In a similar vein, employees need to be assisted to properly understand what is happening to avoid a misalignment of expectations (Participant 5).

Participant 1: "So systematically, then people sat there and said, well, I am I'm being listened to and all the issues that I had is now being addressed and OK, so that kind of gave people the sense cool, I think this could be different from where I was before because these issues were totally un-addressable in the previous organization and now, I have a voice".

Participant 5: "So what that did is that if people didn't understand those conditions, it gave a certain false sense of security to say for three years of what, two years, whatever time you've earmarked or put down as the period of the moratorium".

Feeling listened to and having employees understand what is happening around them while strategies are being planned and implemented assist in keeping employees

engaged. When employees do not feel that they are adding value they become disengaged (Participant 6). Participant 6 noticed that during one of these events, "half the team" was not engaged in the process which made the employees "feel trapped and bored".

> Participant 6: "So now if the employees are not engaged, they don't feel valued". "We then looked at the team and said well actually half of the people that are sitting were doing in the ERP system and not fully engaged. They actually feel trapped and bored and so on".

It was noted by Participant 3 that some of the "top producers", top producing employees, had developed egos due to their "success" and would be difficult to please. One area Participant 3 mentioned that would be a problem is that these employees would have their own preferences of who they wanted to report to or not. The danger being that they could leave if they did not like it.

> Participant 3: "Acquired, the top producers tend to. I'm generalizing here, which they do have some egos based on their success. So, we knew the people from my side and the other side so I would say to my counterpart. We need our on my side. I've got these people who could be. It could be a challenge". "Either that they said they won't be happy with whatever reporting line we put across. That reporting lines that we've come up with and where it goes out. And I remember one person, say categorically I will not whatever structure you make. I'm not going to report to so and so".

While some employees might have strong egos based on their success, not all employees are self-sure. Some employees did not have self-belief and required reinforcement in that area as Participant 1 brought out.

> Participant 1: "We believe in you, but you might not believe in yourself. We believe in you. We think we can do this, and the big thing is for now, don't worry about the targets".

5.3.3. Theme 3 – Organisation driven factors

Organisation driven factors are factors that are driven by how an organisation engages with its employees from employee development to employees' workplace preferences.

While some of these factors are the responsibility of each and every single employee, the organisation has a responsibility or an impact on how an employee responds to them.

Table 5.3.3. Codes, code groups, categories for theme – Organisation driven factors

Codes	Code Group	Theme
Career development, Highly skilled employees, Top talent	Developing employees	Organisation driven factors
Ex-employees returning, Job title preferences, Organisational seniority, Reinforcing employee stake holding	Employee preferences	
Employee wellness	Work life balance	

Career development is an important factor that organisations facilitate. As employees have career goals and "ambitions", it is important for the organisation to listen and respond to these goals (Participant 2). Participant 2 advised that by doing this and guiding employees, the organisation can help itself in the future by helping the employees to understand their purpose at the firm.

> Participant 2: "it's important to know, what are the needs of this person, and what are their fears, what are their ambitions at an individual level. Listen to them". "I think tapping into the company's future and making it as exciting as possible for the employees at an individual level, so that they can see what role and what contribution they will make, I think is even more important".

This is particularly important with highly skilled and talented employees because as Participant 5 brings out, they are not "worried" about looking for another job where they might find this fulfilment.

> Participant 5: "Highly skilled individuals these if you have that, then there's also you need to factor that in because those guys aren't worried in terms of whether they'll find an alternative to this current job. So, your strategy will need to make it worth their while in terms of why they need to stick out with this period of uncertainty because there is a lot of uncertainty there's attached to it and a lot of stress attached to acquisition and mergers".

Participant 7 added that if an organisation has highly talented staff, they need to look at how they can "accommodate" them and not lose them.

Participant 7: "So if they possess unique skill sets, one will need to look very closely how they can accommodate these individuals because the last thing you want to do is lose this top talent". "You know the other one also, that comes into play quite a lot is skills. So, you know when you think about top talent, we want to keep those people".

Employees also have preferences that develop in the workplace. Participant 1 described how when they needed to change the job titles of certain employees in their international offices to comply with South African legislation, they became "uncomfortable" because it seemed as if they were being demoted.

Participant 1: "Some people viewed that as a demotion and some people viewed that this is what needs to get done, etc and that was interesting psychology that happened there, but I think it was very important and eventually the people that were uncomfortable with that left, which were actually the problem children because they were there more for the title then for the job". "We actually changed peoples positions day one. So, they were called Directors before, we called them Heads because in South Africa, if you are a Director, there is a legal implication".

Seniority in the workplace can also have an adverse impact on the employees. As Participant 7 brought out, senior staff at a newly merged organisation could find themselves in a duplicate role and inadvertently make themselves redundant because of the advancement of change at the company. Organisations need to be aware of this because it could cost them the skills of those senior managers and executives.

Participant 7: "And but you know something else that might come into play, and I've seen this play out too is when it comes to seniority in an organization. So, if you look at your top executives, for instance, I've been in an organization where there was a restructuring of senior management in our business banking space. But now you know. This was a unique opportunity only for those on that senior tier, where, for instance, well, actually you know it was about totally restructuring the senior management in that space. So, there were a lot of people that were effectively retrenched because they were really made redundant because the structure had changed so much".

In the case of merging two companies, Participant 3 gave an example of how employees that had left the acquiring firm went to work for the target firm but when the merger was happening, they were reluctant to join their former employer. This could go both ways and organisations need to plan around this.

> Participant 3: "Some of them would have been Aon employees before, or some of them would have been at Benfield so then. And some people may therefore feel let's say at Benfield uncomfortable coming back to Aon when perhaps. Their departure from Aon wasn't as smooth as one would desire. We also look at egos because of the nature of broking".

Lastly, Participant 6 spoke about reinforcing the stake holding of employees by getting employees' buy-in and getting them "engaged" so that they feel like they are "part of the system".

> Participant 6: "if you sell it and you've got a stake in it you could recoup quite a lot of value there. But to get to some of those decisions, a lot of the employees were also engaged and that also drives the ownership, so they feel they are definitely part of the system".

5.3.4.   Summary of findings

While looking into the different socio-cultural factors and how they influence employee retention strategies, the participants' responses generated the themes of employee driven factors, organization driven factors and personal factors. The first theme dealt with how the employee engages with the organisation. While employees are individuals with their own uniqueness, when they are in the workplace that uniqueness is brought out in other ways influencing an employees' engagement and self-worth. Employees vary in their understanding of what an M&A and how it will impact their job. This understanding as brought out by the participants is apparent between lower, middle and higher-level employees' understanding and perception. Within organisations not all employees are engaged anyway before mention of an M&A and potential risks to employees, so special attention needs to be put on identifying them. Employee self-belief was an interesting takeaway from the interviews because this behaviour differs among employees. Top talented employees who are successful at what they do can develop egos that need to be managed without creating frictions. Other employees don't feel as confident about themselves and their roles at the company too.

Organisation driven factors are factors related to how an organisation engages with its employees. While employee development, wellness and workplace preferences are the responsibility of each employee, the organisation has a responsibility towards creating an environment that will nurture positiveness. Some employees need reminding of their stake holding in the business, driven by the point that if employees have a sense of ownership of the business, they will feel like they are a contributing part of the business.

The last theme in this section was personal factors that arose from outside of the workplace including traditional demographics of age and gender. These factors were seen as important considerations in determining how a retention strategy is formulated or why specific strategies were used post-M&A because they influenced an employee's workplace and organisational readiness and awareness. The personal factor of age brought out points from the participants of how different employees of different ages had different risk appetites when it came to their careers. Age also revealed how employees' priorities and responsibilities differed, again highlighting how employees assess risks. Gender was a determinant for the type of work certain employees had at some organisations. The stereotypes attached to gender and role responsibilities like partners, families, employees with children and 'breadwinner' status came through as well. On the topics of educational and skill background employee concerns of the risks attached during an M&A highlight some seeing it as a vulnerability and others not being too phased. The skill level of employees vary in employees and higher skilled employees are not afraid to go find another job. The reminder that employee retention strategy had to speak to that as it made highly skilled more difficult to please because they know they have options outside of the organisation.

5.4. Research sub-question 3

"What is the role of external parties, such as consultants, competitors, and labour unions, as cocreators of staff retention strategies in mergers and acquisitions?"

The third of the secondary objectives to this research paper is "to investigate the role of other external parties in the creation process of the retention strategy". The researcher used the following interview questions during the qualitative interviews to develop codes from the responses:

Table 5.4.1. Interview questions versus research questions.

Research Questions	Interview Questions
Sub-question 3 - What is the role of external parties, such as consultants, competitors, and labour unions, as cocreators of staff retention strategies in mergers and acquisitions?	How do external parties effect the development of retention strategies?
	How reliant is business on these external parties?

Various external forces exist outside of an organisation that have an influence on how an organisation operates. The influence of these external parties can either have a large impact or little to no impact on how an organisation conducts business. The responses from the participants will reflect who these parties are and how influential external parties are in employee retention strategies. More importantly the participants will discuss what role these actors play as cocreators of staff retention strategies. In this section the researcher has organised the codes relating to the different external parties or actors into themes that reflect their posture. The final theme for this section will refer to the level of reliance organisations have on the external parties mentioned.

5.4.1. Theme 1 – Regulating actors

Regulating forces in business vary per economic sector, the regulating forces that will be discussed in this section reflect only what the participants have shared even though many other bodies exist. The first regulating force that was brought up was that of the marketplace.

Table 5.4.1. Codes, code groups, categories under theme – Regulating actors

Codes	Code Group/Categories	Theme
What's happening in the market	Market place	Regulating actors
Competition commission, Ratings agency, Regulation and accreditation is the biggest issue, The regulator, Without the regulator's buy-in the transaction could fall threw	Regulatory bodies	
Trade unions	Trade unions	

Participant 6 brought up the marketplace because it dictates various standards that organisations need to abide to if they want to remain relevant. Participant 6 gave an example of the information technology industry and how a decision by the chief executive

to get all staff working at the office, which is contrary to how the industry operates, could result in employees leaving the company. Non-adherence to an industry norm can have dire consequences to staff retention.

> Participant 6: "you always have to consider what's happening in the market. What changes are they making? I think right now we know everybody, especially heavily IT focused companies. Any of those where the CEOs are going to come back and say well everybody is going back to the office whether we like it or not? You are likely to lose a lot of employees".

When engaging in an M&A in South Africa one the regulating authorities that has to give its approval is the Competition Commission, as brought out by Participant 4. Participant 4 also discussed the involvement of Credit Rating Agencies.

> Participant 4: "also going to involve a lot of stakeholders like the Competition Commission". "So, for listed companies it could be credit rating agencies".

Participants 2 and 5 who are both part of the financial services sector referred to the Financial Sector Conduct Authority and Prudential Authority as the regulator. These two regulatory bodies were formerly the Financial Services Board. Participant 2 brought out how the regulator can affect the speed at which the M&A transaction can happen. Participant 5 spoke about how the regulator is involved in the entire process and will even look into matters pertaining to the employees' job security. Participant 5 also said that without the regulators' approval the entire transaction can "fall apart".

> Participant 2: "regulators are very key in the speed with which things with the transaction will take place".

> Participant 5: "The impact of the regulator or regulatory bodies are involved in the transaction as a whole. Right, I think they have a lot of influence in terms of, uh, measuring that, for instance, staff are protected. Yeah, and then people jobs aren't at risk, and that will translate in terms of the terms of the transaction in mergers like when since having moratoriums in place for existing staff". "I'm going to speak about the regulator, for instance. Uhm, without their buy in, obviously the transaction might actually fall apart.

Regulation is not limited to the financial services section. Participant 1 who is deeply involved with the education sector also highlighted how important "regulation and accreditation" are in ensuring business continuity. Participant 1 emphasised that "accreditation" is seen as an asset because the number of "accreditations" their business had set them apart from their competitors in the market.

> Participant 1: "the biggest issue in education is regulation and accreditation attached to that. So, to get accreditations is the biggest issue. So, we were looking at this asset as an underperforming asset in terms of the market relative to its number of accreditations".

The last regulating force that was brought out from the interviews was mentioned by Participant 8, namely, the Trade Unions. While Trade Unions could be seen as an opposing force to organisations particularly when it comes to labour matters, the researcher has included them under regulating forces who support the retention of employees. It is noted though that labour unions can impact production.

> Participant 8: "unions as well, 'cause most of our employees below a certain level are part of unions so that it's critical because obviously unions can affect our production".

5.4.2. Theme 2 – Opposing actors

Opposing forces can be narrowed down to competitors who sense weakness when a firm is in the process of an M&A and would position themselves in a way to benefit from the fear of employees and concerns of an organisation's customers.

Table 5.4.2. Codes, code groups, categories under theme – Opposing actors

Codes	Code Group/Categories	Theme
Competitors, Other entities within the market	Competitors	Opposing actors

Participant 4 highlighted that "competition" is "fierce" and if client engagement is not viewed as a priority, clients could be lost.

> Participant 4: "So from an admin perspective, can you still engage with their policyholder at the same level as before. I think yeah, I mean like customers are

actually the most important in terms of relocating because you can't actually just relocate without, I guess engaging with your customer because you might end up losing them, especially given that competition might actually be fierce in some of these industries".

Client engagement is an important part of the employees' jobs at an organisation. During an M&A, talented employees who drive client engagement become a target for "competitors or other employers" (Participant 2) who would position themselves to acquire an organisation's business by securing their talent.

Participant 2: "I think for the very good talent, for the really talented individuals, they will immediately become targets anyway for competitors or other employers". "Taking the opportunity to position themselves for more business or to secure your talent".

Participant 2 also brought how competitors can "play the role of a detractor". Participant 3 echoing how competitors can seek an organisation's top talent if they are uncertain about their role at the merging firm.

Participant 2: "You can also count on the competitors as stakeholders who will definitely, in many instances, play the role of a detractor".

Participant 3: "Then the other outside forces which I should have mentioned actually other 3rd parties, will be our competitors. Once they hear we have a merger. They start looking at all staff so they will identify those high, those good staff members would know their job. Those good brokers, mainly who lose their job and because they have some unset, no matter how you communicate that everyone won't lose their job".

When competing for highly skilled employees, its not just competitors that could been deemed as an opposing force. Other third parties could sense an opportunity to vi for an organisation's talent pool (Participant 6).

Participant 6: "What are the other entities doing? And one of the big things that was identified as we were going through the exercise over the last 12 to 15 months. Looking at the MVP was, the onboarding process was extremely lacking.

So, you know you got people, or they got in and never really and became part of the team".

5.4.3. Theme 3 – Supportive actors

There are a number of actors that fall under the theme supportive forces. These actors or external parties are seen to work in harmony with organisations as they formulate and implement strategies pertaining to retention of employees post-M&A. The stakeholders brought out in this section are derived from the responses participants gave during their qualitative interviews.

Table 5.4.3. Codes, code groups, categories under theme – Supportive actors

Codes	Code Group/Categories	Theme
Clients, Customers, Policyholders	Customers	Supportive actors
Shareholders	Shareholders	
Auditors, Consultants, Legal and financial professionals, Reinsurers	Suppliers	
Minister in the Department of Public Enterprises	Government	

The most important of the supportive forces are the customers or clients of an organisation as brought out by Participant 4.

> Participant 4: "Clients, which is actually I think, the most important stakeholder, I think on that one it looks so depend on the servicing".

Participant 5, who is the insurance industry, refers to clients as insurance policyholders. If the policyholders "sense" "uncertainty" or feel that the service being given to them is "compromised", it could result in policyholders cancelling their policies and leaving. This will threaten the M&A transaction and the whole merged business.

> Participant 5: "then from a from a I'm just talking policy holding 'cause I'm in the insurance field, but policyholders uhm, are also very important in the sense that if you if they feel any level of uncertainty or the services that they are used to getting is somehow compromised, it could result in an Exodus or a massive mass lapse of existing policyholders. Right, which obviously will threaten the whole commercials around the transaction or the acquiring of the whole business". "your policyholders suffering from insurance perspective or your clients, right? Because

any merging acquisition will have a direct impact on how those guys are serviced".

Participant 1 spoke about how they needed to listen to what their "customer" was saying as it would impact the organisation's future and their "campus footprint". Participant 1 is in the education sector and their clients are the students that attend their institutions.

> Participant 1: "we started evaluating the impact of covid and also starting to listen to what people, what the customer was saying is that we believe that blended experiences are going to be far more of an issue into the future and that the campus footprint".

Participant 4 next spoke about "shareholders" as another supportive force who have direct influence on the how the operations of an organisation are mandated to function.

> Participant 4: "I think the shareholders have more influence than the other stakeholders because especially when, let's say the stakeholder can actually do the work that they're supposed to do within their mandate".

Another group under supportive forces are the suppliers of an organisation. Participants 4 and 7 spoke about auditors and Participant 3 mentioned the reinsurers as Participant 3 is part of the reinsurance industry.

> Participant 4: "So for listed companies it could be credit rating agencies and also sometimes your auditors".

> Participant 7: "So you know it's really important to make sure that you have your financial teams, your auditors in place, to ensure that nothing falls through the cracks, and there are no unprecedented losses of a financial nature".

> Participant 3: "Reinsurers. They would be concerned one in the business that they don't like to be to have an over one big broker in the market. So, loss of 1 broker or the one being acquired into Aon was a bit of concern to them. It means that Aon becomes too big".

Other supportive forces that help create and facilitate the implementation of retention strategies are consultants. Participant 1 listed external human resource consultants and "external change managers" that are brought in at different stages of the M&A.

> Participant 1: "so we brought in external HR people, external organizational development consultants, external change managers". "There were consultants that you brought in, various consultants at different stages". "We got an External agency to do a lot of work for us in terms of just HR architecture and all of that type of stuff".

Participant 7 highlighted that while an organisation has very talented staff, bringing in external consultants that did not have an emotional connection to the organisation would be a better option. So external consultants were brought in to assist with "various projects". Participant 7 referred to both legal and financial professionals in the expertise brought in.

> Participant 7: "I've been in various organizations with amazingly skilled people and departments and but at times we need somebody external that comes with, that's perhaps not so emotionally attached to the situation. And that comes with fresh eyes and a fresh mind to assist the organization in navigating through a number of changes. So, I definitely see value in having external people like consultants coming through to assist with various projects to transition the organization from one state to another". "Think of the legal space, for instance, to ensure that the legalities are sorted out in mergers and acquisitions because the last thing you need is for somebody to ignore the fine print. So legal professionals are especially important in situations like this and also financial professionals".

The last external party mentioned was the Minister in the Department of Public Enterprises, who while sitting outside the organisation, dictated how Participant 8's organisation would function.

> Participant 8: "we are an SOE we do report to the Minister. So obviously they affect the development of the retention strategies 'cause we get directive from them".

5.4.4. Theme 4 – Reliance on external parties

The level of reliance an organisation has on external parties when it comes to retention strategies post-M&A varies depending on who the actors are. Based on the feedback received from the participants, the researcher was able to get data that advised who the external parties are (section 5.4.3.) and the level of reliance for each one. These were separated into codes and then code groups, organising the codes as either highly reliant, moderately reliant or not reliant.

Table 5.4.4. Codes, code groups, categories under theme – Reliance on external parties

Codes	Code Group/Categories	Theme
Internal focus, Not reliant	Non-reliance	Reliance on external parties
Clients won't stick around, Consultants not emotionally attached, External skills, Financial reliance, Highly reliant, Initiative from outside, Operational reliance, Reputation	High reliance	
Important part to play, Reliance depends on strategic goals, Reliance goes in waves, Some reliance	Moderate reliance	

Starting off with external parties that an organisation is highly reliant on, Participant 3 spoke about the "risk of loss of clients" directly resulting in "loss of revenue" if the retention strategies decided on by the firm did not sit well with their clients. The goal was to keep the "client satisfied" or "risk losing" them. Participant 4 reiterated that clients are the most important external stakeholder and the same level of engagement with them needs to be maintained throughout the merger.

Participant 3: "They will number one desire from our point was that we keep all the clients. And so, there was a risk of loss of clients and therefore loss of revenue. Should our retention strategies not reverberate, with what the client wants? So it was important that we do as much as we can to. Make the client satisfied. Otherwise, we risk losing".

Participant 4: "So from an admin perspective, can you still engage with their policyholder at the same level as before. I think yeah, I mean like customers are actually the most important".

Client service having continuity is very important as Participant 3 advised which was echoed by Participants 4 and 5. Participant 3 went on to discuss how a "major risk" for their management team was ensuring that clients are happy with the employees that were assigned to provide customer service going forward. While Participant 2 mentioned that communicating the developments of the merger was the best course of action to keep clients onboard and engaged about the "future benefits".

> Participant 3: "Our clients and Benfield's clients. Basically, wondering whether the new merged. Entity will continue to service them at the level they expected".

> Participant 5: "any merging acquisition will have a direct impact on how those guys are serviced".

> Participant 4: "Clients, which is actually I think, the most important stakeholder, I think on that one it looks so depend on the servicing".

> Participant 3: "with my management team for attaining so that was major risk, we had to deal with. That is making sure that clients are happy with the individuals or teams who are going to service them in the future".

> Participant 2: "other stakeholders are your clients. Making sure that we are able to communicate what's taking place, what's going on, why, and what is the future benefits to them, so that again, you know they are able to remain on side, you know, based on what is happening, whatever may be taking place".

Participant 5 again mentioned that if the client "mandate" was being stretched in the opinion of the policyholder, the client would not "stick around". In line with this is the "reputation" of the business that needed to be upheld during a merger. Participant 2 spoke about how when the two entities merge into one new entity, it is important to the "success" of the organisation that there is some form of synergy and that the reputation of the company does not diminish or become "diluted".

> Participant 5: "I'll talk about it from a client perspective. If they feel like the merger is stretching the mandate or the value proposition to why they got into the relationship with you. They're not going to stick around and if they don't stick around then like I said, it impacts the valuation of the transaction and all the

commercials attached so almost not nullified, but it would take away from it's from the from the perspective of the person acquiring business".

Participant 2: "I think it is very reliant and I think it's very critical because it can to some extent determine how much of a success the ultimate company is going to be going forward? Because if you go into the market is the new entity, and yet the reputation has somewhat been diluted, has been diminished as opposed to the objective, which in most cases is to grow a bigger name and, you know, have some form of synergies and so on".

Next were the external parties that an organisation was reliant on to help them plan and implement their employee retention strategies. Participant 7 brought out how while an organisation has "skilled people and departments", various consultants would approach their tasks with "fresh eyes and a fresh mindset" without having any emotional attachments as they helped to guide the "transition". Participant 1 brought up the reliance on external consultants for their skills and innovation. This is similar to how Participant 4 said that the desired skills a firm is looking for can't be found just anywhere hence the importance of the external stakeholders.

Participant 7: "I've been in various organizations with amazingly skilled people and departments and but at times we need somebody external that comes with, that's perhaps not so emotionally attached to the situation. And that comes with fresh eyes and a fresh mind to assist the organization in navigating through a number of changes. So I definitely see value in having external people like consultants coming through to assist with various projects to transition the organization from one state to another".

Participant 1: "you cannot assume that innovation is going to come from inside the organization, and that energy is going to come from inside the organization. You will fail every time when you do". "we can't be experts at everything". "You cannot change a system just from within".

Participant 4: "So for specialist companies they are very reliant on those external stakeholders because you can't find them anyway".

Participant 8 mentioned their dependence on both government and Trade Unions. Firstly, Participant 8's reliance on government comes from a financial perspective because from

time to time they need to request "financing" from "government". Reliance on Trade Unions stems from if the employees are not happy, they can 'down tools' which effects the "operations" of the business.

> Participant 8: "We do request financing from obviously the government etc, so we are relying heavily". "In terms of unions, etc. UM yeah, we are aligned in terms of business because if people do tools down or whatever, it does affect operations".

There are occasions though when an organisation's reliance on external parties does vary. Sometimes an organisation does have the right skills to implement a retention strategy effectively and those skills should not be downplayed (Participant 7). Reliance "goes in waves" as per Participant 7 and when there are a lot of things happening at once, more external help will be sort. Sometimes through the strategy or the "strategic goals at the time" will determine if an organisation really needs the assistance or not (Participant 7).

> Participant 7: "I think external parties are quite important to an organization you know. They come with unique skills and often, well I suppose I shouldn't really downplay the skills within an organization". "I would say that there are times when it probably goes in waves when there's a lot of change, I would see organizations employing a lot more external parties to support". "So, I would say really just depends on sort of your active strategic goals at the time and making sure that you have the right people on board to navigate through that wave".

Lastly, Participant 6 brought out the point that the organisation is "not trying to replicate any other organisation out there". Therefore, to Participant 6, reliance on the external market was not really quantifiable.

> Participant 6: "It's difficult to quantify and I don't think we rely too much on that. It is a case of you take it in. You take information in as part of building this strategy, but we also have to be more cognizant of what we want to achieve, right? We're not, we're not trying to replicate any other organization out there".

5.4.5. Summary of findings

The final sub-question allowed the themes of supportive forces, opposing forces and regulating forces to emerge. These forces exist outside of an organisation and have an

influence on how an organisation operates. The influence of these external parties has had varied impacts on the organisations of the participants. The responses from the participants revealed who these parties are and how influential external parties are in employee retention strategies.

Clients were revealed to be the life blood of an organisation. Clients of the target and acquiring firms expect certain levels of service to be maintained once the two companies have merged. If clients feel that their service levels will be compromised, they will likely leave the company. In line with this, clients have preferences when it comes to employees that work on their account, clients could also leave the company if the employees they prefer leave.

Competitors were referred to as an opposing force. As competitors operate in the environment seeking to expand their own best interests, they seek opportunities to position themselves to grow their businesses and get the best employees to help that growth. When the market hears an organisation is going into an M&A, competitors will further position themselves in such a way that they are ready to take advantage of the feelings of uncertainty expressed by both the organisation's clients and employees. Competitors will try recruit top talent and highly skilled employees from the merging firms by all means necessary. Competitors are a real threat to retaining employees and all efforts to prevent staff from leaving for competitors needs to be made.

Consultants were described as a supportive force. The skills and expertise required by an organisation to plan and successfully implement strategies around employee retention post-M&A are not always readily available. Legal and financial contractors can help bring a different perspective to the transition. External change managers too can help facilitate the organisational changes without having any distractions like emotional connection to one of the merging entities. Consultants are very important to helping a firm retain staff.

Regulating forces like the regulator in various financial service industries, the competition commission and even credit rating agencies provide guidelines to ensure any M&As are completed ethically and protect employees and clients throughout the process.

5.5.   Conclusion of findings

Chapter 5 of this research paper delivered the results and findings of the research questions detailed in Chapter 3 as per the qualitative interviews with the participants. The results reflected what actual leaders do based on their practical experience when trying to retain employees after an M&A. The considerations the participants brought out were similar in some regard while being different in other aspects. The diversity of the sample ensured that different perspectives were achieved especially because M&As and employee retention are widespread phenomena across all industries. Their responses to the interview questions and their additional insights also highlight how important employees are to an organisation. From the skills highly talented employees bring to how employees engage with clients, employees' value to the organisation and the M&A transaction should never be underestimated.

Chapter 6: Discussion

6.1. Introduction

This chapter serves as a discussion between the information gathered from the available body of literature (Chapter 2) and the data gathered and presented in Chapter 5 of this research paper. The main objective of the researcher for this specific research paper is to understand what and how strategic actors influence appropriate strategies to retain employees after an M&A. This main objective was dissected and supported by three secondary objectives, namely:

Secondary objectives.

To understand what the specific retention strategies that are implemented.

To understand how the socio-cultural conditions, influence retention strategies.

To investigate the role of other external parties in the creation process of the retention strategy.

The above objectives helped the researcher create the three research sub-questions in Chapter 3 which in turn gave rise to the interview questions used in the qualitative interview guide, as expressed in Chapter 4.

The researcher has structured this chapter in the same format as Chapter 5. This format follows the approach of using the research questions as a guide rather than using the research constructs. The various themes that emerged from the coding in Chapter 5 will drive each sub-section within the research question sections that follow. The discussion between the literature found in the literature review of Chapter 2 and the findings of Chapter 5 sought to find similarities or contradictions between the two bodies, rather than consensus.

Lastly, the researcher has developed a conceptual model for this research paper that will be presented has a whole in section 6.5. of this chapter. As Chapter 6 develops, the researcher will present each part or element of the conceptual model separately in the summary section of each research sub-question. This approach will give the reader an opportunity to focus on each part of the conceptual model as it is developed, then have a holistic view at the end of the discussion.

6.2. Research sub-question 1

"What are the specific strategies implemented to retain employees post-M&A activity?"

This research sub-question was derived from the secondary objective, which was "to understand what the specific retention strategies that are implemented". As brought out in the literature review in Chapter 2, there are numerous strategies and variations to strategies that are theorised and used in the real world when there is an M&A, to ensure that employees are retained. This section will go through the employee retention strategies brought out in the literature (Chapter 2.5.) compared to what was shared by the participants of the qualitative interviews. From Chapter 5, this section was made up of four themes, namely, "communication", "employee engagement", "access to leadership" and "policy changes".

Again, the researcher will systematically build and present a conceptual model which will be presented in section 6.5. of this chapter. The reader will have an opportunity to focus on each part of the conceptual model as it is developed and illustrated in the summary of this section, then have a holistic view at the end of the discussion.

6.2.1. Theme 1: Communication

Communication as a strategy has been highlighted by both the literature and the participants of the qualitative interviews. Clear, transparent and effective communication was encouraged at all levels of the organization (Cloutier, Felusiak, Hill, & Pemberton-Jones, 2015). A similar thought was mentioned by the participants where communicating to establish a common view and understanding of the process was a necessity to make sure employees are comfortable and secure in their roles. Further to this, the interviews came up with points around aligning everyone in the organisation's expectations which was slightly different to what was found in the literature.

While clear communication was also brought out by participants, they also mentioned, communication needing to be "on a regular basis to both staff and clients". This is in line with Kolar (2016) who commented on how regular or continuous communication with staff through meetings, creating an onboarding strategy and having a clear value statement that is communicated to employees helped improve employee retention. Regularity of communication as per the participants revolved around face-to-face meetings, work forums, workshops and project teams.

Another point around communication that was brought out by the literature, was the need for communication to occur between all levels of employees from executives to managers to the normal employees (Bell & Martin, 2014). Participants mentioned how information needed to be communicated all the way from the top to the bottom of the organisation. Communication on an individual level with each and every employee came out of the interviews but not out of the literature.

Baldoni (2013), brought out how effective communication stimulated employee engagement which can actually improve the overall employee experience including employee performance. Communicating with employees gave them a sense of belonging and reduced feelings of wanting to leave. Participants of the interviews spoke about how listening to employees has its benefits escpecially when employees have ideas they want to share or if they want to vent out their frustrations. This had a similar effect of improving the employees' morale during uncertain times.

6.2.2. Theme 2: Employee engagement

Much like the communication strategies, the points that came out of both the literature and the interviews related to softer initiatives like listening to employees, managing employee needs and giving employees assistance. As Hebenstreit (2008) brought out, having to replace employees who have left a company can have many costs attached, including a negative impact on the organisation's culture and employee morale (Ahammad, Tarba, Liu, & Glaister, 2016). Employee morale, as discussed in the interviews, can become very low if their colleagues or managers whom they have bonded with leave the company.

If morale is low because of this and no retention strategy is developed to prevent employees from feeling this way, the organization can end up losing its most talented employees (Kuttappa, 2013). As one of the participants said, when an M&A is on the cards, employees need to be invigorated and the firm needs to work hard to gain their employees' buy-in.

6.2.3. Theme 3: Access to leadership

Access to leadership was something that the participants in the interviews highlighted from a few different angles. Participants brought out how leaders of a business need to support to be able to effectively implement strategies in the form of coaching. The

participants of the acquiring firm spoke about getting to know the executive team of the target company and giving managers feedback from their employees.

One of the participants discussed how they made it the responsibility of one of the acquiring executives to be on the ground at the target firm and be visible and accessible. The literature search around this subject did not bear any fruitage and the researcher has noted that there is some room to develop and grow the theory in the area of access to leadership when approaching employee retention strategies post-M&A.

6.2.4. Theme 4: Policy changes

This theme's section incorporated numerous strategies which included reward strategies, training strategies, career development strategies and job design strategies. It also involves holistic approaches as well as organizational culture, diversity and inclusion initiatives.

Reward strategies

Starting off with reward strategies, the name does not necessarily imply financial but should include "recognition, responsibility and growth" (Bassett-Jones & Lloyd, 2005). While some of the participants highlighted similar sentiments around recognition and other strategies outside of financial, the majority of the participants brought out how financial incentives in various forms were important. In some industries, the need to pay employees more to retain them and their skills is critical as discussed by Ruhland (2000). While industry related factors like Ruhland's (2000) point about the education industry, didn't come out in the interviews, the participants brought out how it is important to compensate high talent employees and other key staff members during and after an M&A to ensure that the employees are not lost to competitors or other interested parties in the market. In line with Armstrong (2003), participants felt that higher compensation needs to be included in all policies and strategies that are developed to retain employees post-M&A.

One of the participants highlighted how an organization needs to make sure its incentivized retention strategies are not perceived as short term in the eyes of the employees. This expression of longevity also came out in the literature from Llewellyn (2016) who brought out how long-term incentives as well as executive retirement plans help influence employee behaviour when retaining talented employees. One point that came out of the literature but did not occur in the interviews was how sometimes paying higher salaries and large bonuses does not always ensure an organisation will engage

and satisfy its employees and prevent them from leaving the firm (Agarwal & Ferratt, 2002).

<u>Training and career development strategies</u>

Training employees has benefits that supersede a single sided benefit. Aguinus & Kraiger (2009) discuss how overall organisational effectiveness of the employee increases when employees are trained properly, resulting in higher productivity. Participants brought out how creation of a learning organisation can help employees evolve their roles at the firm due to new skills they learn. As brought out by the literature, employees who are trained are exposed to more opportunities within the organisation (Koster, de Grip, & Fouarge, 2011). Initiatives like training help repurpose employees to be more relevant for the vision and mission of the newly merged organisation. Higher performance levels also create increased job satisfaction and higher retention levels (Fletcher, Alfes, & Robinson, 2018).

Career development works together with training strategies, because when combined they motivate employees to do their best as they feel the firm is committed to them (Babakus, Yavas, Karatepe, & Avci, 2003). Additionally, training and development strategies are seen as long-term rewards because they improve an employee's marketability (Wan, 2007). Participants looked at employee development with a high importance that required mapping out and understanding of the key employee profiles. A point that came out in the interviews but not from the literature was the promotion of self-belief in employees. As one of the participants said that they even told employees they believed in them even if the employees didn't believe in themselves until they did.

<u>Job design strategies</u>

The participants of the qualitative interviews brought out that sometimes the roles of employees need to be changed in accordance with the new vision of the newly merged organisation or from the perspective of empowering and motivating employees to encourage retention. The literature on this subject was rife. Heathfield (2008) spoke about how aligning employee job content and responsibilities can help increase the employees' scope in the company and thus engage them to stay. Sometimes job rotations present opportunities to increase "employee commitment and job involvement" (Mahalakshmi & Uthayasuriyan, 2015).

Job enlargement and job enrichment, as brought out by Dost & Khan (2012) while diversifying the work of the employees and allowing them a level of work autonomy builds

employees overall self-worth and self-belief. Self-belief as brought out by the participants was an important part of the communication theme. Gray (2014) too showed that employees feel involved and feel like they own what they do when their jobs are enriched, and they get new exposure. Sometimes employees "get stuck in their own ways" as one of the participants mentioned, repurposing employees' roles thanks to available technology can be a motivator.

The bottom line is that M&As occur for the organisation's benefit first and not the employees. So as one of the participants said, focusing on the organisation's core business might result in redundancies but also create new "opportunities and promotion opportunities for the talent within your organization". This point is similar to what the literature says but nuanced as the participants also spoke about actual job opportunities whereas the literature referred to the opportunities to retain or motivate employees.
Another aspect that came out of the interviews but not explicitly out of the literature was that of employee relocation. Participants spoke about employees' preferences to work from wherever they wanted. Another participant mentioned that employees might not want to move to where the company needs them to. Preferences on employee location can have an impact on employee motivation and retention especially during the uncertainty of an M&A. The literature did not provide insights on this aspect in the context of retention strategies post-M&A.

Organisational culture

The culture of an organisations as described by one participant, is like the immune system of the business. An important acknowledgement by the participants was that an M&A is the coming together of two different organisational cultures. Vaara, Sarala, Stahl & Björkman (2011) referred to this as a "convergence of two different corporate cultures". There was no consensus between the participants though about the approach to organisational culture, with some saying a new culture needed to be forged, others saying the two cultures had to be merged and others further saying that the acquirer culture needed to be the adopted culture. This approach conversation because there is also no mention in the literature of which of these is the superior argument.

Regardless of the details, Ahammad & Glaister (2011) brought out how culture is a key success factor and a big contributor to why M&As fail when not dealt with appropriately. Integration of cultural initiatives was therefore brought out by Lai (2017) as being part of the M&A process even though the academic theory was not properly understood and practiced by real world executives (Weber & Tarba, Human resource practices and

performance of M&A in Israel, 2010). The participants spoke about ways that a company can properly develop or align the issue of culture, from reinventing the brand, establishing the new organisation's identity and creating an employee value proposition.

6.2.5. Summary of discussion - Research sub-question 1

The first research sub-question aimed at finding out what employee retention strategies exist in the context of M&As from the available literature as well as the real-life experiences of the participants. All in all, the data that came from the interviews was comparable with the theory that was found in the literature review. Among the comparisons however there were a number of nuanced similarities that the researcher discovered. Furthermore, there were some points that the researcher was unable to find or confirm in any data in the context of M&As and employee retention strategies. This summary section will briefly highlight those points and will be assisted with a contributing part of the conceptual model as illustrated below.
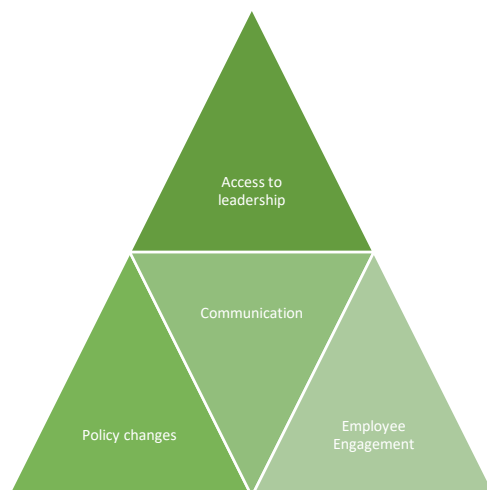
Figure 6.2.5. Employee retention strategies as part of the conceptual model

Under the theme of communication, came a slightly varied perspective over the point of communicating at all levels of the organization. Participants mentioned how information needed to be communicated all the way from the top to the bottom of the organisation, which was confirmed by the literature. Communication on an individual level, however, with each and every employee came out of the interviews but not out of the literature in the context of M&As and employee retention strategies.

Under access to leadership, one of the participants discussed how they made it the responsibility of one of the acquiring executives to be on the ground at the target firm and be visible and accessible. The literature search around this subject did not bear any

fruitage and the researcher has noted that there is some room to develop and grow the theory in the area of access to leadership when approaching employee retention strategies post-M&A.

Next was a point highlighted by the participants in the career development strategies section that was not in the literature was the promotion of self-belief in employees in the context of employee retention strategies post-M&A. The participant said that they even told employees they believed in them even if the employees didn't believe in themselves until they started believing.

Another aspect that came out of the interviews but not explicitly out of the literature was that of employee relocation. Participants spoke about employees' preferences to work from wherever they wanted. Another participant mentioned that employees might not want to move to where the company needs them to. Preferences on employee location can have an impact on employee motivation and retention especially during the uncertainty of an M&A. The literature did not provide insights on this aspect in the context of retention strategies post-M&A.

6.3. Research sub-question 2

"How do the socio-cultural factors influence the staff retention strategies post-M&A?"

This section relates to the next secondary objective of this researcher paper which is "to understand how the socio-cultural conditions, influence retention strategies". As brought out by the findings from the participant interviews in Chapter 5, there are a number of factors that influence employees' choices and decision making that organisations need to be aware of when crafting their retention strategies. Furthermore, from the literature review in Chapter 2 a number of factors were too brought out. This section aims to compare the literature with the findings and try find new areas to develop the theory. Like the previous section, this section will be driven by the themes that emerged from the coding process.

6.3.1. Theme 1: Personal factors

Personal factors of employees include a variety of different points from involuntary factors like age and gender to voluntary factors like employees with families and children and their location preferences. These factors are influenced by the employee in their personal capacity as well as their family members, community they live in. These

personal factors arise outside of the workplace but influence how an employee reasons and makes decisions (Naser, Nuseibeh, & Al-Hussaini, 2012). These factors are more than often non-negotiable.

Age

The age profile of employees was mentioned by participants in how employees embrace risk. During an M&A, the very real risk of employees losing their jobs comes up as part of the general uncertainty employees feel. Participants highlighted how younger employees are "less risk averse and hence are likely to ride out merges if there is enough reward at the end of it". This was supported by the literature, Kashup & Rangnekar (2014) spoke of how retention strategies are becoming less effective due to the generational shift as younger employees come into the workplace and feel a lot freer and more open to opportunities.

Age was also brought up by the participants in terms of the type of work schedule different roles require. The goal of the newly merged firm would be to retain employees and not create an environment that makes employees uncomfortable. Shift work, working days or nights or working longer hours might be the requirement for a job but might not be acceptable to older employees who have responsibilities outside of work. This point did not come out in the literature in the context of age, driving preferences around working hours influencing employee retention post-M&A and might be worthwhile to consider in future studies.

A point that came out in the literature but not in the interviews was that of tenure and experience at the firm which is linked to age. Ramlall (2004) brought out that organisations are beneficiaries when investing in employees with lots of experience as the firm gets higher levels of productivity.

Gender

Sthapit & Shrestha (2018) in their study of important factors related to employee retention, found that male respondents predominantly valued "compensation and career growth" as stronger motivators while female employees predominantly placed a higher value on work life balance and employer branding. This came out from the interviews where participants brought out some traditional roles of the breadwinners might be male, and they would require a lot more certainty in their roles during uncertain times like M&As.

Participants also mentioned gender specific roles primarily driven by safety. Consideration of these factors for developing employee retention strategies was highlighted but not supported in the literature that was reviewed. Ali, Bishu & Alkadry (2018) made mention of differences between male and female career mobility as well as disparities in "wages and seniority" which are further considerations for an organisation. Based on the literature review and the data collected from the qualitative interviews, it is very clear that employees of different genders view their jobs from different perspectives and gender influences decision making.

Education levels and employee backgrounds

When creating and implementing strategies for retaining employees, organisations need to be aware that employees with different educational backgrounds and levels will perceive the uncertainty brought up by an M&A differently. Differences in education levels play an important role as higher education levels create more job opportunities for employees which makes employees more confident and unrestricted should they not feel dedicated to the firm. This raises the need for companies to work on ways to proactively retain their staff (Khalid & Nawab, 2018). When comparing employees that are highly skilled a comparison between traditional and knowledge workers can be held. Traditional workers seek security and do not necessarily add to a business's competitive edge like knowledge workers do (Pobst, 2014). This is an important consideration because knowledge workers, through their advanced skill set, have more bargaining power over their traditional colleagues and the organisation (Jayasingam, Govindasamy, & Garib-Singh, 2016).

Employee commitments and location preferences

While the participants briefly mentioned employee background and employees with families, this was an aspect that probably should have been developed in more detail with the participants. Participants did bring out how an employee's background can influence their decision making. Employees with families, single parent employees and employees that support their families will all reach differently when faced with emotional changes and uncertainty. Employees with families are not just working for themselves but because of their commitments career and employer choices are impacted heavily. These points were supported by the literature as employees with families need job security from an employer, providing job security retains employees (Hu, Jiang, Probst, & Liu, 2021), so they therefore want an employer that makes their employment feel secure. Participants also brought out points about employee benefits and wellness aspects that employers need to be cognisant of, which was supported by the literature

which said that organisations offering their employees the best benefits are more inclined to retain their staff (Hegarty, 2018).

COVID-19 fast tracked the need for employers to look at the working location flexibility preferences of employees, which truly impacted organisations around the world. Some of the participants felt that due to various reasons like an employee's ability or even their inability to work from specific locations needed to be reviewed. After an M&A, the new firm might need its employees to work from a new location and the employee might not be able to just pack up and move due to family constraints. Some employees might want to work from locations different to where the employer's offices are and consideration for remote working could make or break an employee's decision to stay or leave. This aspect was not fully supported by the literature in the context of M&As and post-M&A employee retention strategies which would be a good point for further exploration.

6.3.2. Theme 2: Employee driven factors

This theme refers to socio-cultural factors that are driven by employees based on their interactions with the organisation they are employed by. The code groupings and categories of employee engagement and employee self-worth will be explored in this next section, with the latter providing some very interesting points from the participant interviews that were not explicitly supported by any literature.

Employee engagement

As the participants mentioned, employees that are not fully engaged feel "trapped and bored" and don't feel valued, which is unlikely to bode well for the firm. During the uncertainty of an M&A some employees lack the understanding of the process and can feel lost as the organisation tries to get the transaction done. That is why as the participants said, it is important for the company to listen to employees and show the employees that they are being listened to. In support of this theme, Jindal, Shaikh, & Shashank (2017) brought out how organisations, that have highly engaged employees are also more likely to have lower staff turnover levels, higher productivity and better client satisfaction levels.

Houssein, Singh, & Arumugam (2020), added to this by showing how important employee engagement and career development are to the competitive advantage of a firm as well as the employee's work-life balance therefore everyone's success. Sepahvand & Khodashahri, (2021) therefore looked at policies and strategies developed by an organisation and how they should therefore work towards engaging employees by

helping employees to have renewed "vigour, dedication and absorption" in their commitment to their employer.

<u>Employee self-worth</u>

Self-belief does not always exist in all employees and if it does, it can be tested during the uncertain times brought on by M&As. If employees lack self-belief, performance and dedication can reduce and the organisation can end up losing employees unnecessarily. Participants brought out how important it is to develop this self-belief by believing in the employees and telling them that the leadership believes in them until they start believing in themselves.

To some employees however, self-belief is not a problem especially when they know that they are very good at their jobs. One of the participants highlighted how top producing employees develop an ego because of their success. This form of self-belief makes it very difficult to retain an employee because they are likely already being approached by competitors when the organisation is involved in an M&A.

These two points are very interesting but not explicitly supported by the existing body of literature in the context of post-M&A employee retention strategies. It would be good to develop them for future studies.

6.3.3. Theme 3: Organisation driven factors

This final theme for the discussion of research sub-question 2 refers to socio-cultural factors that are driven by organisations based on their interactions with the employees that they employ. The codes that the qualitative interviews introduced were grouped under employee development, employee preferences and work-life balance. This section will compare what came out of the interviews with the existing literature to try and find new areas to develop the theory.

<u>Developing employees</u>

Fletcher, Alfes & Robinson (2018) said that there is a direct link between developing employees and retaining those employees. As the participants said, in order to develop employees, the organisation needs to know what the individual's needs, fears and ambitions are through listening to them. Furthermore, as the participants said, doing this is "tapping into the company's future" and seeing "what role and what contribution they will make". This was supported by Koster, de Grip & Fourage (2011) who said that developing employees gives employees access to bettering themselves and having

access to better opportunities. Heathfield (2008) viewed employee as employees remaining loyal and not leaving the company, this was confirmed by the participants who overall viewed developing and training employees as critical in their quest to retain them.

Employee preferences and work-life balance

The participants gave some insights to some different preferences that employees have. Specific to the qualitative interviews were preferences of job titles when the organisation needed to align the acquired firm's job titles with South African standards. Some employees viewed this as a demotion and were not happy which also as highlighted by another participant brought out perceptions around organisational seniority. Another point that came out from the participants was that of employees that used to work at the acquiring firm and moved to the firm that has now become the target. These employees may not have left the firm on the best note and might not favour coming back. The literature does not support or confirm this phenomenon and it would be a good place to expand the knowledge base.

An M&A can be very emotionally draining to employees like most other big changes in their lives. Through this point from the participants, the importance of work-life balance was brought up and how organisations need to ensure the wellness of their employees. While not all directly supported by the body of literature, all the participant points relate to employee preferences as to why to stay at a company or leave and can be confirmed with Holtom, Mitchell, Lee, & Eberly (2008) and Hausknecht, Rodda, & Howard (2009).

6.3.4. Summary of discussion - Research sub-question 2

While the available literature confirmed the findings from the qualitative interviews, it is important to note that there is a lot room to develop the literature around how socio-cultural factors influence employee retention strategies post-M&A. The section of the conceptual model pertaining to this section is represented in the illustration below.
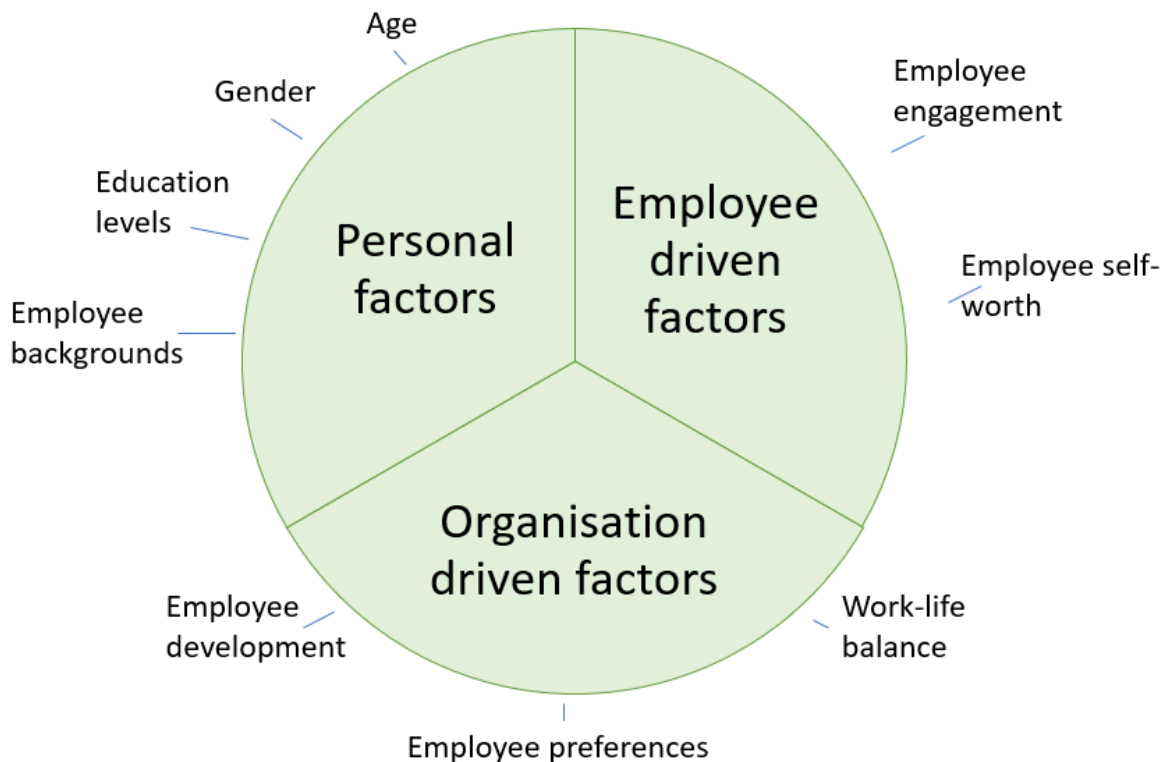
Figure 6.3.4. Socio-cultural factors as part of the conceptual model

Firstly, the participant's point about age being a factor when looking at shift work, working days or nights or working longer hours being a requirement for a job, is a point that did not come out in the literature in the context of age, driving preferences around working hours influencing employee retention post-M&A and might be worthwhile to consider in future studies. Next, was the preference of employees wanting flexibility when looking at working locations that are different to where the employer's offices are and consideration for remote working are aspects that are not fully supported by the literature in the context of M&As and post-M&A employee retention strategies which would be a good point for further exploration. Understanding employee self-worth and employee egos would also be another area that would need further study in the context of retaining employees post-M&A, especially since the participants mentioned how much more difficult it is to retain employees that are very self-sure.

Lastly was the point brought up by one of the participants that referred to employees that had previously left a firm to work for another firm. Then the firm they went to work for became the target of an acquisition. Those employees might have reservations to return to their previous employer but at the same time might have valuable skills that they can offer. This fine line needs development in the literature space as nothing was heralded from searches.

6.4.   Research sub-question 3

"What is the role of external parties, such as consultants, competitors, and labour unions, as cocreators of staff retention strategies in mergers and acquisitions?"

The third of the secondary objectives to this research paper is "to investigate the role of other external parties in the creation process of the retention strategy". There was an immediate need to first identify these external stakeholders, understand what level of reliance the organisation has on them and then look at what their role is as co-creators of employee retention strategies post-M&A. This section will follow the same layout by following the themes brought out in the coding process. The respective themes are regulating actors, opposing actors and supportive actors, with the fourth them of reliance on external parties being incorporated in the first three themes.

6.4.1. Theme 1: Regulating actors

This theme refers to regulatory external parties or actors that are influence the creation, development and implementation of employee retention strategies post-M&A. Regulating forces were summed up by the participants as industry regulatory bodies, accreditation agencies, ratings agencies, the competition commission and the marketplace itself. The importance of these actors and the role they have as brought out by the participants was to ensure fairness to employees while the M&A transaction was happening. These parties in some cases could stop the M&A altogether like the competition commission if they felt that unfair labour practices, among other things, were being conducted. Trade Unions have the mandate to protect jobs and ensure better working conditions for their members, but they also have the power to stop production by influencing members to down tools if necessary.

The literature around regulatory forces, compliments and confirms much of what the participants said, although there is a need for more literature around the competition commission's role in the context of M&As and employee retention. When it came to regulatory bodies, Mehta, Srinivasan, & Zhao (2020) said that regulatory bodies uphold and protect the interests of competition, customers, employees and other stakeholder rights. Awan, Shah, Khan, & Javeed (2020) confirmed that the role of regulators was to prevent unfair behaviours like monopolies through financial regulations, controls like antitrust laws. Caiger-Smith (2015) brought out how regulators also ensure the protection of skills within an industry. Regulatory actors like the Government also step in to ensure

serious socio-economic issues like unemployement are not worsened by an M&A (Jochem, Ladika, & Sautner, 2018).

6.4.2. Theme 2: Opposing actors

Not all stakeholders of an organisation work in harmony with the organisation to try and help the organisation become better. In the marketplace exists stakeholders that work in opposition to the organisation as competing forces, out for their own interests. When an organisation is involved in M&A activity competitive forces seen the organisation as potentially and temporarily weak as brough out by the participants. They see the firm's resources are fair game and competitors look at poaching clients and talented employees from the organisation. Talented employees in any business help create an organisation's competitive advantage. As Tan & Rider (2017) said, losing these employees translates to the organisation losing its competitive advantage.

Participants thus highlighted that it is good to understand the marketplace and who the firm's competitors are. Furthermore, responsiveness was required to ensure that offers by competitors to lure employees was necessary to prevent employees from going no matter how uncertain things may be (Homburg, Grozdanovic, & Klarmann, 2007).

6.4.3. Theme 3: Supportive actors

The supportive external stakeholders to any organisation are the customers, shareholders and suppliers as per the participants. Customers are the most important external stakeholder of a business, as one participant put it, they are the life blood, and a firm has to be responsive to their clients' needs. This is confirmed by White, Varadarajan, & Dacin (2003) who spoke about the need of an organisation to be responsive to their clients. This responsiveness and general customer service is threatened when the uncertainty of an M&A arises. Customers might get worried that they wont get the same service levels due to the employees that handle their business leaving the business. This point on key account staff, is not explored in the literature when the researcher was searching for existing literature for employee retention post-M&A.

Suppliers like consultants, change managers and auditors were mentioned by participants that assist an organisation in a few different ways. Some help formulate the strategies and others help implement them. Professional Change Managers help leadership to plan and implement strategies relating to employee retention while

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communicating throughout the process (Galbraith, 2018). The expertise these stakeholders bring into a firm during the an M&A can help an organisation get the best result from the newly merged firm. This point was supported by Laage (2021) who advised that external actors, consultants whether legal, financial, human resource or change consultants help develop and drive different elements of an organisation's strategy in the absence of the skills and ability of the organisation to do it themselves.

6.4.4. Summary of discussion - Research sub-question 3

This section was fairly straight forward with most of the participants points being supported and confirmed by the literature review. An industry specific view of external parties might yield more opportunity for future studies. The section of the conceptual model pertaining to this section is represented in the illustration below.
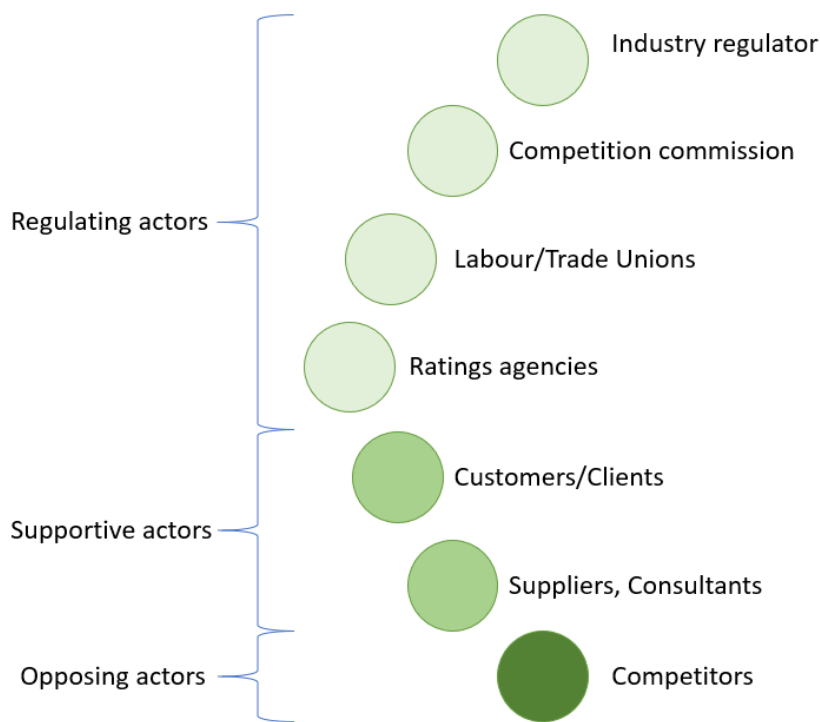

Figure 6.4.4. External stakeholders as part of the conceptual model

The external parties portrayed in the conceptual model act as forces influencing the way organisations conduct themselves and come up with strategies and policies that directly impact employee retention after an M&A.

6.5.   Conceptual model

This conceptual model below comprehensively shows the aspects brought out in this research paper, that an organisation would consider when developing an employee retention strategy. All aspects are deemed essential as they all ultimately have an influence and impact on what is chosen as a strategy or created to retain employees after an M&A.
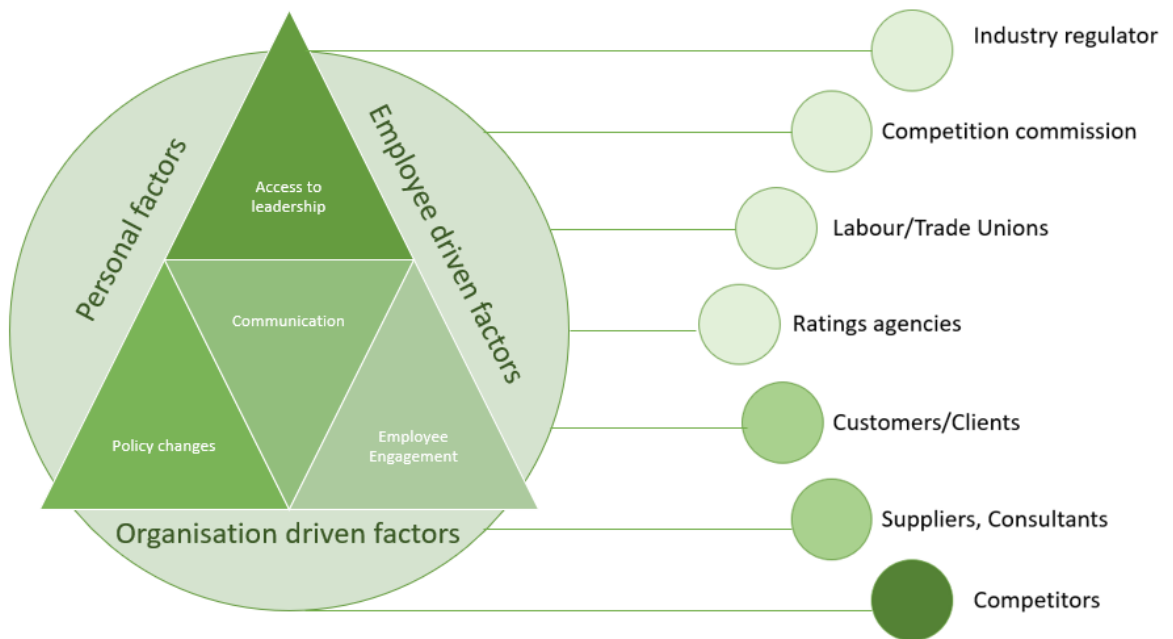
Figure 6.5. Conceptual model highlighting the impact and influence of external parties and socio-cultural factors on employee retention strategies post-M&A

As depicted the external parties and socio-cultural factors brought out in the findings of research sub-questions 2 and 3 influence the type of employee retention strategies (research sub-question 1) that an organisation employs after an M&A. The employee retention strategies exist within a business hence they are setup at the centre. The socio-cultural factors surround sit just outside of the strategies mainly because they pertain to the employees who are internal of an organisation but bring their own uniqueness's from both inside and outside the firm. The external stakeholders or actors represented on the right-hand side are forces that push their agendas from outside an organisation, jostling, as it were to influence how an organisation strategises and behaves.

Chapter 7: Conclusion

7.1.   Introduction

This chapter is concerned with answering the research questions as stated in Chapter 3. The aim of the research was to understand what and how strategic actors use specific staff retention strategies after a merger and acquisition to successfully retain employees. Based on a qualitative analysis of participant data gathered from qualitative interviews conducted by the researcher, this main research question as well as the three research sub-questions also highlighted in Chapter 3, have been answered. The answers to these questions will be documented in the sections to follow in a systematic fashion by research question/sub-question. Additionally, recommendations for future work on the topic and new knowledge contributed by this study will also be highlighted in the next section.

7.2.   Answer to research sub-question 1

The first research sub-question aimed at identifying the specific retention strategies that are used by organisations to successfully retain employees after an M&A, through qualitative interviews with leaders of organisations that have experienced M&As. The participants, as brought out in the discussion chapter (Chapter 6), spoke about many different ways in which organisations try to retain employees.

Firstly, as per the first theme that came out of the qualitative data analysis, participants discussed how clear and honest communication (Cloutier, Felusiak, Hill, & Pemberton-Jones, 2015) on a regular basis (Kolar, 2016) and via numerous channels is crucial when attempting to retain employees. From section 6.2.1., employees of different levels, understand M&A activities differently and most tend to worry about their employment future due to the uncertainty that arises during this period. Some employees, especially key, talented and senior employees become targets for rival organisations looking to strengthen their human capital. The findings of the research were conclusive that communicating with all employees, on an individual basis and in groups was important to keep all employees abreast of the developments as and when they happened, and to ensure employees concerns are dealt with, thus making them feel valued. While some employees might have already made their minds up to leave an organisation, communicating to all employees proactively prevents any snowballing turnover that would cripple a business and reduce its value for the M&A.

Secondly, employee engagement strategies are used to improve employee morale. The uncertainty brought on by an M&A, as discussed in section 6.2.2., can reduce morale to very low levels if employees perceive job losses are on the cards or if their colleagues or managers whom they have bonded with leave the company. Employee engagement strategies involve invigorating employees, listening to employees, managing employee needs and giving employees assistance (Baldoni, 2013). The third strategy was leadership making themselves accessible. Access to leadership is created, according to the participants by executives being on the ground, talking to employees and managers (Bell & Martin, 2014). Sometimes executives might not know how to do this, the organization should therefore invest in supporting the leaders to be able to lead and communicate, to better implement the overall strategies of an organization.

The last theme was a grouping of strategies that related to the policies of companies including changes where necessary. The strategies included reward strategies, training and career development strategies, job design strategies, organizational culture and diversity and inclusion initiatives. Reward strategies can be financial and non-financial incentives comprising of recognition and growth, while being long-term to help retain high talent employees (Llewellyn, 2016). A proactive approach to compensation will help fend off competitors poaching an organisation's employees.

Training and development strategies offer employees the opportunity to improve their organisational effectiveness, resulting in higher productivity (Aguinis & Kraiger, 2009). Higher performing employees also enjoy better job satisfaction and are able to be repurposed should the need arise for their jobs to change at the firm. Furthermore, training and development strategies can be seen as long-term rewards for deserving employees because they benefit by improving their overall marketability (Koster, de Grip, & Fouarge, 2011). Job design strategies were brought out next which included job rotation, job enlargement and job enrichment (Mahalakshmi & Uthayasuriyan, 2015). All of these job design strategies present opportunities to increase an employee's exposure which in turn increases an employee's dedication and involvement through diversifying the work employees do and thus retaining them (Gray, 2014).

Lastly, organisational culture and diversity and inclusion initiatives proactively entered into by the organisation highlight an awareness of the business of the coming together of two different organisational cultures (Vaara, Sarala, Stahl, & Björkman, 2011). This is more apparent because culture is a key success factor and a big contributor to why M&As succeed or fail (Ahammad & Glaister, 2011). Addressing culture and the nuances

in diversity of the employees requires a company to align the its culture, if necessary, reinvent the brand, establish the new organisation's identity and create an employee value proposition to keep employees sold on the idea that they are included and belong at the organisation.

This summarises the strategies that organisations use to retain employees after an M&A. While the participants brought these strategies out as successful strategies, it is still the employee's individual decision on whether they stay or leave, as well as the drivers of that decision.

7.3. Answer to research sub-question 2

The second research sub-question aimed at identifying what socio-cultural factors exist that influence employee retention strategies post-M&A and how they influence the strategies. The findings from the qualitative interviews resulted in the following answers to the research sub-question by theme.

Personal factors such as age, gender, education levels of employees, employee background, employee commitment and the employee's location preferences, all came out in this researcher paper's findings. Age as a socio-cultural factor gives perspective into how employees make decisions pertaining to risk-reward and also how this dynamic is changing with the generational changes in the workplace, for retention strategies to change (Kashyap & Rangnekar, 2014). Younger employees are less risk averse, while older employees want job certainty and security both highlighting how risk aversion is linked to age (Ahmed, Khattak & Anwar, 2020). Different jobs have different schedules and time requirements and might not be suitable for employees who have other responsibilities outside of the office. Linked to age is the important point of experience and tenure of older employees, which is important to higher performance (Ramlall, 2004) and the success of the organisation.

Gender introduced how employees of different genders view their jobs from different perspectives and gender influences decision making (Sthapit & Shrestha, 2018). The role of breadwinner of the home might be male, which would demand that the employee require a lot more certainty in their roles during uncertain times like M&As. There are also differences between male and female career mobilities as well as disparities in "wages and seniority" which are further considerations for an organisation (Ali, Bishu, & Alkadry, 2018). Employees with different education levels are able to contribute more to

an organisation, they have more job opportunities (Khalid & Nawab, 2018) and therefore raise the need for companies to retain these skilled employees who form part of the company's competitive advantage (Pobst, 2014). Employees with commitments, like families, are not just working for themselves and therefore need a level of job security from their employer (Hu, Jiang, Probst, & Liu, 2021).

The second theme was employee driven factors which highlighted the socio-cultural factors of employee engagement and employee self-worth. Both of these factors are driven by an employee's interactions with the organisation they work for and directly influences employee turnover, job productivity and client engagement. Engaged employees are committed employees and contribute to the firm' competitive advantage (Houssein, Singh, & Arumugam, 2020). Highly engaged employees result in organisations having lower staff turnover levels (Jindal, Shaikh, & Shashank, 2017).

The final theme under research sub-question 2, is organisation driven factors which are derived from an organisation's interactions with the employees that they employ. The socio-cultural factors grouped under organisation driven factors are employee development, employee preferences and work-life balance. Developing employees and retaining those employees work hand-in-hand (Fletcher, Alfes, & Robinson, 2018) because developing employees gives employees access to bettering themselves and having access to better opportunities within the organisation (Koster, de Grip, & Fouarge, 2011). Employees have their preferences that they take very seriously. Preferences of job titles came out as a strong motivator due to perceptions around organisational seniority. Lastly, work-life balance is crucial because organisations need to ensure they are concerned with their employees' overall wellness. Straining world events like the COVID-19 pandemic, lockdowns and working from home have made work-life balance more apparent. Employees want a workplace that respects their personal life and responsibilities (Deery & Jago, 2015).

This closes the socio-cultural factors that exist how they influence strategies for employee retention post-M&A.

7.4. Answer to research sub-question 3

The third and last research sub-question aimed at what role and level of reliance external stakeholders have as cocreators of employee retention strategies in M&As. The external parties or actors were identified by the researcher as regulatory bodies, the competition

commission, trade unions, competitors, clients or customers, various external consultants and government. These external parties were group under three themes along with a discussion of how these parties influence strategy and how reliant the organisation is on them.

Starting off with the theme regulatory actors, regulatory bodies, the competition commission, trade unions, ratings agencies and government came out as the external parties. The research sub-question was answered by showing how without the agreement and buy-in from these bodies an M&A can actually be suspended or prevented from happening (Mehta, Srinivasan, & Zhao, 2020). Regulators also ensure the protection of skills within an industry (Caiger-Smith, 2015). In some cases, like the trade unions whose main goal is to ensure the fair treatment of employees, they could actually affect production negatively and even stop production if they feel an M&A is negatively impacting the employees. Firms are therefore very reliant on these regulatory bodies who have great influence on what strategies are applied and how.

The next theme was opposing actors which was made up of competitors as well as other firms in the industry that are competing for skilled and talented resources, in the form of employees. While an organisation that is involved in M&A activity might not be party to the internal ongoings of their competitors, they need to be aware that employees that are viewed as key to the firm will be an attractive prospect for companies looking to strengthen. Employees not only have positive human capital aspects to them but also service clients who have become accustomed to certain levels of service. If employees leave, it is certain that the firm will lose its competitive advantage (Tan & Rider, 2017) and likely that the clients might follow. Competitors are thus a strong force in influencing how employee retention strategies are created and implemented because they cause an organisation to be more mindful, proactive and better prepared to show employees, they are giving them the best opportunity possible.

The last theme related to supportive actors, those stakeholders that work with the organisation and want to see it be successful at retaining employees after an M&A. A supportive force, like clients are the lifeblood of a firm and if they are not happy with the employee choices of their service provider, they will leave and go to another service provider. Organisations will want to engage their clients on matters pertaining to key employees to avoid client loss (White, Varadarajan, & Dacin, 2003). Consultants are the next supportive actor that bring expertise to an organisation that the organisation might not necessarily have internally. These consultants bring skills and abilities that help the

firm implement the M&A related strategies effectively whilst ensuring that best practices are adhered to regarding employee relations (Galbraith, 2018). Without these external consultants, the best results cannot be expected, and organisations are very reliant on them.

7.5. Recommendations for management and other stakeholders

When organisations engage in M&A activities, they need to review their stance on employee retention. Employee retention in the modern workplace has clearly taken on a revised identity especially as employees' needs and desires, from a personal perspective and career perspective, have changed over time. This change is consistent with the dynamic global business environment that all organisations are experiencing because of factors like the global COVID-19 pandemic, the fourth Industrial revolution and technological advances that have caused organisations and employees to re-evaluate how business is conducted. In order to remain competitive and relevant, organisations need to be at the forefront of strategies to retain employees otherwise other forward-thinking rivals will assume dominance as top employers and cherry pick their choice of key, talented and skilled staff in the labour pool.

7.6. Limitations of the research

With hindsight the researcher has found a number of limitations that apply to this research paper. Firstly, more time to collect data from the qualitative interviews would have assisted the researcher in having a bigger sample and therefore more findings. While very similar arguments came up from the eight participants, there were some very unique perspectives too. A bigger sample would have afforded an opportunity to get more unique insights.

The qualitative interview guide was setup in a way as to not coach or guide the participants to give perfect answers however the interview guide could have benefited more from additional questions that opened up the participants a bit more.

7.7. Recommendations for further research

In section 7.6. of this chapter, the researcher presented some limitations that could be seen as opportunities to improve or magnify the scope on the subject of this specific research paper. The study as a whole highlighted a number of different areas, some well-studied and others not so much. Some areas need refreshment due to the global

changes experienced by all organisations during the COVID-19 pandemic and as the fourth industrial revolution is at play. These two events are changing the way the world works and the way in which employees behave. Employee needs are changing and what would have been a good idea to retain employees five to ten years ago, might not even be a consideration nowadays due to phenomena like remote working.

Regardless, based on the literature review (Chapter 2), the findings (Chapter 5) and the discussion (Chapter 6), the researcher has found a few gaps in the available body of knowledge that are either not discussed or that are nuanced views of existing ideas. The researcher utilised searches on both the EbscoHost database and Google Scholar to ensure that there is no existing literature on the points to be mentioned in the context of post-M&A employee retention strategies. This section will discuss those as best as possible.

The first point was communication on an individual basis during and after an M&A as a form of retaining employees. While the literature spoke about different forms of communicating, this wasn't apparent in the context of this study. Communicating with employees individually and what to discuss with the employees to allay their fears and concerns as well as invigorate them in a hope to retain them, is an area that needs exploring.

In the access to leadership theme, there was no literature that highlighted or encouraged executives or leadership to make themselves visible and accessible during or after an M&A as a form of retaining employees. While the context is very specific, the phenomena of uncertainty brought on by M&As and employee retention are very common. Leadership plays a very large role in making employees feel secure about their jobs and positive about their future at the newly merged organisation. This is an area that would be valuable to explore for future academic research.

The next area that the researcher recommends for future research is that of employee self-belief and employee ego. Employees might not feel fully confident in their personal value at an organisation, so when uncertain times come like an M&A, they might feel like they are on the chopping block as far as their employment is concerned. There is no literature that explicitly deals with matters around employees lacking self-belief and employee retention or employee turnover post-M&A. This extends to employee ego and ego-involvement linking to employee turnover which could only be found in a journal from 1951 (Wickert, 1951). While these two points could be argued to fall in the scope of

employee morale, the researcher views these as similar but also mutually exclusive in this context as employees are all different, have different life experiences, make different choices in life, and perceive events differently. The researcher is arguing that the points on employee self-belief and employee ego are nuanced perspectives that deserve further investigation.

With the COVID-19 pandemic lockdown restrictions and technological advances of the fourth industrial revolution, employees were able to work from anywhere in the world, within reason. Competitive employers are currently considering hybrid, dynamic working, telecommuting and full-on remote working as alternatives to employees being physically based at an office (Everett, 2021). As far as the literature goes, there is much debate about the future of the workplace but there is nothing in the avenue of post-M&A employee retention strategies. This is a highly viable stream for future study because its results will be further reaching than just employee retention.

7.8. Conclusion

The researcher has worked very hard to explore the research problems and research questions to gain the most insight on the subject of employee retention strategies post-M&A. The literature that is currently available to provide some of the answers to the research sub-questions, however as discovered in the findings of the qualitative interviews with the participants, there are different ideas, perspectives and nuanced viewpoints of existing knowledge that needed consideration as well as further exploration. Moreover, the researcher was able to develop some interesting themes, which the researcher was able to adapt to understanding how retention strategies are influenced and developed.

The researcher was successful at answering the research main and sub-questions and has contributed some more knowledge to the existing body of literature. This is also apparent in the recommendations for future research section, where the researcher has identified a number of interesting, unexplored ideas.

Chapter 8: References

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