HOW DOES PRE-MERGER COMMUNICATION AFFECT EMPLOYEE POST-MERGER MOTIVATION: THE CASE OF COMPANY A AND COMPANY B
HOW DOES PRE-MERGER COMMUNICATION AFFECT EMPLOYEE POST-MERGER MOTIVATION: THE CASE OF COMPANY A AND COMPANY B

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ABSTRACT

Companies naturally have to change in order to keep up their competitive edge on the global market and not face declining revenue. In conjunction with that comes resistance to change among employees and an ongoing challenge for managers to maintain a high level of motivation when going through big changes.

The focus of this research is therefore mainly to find out how pre-merger communication effectiveness towards the employees affect their post-merger motivation. The study also aims to show how the employees’ state of resistance to change affects the relationship between the communication effectiveness and motivation after change.

55 samples from the target population from the two merging companies’ employees were collected and analyzed in SPSS. The results showed that pre-merger communication effectiveness has a positive relationship with post-merger motivation and that resistance to change has no effect on this relationship.

Keywords: Change management, employee satisfaction, motivation, communication effectiveness, resistance to change, mergers and acquisitions
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CHAPTER 1: INTRODUCTION

The focus of this chapter is to provide an overall view of the research and to outline the research, as well as a background to why certain scenarios took place along with the reason for the topic being of interest to the author. This research will therefore focus on an international company merging with a Thai company. Both companies were previously operating within the same field, conduct business through different channels.

Changes in the workplace as big as a merger have huge effects on employees. The research will therefore examine how much information the employees were given prior to the merge and also measure employee motivation after the merger to see how that correlates. Background to the merger, the research problem, significance and personal motivation will all be specified in the sub-headings below.

1.1 Introduction

Drivers for change within, or outside, a company can be many. Depending on if they come from within the company, or from the outside, these drivers for change are considered internal or external (Barksdale and Lund, 2006). Due to globalization (Chinyio and Olomolaiye, 2009) and a constant ongoing revolution in technology innovation, a fast-evolving business has become necessary for long term organizational survival (Goksoy, 2015).

Microtrends with the potential to reshape the business environment (Penn, and Zalesne, 2007) are what companies has to be on the lookout for and change strategies according to (Beerel, 2009). Examples of such are adaptation to mobile platforms and social media (Synnot, 2014), huge drivers towards change in today’s business climate (Voehl and Harrington, 2016).
When these small microtrends, pebbles of change, turns into big ripples in the water of the market, it results in drastic market win/losses (Mathew, 2011), with the quick adaptors are the ones with the competitive advantage (Schoemer, 2009) and the laggards fall behind and might end up out of business.

This constant change and technological improvements also have another effect, the supply and demand of knowledge (Rajagopal, J. (2015), reasons that, along with previously mentioned examples, that in various cases calls for change in form of a merger or an acquisition (Warren, 2008).

1.1.1 External Drivers of Change

External drivers of change factors are events and trends outside of the company over which it has no control (Bagdi, 2012), such as political events, legislation and social and technological trends (Ramanathan, 2009). These are among the most important factors that are shaping the organisational change (Genus, 1998) and are worth focusing on when making a forecast to figure out in which direction the company needs to go (Singla, 2008). A great way to analyse the external drivers of change is to do a PESTLE analysis (Perera, 2017), each letter in the acronym will be covered in the following sub-headings.

1.1.1.1 Political

The political factors are determined by how much the government is affecting the industry or affecting the economy that impacts the market the company is operating within (Dransfield, 2001). Other important factors that the government controls are taxes and tariffs.

1.1.1.2 Economic

Examples of economic factors are national GDP growth, inflation, FDI and purchasing power, both local and international (Waters, 2006). All of these factors impact companies’ decision making in terms of pricing and supply/demand models for the markets targeted.
1.1.1.3 Social

The social factors in the analysis are the targeted demographics and the trends within the social structure of the market (French and Gordon, 2015). Examples of this can be movement or the population, its growth and diversity (Grundy and Brown, 2002).

1.1.1.4 Technological

Technological factors are based on the rate of innovation, the amount of resources being allocated to R&D in the market (Marmol and Feys, 2015). This affects the level of automation and general technological awareness, which forces companies to adjust accordingly.

1.1.1.5 Legal

The legal factors can also be internal, in the form of internal policies that have been implemented and maintained. However, majority of the legal factors are external, such as financial, labor and consumer laws and regulations (Cadle, Paul and Turner, 2010) that are constantly changing and therefore affecting companies.

1.1.1.6 Environment

Environmental factors are mainly crucial for industries such as farming and tourism, where variables such as weather and location plays a big role (Adams, 2006). However, environmental factors can also be linked to legal and political factors regarding pollution control, resulting in changes in waste disposal and transport policies (Partridge and Sinclair-Hunt, 2005).

1.1.2 Internal Drivers of Change

Internal drivers of change are factors that are opposite of external, so factors within the company, mainly people and the culture (Anderson and Anderson, 2002). In recent years, this has been a bigger focus, putting pressure on companies to re-evaluate their core procedures (Dunphy, Griffiths and Benn, 2003), such as HR, marketing and business ethics. A lack of such factors could lead to not reaching the organizational goals (Talloo, 2007), a combination that is common when the company lags in observing of the external factors. Examples of internal factors (Spacey, 2018):
1.1.2.1 Capabilities

The capability factor depends on the focus of the company and the internal knowledge assets. These capabilities determine what routes to take and how to approach changes.

1.1.2.2 Resources

This factor is similar to the capabilities, but with a focus on tangible assets such as cash, the number of staff and supply.

1.1.2.3 Principles

This factor depends on the company’s chain of reasoning, many times depending on its core product and mission and vision.

1.1.2.4 Dissatisfaction

This factor depends on what the company currently doesn’t like with the situation that they are in, which motivates change (Anthony, 2008).

1.1.2.5 Mission and Vision

This factor is mainly based on the type of leadership within the company. What vision the leader or founder has will determine the mission and the strategies for how to get there.

1.2 Mergers and Acquisitions

Mergers and acquisitions are words used as a term for describing two separate companies consolidating, turning them into one company. This is often shortened to the acronym M&A (Snow, 2018), which can include several different transactions, here are some examples (Klikauer, 2018):
1.2.1.1 Mergers

A merger, on the other hand, involves a psychological difference (Hubbard, 1999) since it involves two or more entities (Gurusamy, 2009). Often these two companies are of comparatively similar size (The Balser Group, 2016), that start sharing resources while melding into a new entity (Coyle, 2000). The two companies will then work together as one, on similar terms (Penrose, 2009) and joint efforts (Varney, 2011).

Mergers are sometimes the change needed to survive on the ever-changing world market, a way for two companies to survive together (Adolph, Pettit and Sisk, 2008), rather than competing side by side.

1.2.1.2 Acquisitions

Acquisitions is the activity where a company (Hubbard, 1999) or another type of legal entity (DePamphilis, 2013) is bought by an external interested party (Chiesa, 2001) where the acquired company is often called target company (American Bar Association, 2006). Most often another company (Appa, Parvathiswara and Sivaramakrishna 2009), or another type of corporate body (The Corporate Training Group, 2008), is the buyer for business reasons (Ireland, R.D., Hoskisson and Hitt, 2012).

Another reason could be that a company is acquiring assets for tax advantage (Darby, 2006). This can also be done by a natural person (Godbole, 2013). As a type of consolidation of companies, acquisitions are more common than mergers in today’s global market (Baker and English, 2011).

1.2.1.3 Consolidations

This is the same as a merger, but the companies that merge cease so exist and a new company comes out of it all (Clarkson, Miller and Cross, 2010).

1.2.1.4 Tender offers

A tender offer is a big to take over a publicly traded company by purchasing all their stock from the other stockholders (Barmash, 2003). This is often done after the purchasing company’s interest along with what they are willing to pay is announced.
1.2.1.5 Management acquisitions

Management acquisitions, or management buyouts, are when the current managers of the company itself purchase a large portion of the company (Wright, Amess, Bacon and Siegel, 2018).

1.3 Research problem

A McKinsey 2009 study discovered that 60%, or higher, of mergers did not boost returns to shareholders (Isern, Meaney and Wilson, 2009), but stayed the same, or even lower in several cases. Another study from KPMG, researching the very same topic, later showed numbers as high as 83% (Bradt, 2015), where it would have been more beneficial to stay as separate companies, rather than to merge.

In most mergers, employees become redundant (Moeller, 2009), which leads to cutbacks on staff (Snow, 2011), creating even more insecurity among the employees (Mendenhall and Stahl, 2005). Therefore, a major contributor to failures in conjunction to merger and acquisition is a high employee turnover (Straub, 2007), despite cutbacks not always being necessary, this is the human side of the merge.

Other than cultural differences (Harrison and Carroll, 2006), for an international company merging with a company operating in Thailand, they also need to take language barriers into account, since barely 30% of the Thai population speak English (Crystal, 2003), the most common cross-border business language in Asia (Tam and Weiss, 2004).

Another reason for high employee turnover is absence of positive feedback (Taylor, 2002) and encouragement (Rangaraju and Kennedy, 2012), consequently there is reason to assume that the importance this factor has exponentially increased while merging and this is where change management comes into play.
Examples of results of high staff turnover are (Hamel, 2008):

- Higher costs
- Further lowered moral
- Less productivity
- Contagious bad attitudes
- Lower revenue
- Severally lowered profit

This in its turn can lead to a ketchup effect with a flood of employees leaving their positions due to a never-ending bad spiral (May, 2009). Instead, the company needs to start focusing on potential issues right from the start, making sure threats like these never become a weakness while merging. Furthermore, examples of results of high staff turnover are (Mudie and Cottam, 2010) higher costs, lowered moral, less productivity, contagious bad attitudes, lower revenue and a severally lowered profit. This in its turn can lead to a flood of employees leaving their positions due to a hard to stop bad spiral (Griffeth and Hom, 2004). When this happens to a company, it is also causing valuable knowledge to leave the office (Jain, Trehan and Trehan, 2008) when those employees, intangible assets (Moberly, 2014), are leaving.

Satisfied employees make excellent company ambassadors (Sisodia, Sheth and Wolfe, 2014) and will run the company (Ferrell and Ferrell, 2012). The equation is simple, more highly motivated employees result in higher performance (Sommerville, 2007), which in its turn leads to higher revenue (Deb, 2009). A 2015 study by Oswald, Proto and Sgroi shows that just pure happiness makes people around 12% more productive and just by showing support and finding out what motivates increased productivity with 37% at Google (Revesencio, 2015).

Domestic merging was, until early 2000, a phenomenon primarily common in the United States (Hitt, Harrison, and Ireland, 2001), but mergers and acquisitions are lately occurring worldwide, crossing borders (Søderberg, and Vaara, 2003). Since change management was first mentioned, the subject has been widely studied, over 30,000 books on the topic are available on Amazon (Amazon, 2016), but the transitions still fail majority of the times (Mourier and Smith, 2001).
Since research on the topic of mergers in Thailand is relatively low, this research will show insight on the importance of the flow of information towards employees in Thai companies, compared to an international company when merging. It will also answer how communication effectiveness before the merger affects motivation after the merger, along with what effect the employees’ resistance to change has.

Is there a correlation between communication effectiveness, resistance to change and motivation while going through a merger? Samples from 2 merging companies will be used to answer this research question.

1.4 Scope of Research

The scope of this research is to study how pre-merger communication effectiveness affects motivation, when going through big changes, a merger in this case. The target sample group is employees in both companies in the merger in order to compare results and examine potential relationships between variables.

1.5 Limitations of Research

The limitation of this research is:

Due to time constrains, the quantitative data will be collected via an online survey tool, which might get misinterpreted due to various factors, causing a change in the message.

1.6 Significance of Research

Under the following sub-headings are reasons for and benefits of this research about change management and how motivated the employees are within the newly merged companies in Company C.
1.6.1 A General Understanding of Motivational Level

According to Lussier (2016), the easiest way to find out if and why motivation is lacking is simply to talk to the employees, find out the reasons and develop a plan together. Company C, like any other company (Sirota and Klein, 2013), has as a goal to keep employees motivated to do a good job, also in times of change.

A starting point in work towards well established change management is actual knowledge of current levels of motivation in conjunction with change among the employees. This research will reveal whether management has done a good job regarding change management in conjunction with change, or if anything from slight to drastic future alterations needs to be made in the company’s change management strategies.

1.6.2 Increase Performance and Profits

The equation is simple, as stated earlier, more highly motivated employees’ equal higher performance and in its turn, higher revenue. Having highly motivated employees carrying their company towards success and this research will examine if all the factors towards that state of the company have been carried out successfully.

This will lead to a more satisfactory situation for all stakeholders mentioned in previous sub-headings. The employees are motivated and enjoy work, managers have an easier task delegating duties, owners are cashing in on profits and the shareholders are appreciating the constant inflow of dividend. Through this research, Company C will receive exactly those results in order to know exactly how appropriate their current strategies regarding change management are.
1.7 Personal Motivation for Conducting this Research

The author’s personal motivation for conducting research about change management in conjunction with a merger will be described in the following sub-headings.

1.7.1 Employee Satisfaction

According to a Gallup report, employees tend to not leave their jobs, but rather their managers (Curtis, 2009). In conjunction with knowledge regarding which stimulating processes which necessarily are to be included in the company’s change management strategies, the path towards employee satisfaction will be much smoother paved than when flying blind. Just by following the instructions from the company’s own employees the management will come much closer to making most of them satisfied, rather than sticking to various broad theories about motivation, which might not fit in very well depending on corporate culture and in which country the ideas are practiced.

1.7.2 Motivation

Just like successful businessman and investor Richard Branson often says in interviews, the employees are the company and the face outwards, keep them happy and they will take care of the company (Raymundo, 2014). What does and does not make the people working happy should therefore be essential to any organization, in this case what keeps the employees motivated through all levels of change.

In the future, whether working within a company or running one, this information is crucial to know due to the constant changes going on in the world, making changes in a company important. Due to these facts, the information gathered from this research will be valuable information in the future, both for the author an anyone aiming towards a career as a high-level manager.
1.8 Conclusion

Change has always been necessary in the business world, from the lowest to the highest level, in order to continue to succeed. During the later years, due to globalization and the world market, this has become even more true. Information travels faster and companies need to change and adapt in a higher pace due to that.

This need to change lead two companies aiming towards similar target markets through different channels, to merge together. One of them communicated via online media and the other via magazines, together they had a bigger chance of succeed in the very competitive property market in South East Asia.

Although this might look like a great idea on paper, with all its advantages, the merge between two companies can be risky. A lot of research has shown that the majority of mergers doesn’t result in better company results and are therefore considered unsuccessful.

Since the success of a company depends on their employees, how hard they’re working depending on how motivated they are, they’re also what companies should focus on during a merger. However, unfortunately that’s not always the case, leading to previously mentioned unsuccessful mergers, that according to several researchers are a majority.

It is therefore important to focus on how pre-merger motivation affects motivation when going through a phase of big change and also after the big change. An example of that is a merger, during which stress levels might go up, causing lower levels of motivation. Since communication has proven to be important for keeping motivation high, this research will examine whether that’s the case during the merger of these two South East Asian companies.
CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

A literature review covers already published information on a specific subject (Aveyard, 2014) and includes both a summary and, in the form of a conclusion, a synthesis (Heyvaert, Hannes and Onghena, 2016). This is done in order to compare old material with new and to interpret the results of the combination of research already conducted (Sue and McGregor, 2017).

This summary and synthesis are both done without yet adding any new additional contributions (Malici and Smith, 2012). That way, an overview of the subject is created and provides background for the investigation in the paper in question and how to interpret the results (Burns and Grove, 2010).

Chapter 2 will therefore focus on the current knowledge of the subject of the research, communication, information and employee motivation in conjunction with a merger. The chapter will therefore go through current theories and concepts from an academic perspective to support the topic being researched, how communication affects employee motivation in conjunction with a merger.

Examples of that are what implications that are to be expected in conjunction with a merger, the effects on employees. It’ll also cover what the motivational effects are on employees and how communication affects those results, along with methods of change management for smooth transitions while keeping employees motivated.
2.2 Merger Variants

The, in the literature, most commonly mentioned types of mergers are outlined in the following sub-headings.

2.2.1 Vertical Mergers

An example of a merger variant are the vertical mergers (Peck and Temple, 2002) in which two companies in different stages of a supply chain are merging (DePamphilis, 2009). The advantages of this type of merger is that the new company gets a better control of the supply chain process (Cordón, Hald, K.S and Seifert, 2013), than it had earlier, often leading to reduced costs. The downside of this type of merger is nothing faced by the company itself, but for the market, since companies can block competitors’ access to raw materials through the vertical mergers (Alberts and Segall, 2003).

2.2.2 Horizontal Mergers

There are also the horizontal mergers (Waschik, Fisher and Prentice, 2010) which is when companies in the same market, targeting the same customers, are merging (Parker and Majumdar, 2016). The difference between the vertical mergers and the horizontal merger is that the latter often involve two or more competing companies merging to eliminate said competition (Hildebrand, 2009).

2.2.3 Conglomerate Mergers

A conglomerate merger (Schlossberg, 2008) is when two companies from completely different markets, targeting different customers, are merging (Narver, 1969). The advantages of these type of mergers are that both companies reach new customers as one (Eisner, 2017), while being more future proof via risk-spreading if they fail on one of the markets (Kay, 1982). What can be a downside is that the new company gets resource allocation issues and turns focus away from their core products and operations, making the company have fewer choices (Carroll, 2017).
2.2.4 Market Extension Mergers

There are also market extension mergers (Straub and Jarillo, 2007), when two companies are pushing the same products, but in separate markets, or in different geographical locations (American Bar Association, 2006). This allows the new company access to a broader market and an increased client base to offer their now wider range of products to (Walter and Simon, 2004).

2.2.5 Product Extension Mergers

The type of merger that this research will focus on can be defined as a product extension merger. A product extension merger is when two companies previously providing associated products in the same market, using different channels, merge into one (OECD, 2009). This allows for two companies to combine their market knowledge and bundle their products together in order to reach a higher number of customers (Ghauri and Hassan, 2014).

2.3 Related Literature and Previous Research

2.3.1 Employee Motivation Factors

Employee motivation is defined by individual willingness to put in extra effort in order to reach organizational goals (Gunkel, 2007) due to an individual need being satisfied from said effort (Worsch, 2004). A commonly used example of needs to fulfil (Robbins, Odendaal and Roodt, 2001), and in what order, is the hierarchy of needs by Maslow (McGuire, 2012). In theory this model works on anyone and it is therefore frequently used by managers in a business environment for employees within a company.

This theory is from the mid-1900 (Pichere, 2015) and Maslow suggests that a five-stage pyramid (Conley, 2007) represents different levels of human needs. In said pyramid, a lower stage needs to be fulfilled before advancing to the next (Stuart, Sarow and Stuart, 2007), this way of focusing on needs and in what order is still applicable in the workplace today (Nanda, 2006).
2.3.1.1 Intrinsic and Extrinsic Motivation and Rewards

Much like in the pyramid that Maslow developed is suggesting, depending on where an employee is, he or she has different needs to fulfil. Expectancy theory tries not to define specific types of need while acknowledging that they exist and are different depending on each individual employee (Daft and Marcie, 2010).

There are different types of rewards that motivates in different ways, the two main groups researchers often divide different types of motivation into, are intrinsic and extrinsic motivation (Sansone and Harackiewicz, 2000).

2.3.1.1.1 Extrinsic Motivation

Extrinsic motivation is when an employee gets motivated in order to earn an external reward (Kinley and Ben-Hur, 2015), most of the time monetary or similar incentives (Hiriyappa, 2010), or to avoid any type of bad outcome. The employees are engaged in a behaviour to get something in the end, or to avoid something (Deci, 2012), not because they enjoy what they’re doing.

2.3.1.1.2 Intrinsic Motivation

Compared to extrinsic rewards and motivation, the intrinsic side of the spectrum is the exact opposite and instead of something external, comes from internal satisfaction, emotions and general feel good (Deci and Ryan, 2013). This type of reward and motivation often has a higher value due to its more long-term effectiveness (Hurd, Barcelona and Meldrum, 2008).

2.3.1.2 Salary

As mentioned earlier, salary is an extrinsic reward (Schernerhorn, Osborn, Uhl-Bien and Hunt, 2011), but the effectiveness of this specific reward is still being debated. Marsden and Richardson, back in their 1994 report, went as far as saying that pay for performance is demotivating rather than motivating. In surveys conducted 1946-1992, Wiley (1997) found that salary is ranked higher and higher the closer to year 2000 they got and employees always ranked it as a top factor affecting their motivation.
Williams, McDaniel and Nguyen partly supported this claim in their 2006 in which they found that pay level satisfaction only has a little effect on performance. Judge, Piccolo, Podsakoff, Shaw and Rich, in their 2010 report, came to a very similar conclusion, that pay is only slightly related to job satisfaction and motivation. According to Pink (2011), employees tend to lose interest in the job fast, when the only reward for the job and the tasks, is the salary.

2.3.1.3 Supervision

The various personality characteristics of a manager, such as the manager’s values and attitudes, affects the entire workplace and with that, the employees and their motivational levels (Daft, R. L., & Marcic, D., 2010). It’s safe to say that motivation in the workplace goes from the top and downwards. Bruce (2012) goes as far as saying that the managers aren’t able to motivate the workers, only affect what the workers are motivated to do. However, little information is available in terms of what knowledge about supervision after a merger is necessary to keep motivational levels from dropping.

2.3.1.4 Company Knowledge

Knowledge management combined with motivation are corner stone resources when it comes to being strategic for making a company competitive (Lenz, 2002). Specialized knowledge keeps the employees motivated (Mertins, Heisig and Vorbeck, 2013) and focus should therefore be, as stated earlier in the research, to keep these workers within the company. Since knowledge is what motivates workers, knowledge about the merger should be a priority and successful companies have used workers as change ambassadors so fill any potential information gap between upper management and workers (Edwards, 2017).

2.3.1.5 Position

Position is mainly seen as an intrinsic reward and motivator due to the satisfaction one can get from authority in higher positions (Slomczynski and Krauze, 2017). However, depending on what perks and material gains that comes with the position the rewards included can also be extrinsic. This can sometimes lead to a people taking positions they don’t really want (Thomas, 2002).
One employee might want to be promoted and get more responsibility when stepping up, while others simply wish to have a more substantial position within a group and stay on the same level (Hale and Whitlam, 1998). Luckily, there are other means to motivate employees while having them stay within the same department, or on the same position (Salvendy, G. (2001)).

2.3.1.5.1 Job Design Changes

Job design changes (Kusluvan, 2003) provides a broader range of tasks performed (Boone and Kurtz, 2009) by changing what is done and how it’s carried out. This is a narrower field that managers can focus on when increasing employee motivation through focusing on the tasks performed by the employees (Claretha, 2016). There are three main ways to tweak the employees’ ways of working to achieve this (Claretha, 2016).

2.3.1.5.2 Job Rotation

The first example of job design changes is job rotation (Phillips and Gully, 2011), by rotating the employees between the tasks available. This creates variety in tasks performed (Daft and Marcic, 2010) and therefore prevents boredom and lack of motivation.

2.3.1.5.3 Job Enrichment

The second example is job enrichment (Griffin, 2011) by assigning addition responsibility at a higher level than what the employee is currently at. This is done in order to add challenges (Buhler, 2016) and to increase authority for each individual employee (Gitman and McDaniel, 2007).

2.3.1.5.4 Job Enlargement

The third and final example is job enlargement (Khanka, 2007) which provides a broader range of responsibilities and tasks performed (Boone and Kurtz, 2009). This means that the tasks added to each employee are at the same level adequate for the position that they’re currently at within the organization.
2.3.1.6 Tenure

In terms of tenure and its relation to employee motivation, there are two perspective theories that are each other’s opposite (Ng and Feldmanb, 2013). The first one is human capital theory and the second is job design, previously described in this research. Both theories will be compared in following subheadings.

2.3.1.6.1 Human Capital Theory

The human capital theory states that with greater tenure, knowledge and skill level will increase in the pace of the tenure. In conjunction with this, the employees’ performance and motivation will also increase.

2.3.1.6.2 Job Design Literature

In contrast to human capital theory, the literature on job design states that employees are more likely to become bored with their work, causing a decrease in motivation, as tenure increases.

2.3.2 Communication with Employees

Communication is more than necessary on the road to success for the company (Taylor and Lester, 2010) and is therefore one of the most discussed topics in management (Aswathappa, 2005). It’s very important that managers in high level roles within the company are all committed to the high level of importance of communication (Vanita, 2003). The key to the success is to single out what information to focus on (Turner, 2003), in order to not overwhelm the employees with redundant information, running the risk of creating misunderstandings.

While the workers might see the meetings as being unproductive since nothing is being decided and no actual work is being done (Wrench, 2013), that’s where the managers have the chance to get information out there. Therefore, it’s important to have weekly updates within teams, or town hall meetings for the whole company, in order to get information out there (Krantz, 2015).
While getting information out to the masses, it’s also important to keep the one on one meetings on a running schedule (Belonwu, 2018), for personal mutual feedback. This means that the manager has a chance to give individual feedback, while the worker has a chance to voice their concerns in a better way than during a joint meeting. These feedback sessions will help each worker know what to focus on and to grow their individual natural talents (Buckingham and Coffman, 2014) and therefore becoming a bigger asset to the company.

It's important to bring up what is not working on these meetings and gather as much information as possible from managers (Bohlander and Snell, 2010), to let problems come to light that might otherwise have gone unnoticed by many employees. When everyone is aware of the problem and is have a good dialogue about it, everyone can start working towards a solution, seeing the potential problem as a single event (Sullivan, 2005), furthermore making the employees feel involved.

In terms of minor issues, the employees should be encouraged to handle them between themselves, as that has proven to improve trust and innovation within teams while the managers don’t have to micromanage the staff and what they’re doing (Gallo, 2017).

### 2.3.3 Communication and Motivation Relationship

As established earlier, motivation goes from the top down, managers need to be motivated and their attitudes are passed on to the workers and it’s therefore important to keep the managers motivated. The success in terms of communicating planned changes to the workers, therefore all depends on the success of selling the change as something positive to the managers (Larkin and Larkin, 1994).

Communicating with the employees makes them feel more engaged (Barton, 2014) which brings several benefits to the organization, such as the employees becoming more satisfied with their jobs (Niehaus and Price, 2012). This, in its turn, leads to the employees making an effort to do a better job and to handle tasks in more efficient ways.
Not only is it important that information is communicated to the employees, but how it’s communicated (Turner, 2003). It’s important that the message reaches the intended audience and that it contains relevant information for said employees (McHale, 2004). In order to do so, the executives in charge of the change must make sure to use technology in order to keep up with what is going on and to get the correct message out (Pennington, 2013). Along that line, it’s also important to avoid information overload, making the employees less likely to take part of what is important in the information they’re receiving (Corey, 2016).

**2.3.4 Merger Effects on Employees**

Researchers have split opinions regarding the approach before merging. Graves (1981) suggests keeping the plans a secret to keep uncertainty at a minimum (Graves, 1981). Difonzo and Bordia (1998), on the other hand, suggests releasing partial information to stop false rumors and insecurity from spreading among the employees.

The organization functions as a social identity for the employees (Stahl, 2005) and a merger has huge impact on the employees’ emotional bond to the organization (Kusstatscher and Cooper, 2005). If this bond loosens in conjunction with the merger, this could lead to lack in motivation and commitment to succeed (Weber, 2013) and will therefore affect the company itself in the long run.

The effect of the merger on employees is often given a low priority (McConnell, 1993) and when ending up being negative, the result is extremely costly for the company (Risberg, 2013). Since there are costs that companies should be prepared to handle in order to avoid bigger costs (OECD, 2006), this is a great example of something to focus on in order to avoid more costs further down the line (Wallace, 2011).

The key to a successful merger is therefore well executed change management (Galpin, 2014) with a clear pattern to minimize employee anxiety (Ghauri and Hassan, 2014). Through said plan, employees are kept motivated (Chakravarty and
Chua, 2012) with a high level of optimism facing the company’s future (Saiyadain, 2009).

Also, after the merger, communication is the most important component (Wright, 2016), to make employees understand why it is a step in the right direction (Barrow and Davenport, 2012). Through this communication the managers will be able to keep up the spirit and let employees know how the change will benefit both themselves and the two organisations becoming one in the long run (Graen, 2004).

2.3.5 Resistance to change and employee attitudes

Resistance should be an expected part of change (Luecke, 2003) and every manager should see it as a natural part of the transition towards the change (Burke, Lake and Paine, 2008). Resistance to change is fundamentally always present (Harvey and Broyles, 2010) at any company no matter the organizational form (Farazmand, 2001).

This occurs despite the change essentially being positive (Russell and Russell, 2006), such as solutions to problems currently plaguing workers (Varney, 2015). This is due to the tediousness that the employees are facing when social structures risk to collapse through rearrangements (Smither, Houston and McIntire, 2016), their work processes changing (Brink and Berndt, 2008) and new tasks to learn (Tan, 2007).

Consequently, change often raises fear (Hill and Jones, 2008) due to the lack of possibility to predict what the new untested directions entails (Harris and Hartman, 2001). This, in its turn, creates anxiety among the employees (Hafford-Letchfield, 2009), hindering them from focusing on the job. It’s worth mentioning that resistance is not only negative (Grogan, Blackmore and Sachs, 2007), that is a myth (Townsend, 2012).

Resistance to change also demonstrates a commitment and a healthy questioning (Khanka, 2006) among the employees that serve as quality assurance of the ongoing change (Wee and Hughes, 2007), chaos avoidance (Dettmer, 2007). Managers need to both be aware about the resistance and to accept it (Nilakant and Ramnarayan, 2006), while also planning for it (Letavec, 2014) and manage the
change through proper communication with all the employees towards the goal (Cameron and Green, 2015) in order to avoid any of the previously mentioned downsides.

2.3.6 Change Management

Frederick Winslow Taylor (1856-1915) (Schachter, 1989) started addressing changes to companies to improve workflow and increase productivity in early 1900s (Jones and Recardo, 2013). Ever since then, management has constantly worked towards perfection and half a decade later, the foundation of change management was laid out (LaMarsh, 2015) and researchers has worked hard towards perfecting the models ever since.

The change management genre of management mixes ideas from several different fields, examples of those are business, engineering and psychology (Hiatt and Creasey, 2003). According to Hovenga (2010), there are specifically three types of change management:

- Change management in systems engineering.
- Change management in IT infrastructure.
- Change management of individuals, teams, and organizations.

Out of these three types of change management, the approach towards transitioning of the, soi-disant, love triangle of individuals, teams, and organizations (Griffith, Sawyer and Neale, 2003) through re-allocating budgets, resources, employees and reshaping business processes (Roth and DiBella, 2016), or in other ways re-structure the organization or its strategical modes of operation (Sharma, 2006), was the most appropriate for this research.

Further, it is narrowed down to the individual employee and teams for which change management practices and principles acts as a tool used by managers (Cameron and Green, 2012) in order for them to cope with constant reorganization since this feature is being considered a key success factor for business triumph (Collins, 2001).
2.3.7 Change Models

When change management first became a focus while in transition, one of the earliest concepts was the Lewin’s unfreeze-change-refreeze (McMillan, 2008) model in mid 1900s (Perkins and Arvinen-Muondo, 2013). Still today, this concept still serves as a foundation for most modern models and change management theories (Simms, 2005).

In modern days, more modern change management strategies have since been developed and they all have communication, discussions and involvement in common (Gustin, 2008). A few examples of the most commonly discussed ones will be explained in the following sub-headings.

2.3.7.1 John Kotter's 8-Step Process

The steps in John Kotter’s 8-Step Process (Kotter, 2012):

1. Create Urgency
2. Form a Powerful Coalition
3. Create a Vision for Change
4. Communicate the Vision
5. Remove Obstacles
6. Create Short-Term Wins
7. Build on the Change
8. Anchor the Changes in Corporate Culture

In John Kotter's 8-Step Process for leading change, change is made through an eight-step breakdown of the whole process (Sabri Gupta and Beitler, 2006). As can be seen in the list above, this starts with establishing a need for change, then communicating the changes and motivate employees, to finally anchoring the change in the corporate culture (Kotter and Cohen, 2013).
2.3.7.2 PDSA / PDCA

Deming Cycle of PDSA (Charantimath, 2011), is similar to Kotter’s process, but with fewer steps:

- Plan
- Do
- Study
- Act

The Deming Cycle of PDSA was originally the Shewhart cycle of PDCA (C for Check) (Evans and Lindsay, 2010). The total process for constant improvement (Howell, 2006) starts with creating new goals and ends with endorsing the new values.

2.3.7.3 ADKAR model

The ADKAR model was developed by Prosci after collecting input from thousands of companies located within over 50 countries (Talloo, 2007). According to its creators, it includes the 5 essential corner stones for individual change to be achieved. The ADKAR model stands for (Hiatt, 2006):

- Awareness
- Desire
- Knowledge
- Ability
- Reinforcement

This model puts the focus on the individual, instead of the organization (Adams, 2016), and aims towards building a desire to change and implement required skills. Through the individual focus that will drive individual change, organizational results in terms of change will be reached (Voehl and Harrington, 2016).
2.3.7.4 Change Acceleration Process

General Electric (Aaron and Nelson, 2008) collaborated with Dr. Noel Tichy (Plenert and Cluley, 2012) and together they developed a Change Acceleration Process (CAP) (Boshyk, 2002). These are the steps in said process:

1. Leading Change
2. Creating A Shared Need
3. Shaping a Vision
4. Mobilizing Commitment
5. Making change last
6. Monitoring process
7. Changing Systems and Structures

This seven-step model (Taylor, 2012) focuses on leading the change along with speeding up the transition of the change (Fecht and Werner, 2006). That way, the top management will, in theory, achieve good results and make everyone a winner (Kesterson, 2014).

2.4 Assumptions

Based on the literature review, the assumptions of the author are:

Communication is important when going through big changes and the communication effectiveness before the merger will therefore affect the level of motivation after the merger.

There will always be a certain level of resistance to change, within both companies before the merger and the single company after the merger.

There was no research available stating how the resistance to change affect the relationship between pre-merger communication effectiveness and post-merger motivation. However, the assumption is that the level of resistance to change will affect the relationship between the two variables.

How to determine whether that is the case or not will be covered in the next chapter.
2.5 Conclusion

Because of the high failure rate of mergers, how employees react to the change involved and the employee’s impact on the company’s result, the focus of this research is to measure the employees’ current state of motivation, after going through a merger.

This chapter has reviewed the literature and researches suggest that there is a correlation between motivation, challenges and change, for example a merger. If change, the merger, is no implemented correctly up to a certain level, it halts motivation and could lead to long term damage of employee morale.

The mergers themselves can be divided into 5 different types; the most common ones described in this chapter. The difference in description depends on the involved parties and the intentions with the merger.

What was also divided into sub-groups are the different factors that affect motivation, along with the factor being extrinsic or intrinsic. There are contradicting conclusions in the literature for salary, while all literature stated that motivated supervisors are extremely important since it travels from the top and down.

Something that majority of researchers can agree on is that communication is important to keep motivation high. In conjunction with that, change leads to uncertainty which in its turn leads to communication becoming extra important. Depending on the level of change, different amount of focus is required on this very topic, in the case of a merger the focus needs to be immense.

Here’s where change management comes into play, to keep the employees satisfied and making the transition seamless.
CHAPTER 3: METHODOLOGY

3.1 Introduction

Research methodology are the selected techniques and procedures utilized in order to recognize, hand-pick, process, examine and analyze information regarding a specific subject (Kumar, 2008). The research methodology chapter answers questions regarding what data was chose, how it was collected and later, how it was analyzed.

This section of the research will therefore focus on explaining the research methodology and what methods that were chosen to conduct research in line with its intentions and goals of this research. Furthermore, the chapter will also, according to the literature, review which techniques that are most research efficient according to the research goals. Variables such as sampling design, survey or interview design and location of potential activities will be covered and the reason for each choice will be argued for.

3.2 Conceptual Model

![Conceptual Model Diagram]

Figure 3.21: Conceptual Model

- Post-Merger Motivation = Dependent Variable / Outcome
- Employees’ Resistance to Change = Intervening Variable / Moderator
  - (During=0, after=1)
- Pre-Merger Communication Effectiveness = Independent Variable
  - (Factual=0, Metaphorical=1)
3.3 Research Questions

The methodical starting point for any research is the research question (Andrews, 2003), the very core part to developing compelling and relevant theories (Alvesson and Sandberg, 2003). The research question will provide a clear path through the research (Alvesson and Sandberg, 2013) that will then answer the very question first asked. The major research question:

- MQ: How does pre-merger communication effectiveness affect employees’ post-merger motivation?
- The sub-questions are:
  - RQ1: How does the employees’ resistance to change affect post-merger motivation?
  - RQ2: What effect does resistance to change have on the pre-merger effectiveness communication and post-merger motivation relationship?
  - RQ3: What is the post-merger hired employees’ view on pre-merger employees’ level of motivation?
3.4 Research Hypothesis

The research hypothesis is one, or several, very specific and indistinct propositions or statements about a potential outcome of the research conducted (Salkind, 2010). These propositions or statements needs to be testable and based on a certain attribute of a population (Singh, 2010). Examples are assumed differences between selected target markets on specific variables, or if there are any relationships between said variables. As delineated in Chapter 2, the hypotheses of the research are outlined below:

- **H1o:** There is no relationship between pre-merger communication effectiveness and post-merger motivation.
- **H1a:** There is a positive relationship between pre-merger communication effectiveness and post-merger motivation.
- **H2o:** There is no relationship between resistance to change and post-merger motivation.
- **H2a:** There is a negative relationship between resistance to change and post-merger motivation.
- **H3o:** Resistance to change has no effect on the pre-merger communication effectiveness and post-merger motivation relationship.
- **H3a:** Resistance to change has an effect on the pre-merger communication effectiveness and post-merger motivation relationship.
3.5 Statement of Research Method Used

In the following sub-headings, the options for research methods will be outlined along an argument for the method chosen for this specific research.

3.5.1 Qualitative Research

Qualitative research is interpretive social science research (Given, 2008) rooted in the humanistic research tradition's hermeneutics (McLeod, 2001). Qualitative research involves analysis of unstructured data (Denzin and Giardina, 2016), such as interviews with open-ended questions (Prasad, 2015) and critically interpreted documents (Ritchie, Lewis, Nicholls and Ormston, 2013).

Qualitative research is common in areas such as sociology (Marvasti, 2003) and market research (Belk, 2007), and aims to create a deeper understanding of attitudes (Pellissier, 2008) and causation of human actions (Miller and Brewer, 2003), formulations and decision-making, rather than identifying what is decided, done and said and what is the optimal decision (Frangos, 2009), not making this method optimal in this research where the measurement of an outcome from an event is the desired result.

3.5.2 Quantitative Research

Quantitative research is a type of research where statistical (Thomas, 2003), quantifiable (Norton, 2009), generalizable results are sought (Hewitt-Taylor, 2011). The premise is that there is an objective reality (Page, Carr, Eardley, Chadwick and Porter, 2012) which one through quantitative research measures to gain information about it (Shkedi, 2005).

Quantitative research involves studying structured data (Johnson, 2014) that can be quantified into categories or numbers (Stacks, 2016), such as closed options responses (File, Mueller, Wisneski and Stremmel, 2016), measurement, structured observation of controlled experiments (Rubin and Bellamy, 2012) and population statistics in epidemiological studies (Flick, 2006).
Therefore, in this case of applied research (Zikmund, Babin, Carr and Griffin, 2013) a non-experimental (Muijs, 2010) and quantitative approach (Creswell, 2013) was applied due to desired abilities in terms of structured questions and its application in measuring outcomes (Wisker, 2007). On top of that, quantitative research is a deductive method that can draw lines between the theory presented and the research conducted (Bryman and Bell, 2007), making it suitable for this research.

3.6 Research Design

When choosing an option from the three research designs, exploratory, descriptive and causal design (Hair, Celsi, Money, Samouel and Page, 2011), exploratory research was excluded due to its focus on problem definition (Runge, 2014) and finding a solution (Panda, 2009) while mainly being adopted by a qualitative research approach (Bax, 2013).

Causal design instead, which focuses on the understanding of what interaction between variables (Sarstedt and Mooi, 2014) and the impact of each of them (Wrenn, Stevens and Loudon, 2007), to determine relationships between cause and effect (Singh, 2007) and was therefore also not an option since a precise problem has to be clearly defined (Brady, 2014).

One alternative would be descriptive research because of the focus on the present (Matthews and Kostelis, 2011) and generating knowledge (Goodwin and Goodwin, 1996) while being quantitative by nature (Cant, Strydom and Jooste, 2009). However, the choice that stood out was experimental research, since it takes it a step further and use hypothesis testing (Salkind, 2010) to show a cause and effect between variables (Patzer, 1996).
3.7 Research Strategy

The research strategies available are archival, survey, observation and case study (Bernhard, 2011). Among those, archival research involves collecting data from previous records (McBurney and White, 2009) and was therefore excluded since this research focuses on present results.

Observation requires the researcher’s presence (Rosendo, 2016) during an extended amount of time (Gravetter and Forzano, 2011) while case study uses mixed methods (Mills, Durepos and Wiebe, 2010) and is not possible to generalize (Anderson, 2004) and neither was therefore not used in this research.

Therefore, survey was picked being for the upside of flexibility available among the survey types for both participant and researcher in terms of collecting data (Neelankavil, 2015). From the four types of surveys, telephone, mail, personal or computer survey (Wrenn, Stevens and Loudon, 2007), computer survey was chosen because of the previously mentioned flexibility, but also the increased perceived anonymity (Hair, Wolfinbarger, Money, Samouel and Page, 2015).

3.8 Merger Background

In conjunction with a prospering real-estate market in South East Asia (The Economist, 2005) after the downfall due to the 1997 Asia Financial Crisis (Unger, 1998), companies interested in partaking in this upswing were founded:

- Company B
- Company A

Company A, founded in 2004 (Ensign Media, N.D.) and currently still distributing their magazine Property Report to both assorted outlets in South East Asia and various subscribers to the magazine. The company also hosts yearly award shows branded Property Awards in several countries in South East Asia. Company A operates out of their headquarters in central Bangkok, Thailand (Kay, J. 2010), and was until recently run by Chief Executive Officer Terrance Blackburn.
Alongside Company A was Company B with headquarters in Singapore, called Company B in Thailand, with offices in several countries in South East Asia (Lee, 2016). Established in 2007, Company B was operating in the same territories, through different channels with different products, but essentially towards the same target market. The difference is that their core competency was real-estate brokerage, being the middleman between sellers and buyers on the huge property market in South East Asia.

The definitive goal for a company is continuous improvement (Goldratt, Cox and Whitford, 2012) in order to continue making money and stay in the market. In conjunction with this need for continuous improvement, change is necessary to keep up with growth, market demand and trend swings (Hayzlett and Eber, 2011). Previous success outcomes from the two companies are no guarantee for future success (Davis and Shannon, 2011) and occasionally, mergers are one of the necessary changes (Adolph, Pettit and Sisk, 2008) to make in order to stay ahead of competition. However, this is also a huge step for the company (Moeller and Brady, 2011) which can lead to unwanted side effects on staff, such as (Buono and Bowditch, 2003):

- Increased stress
- Culture shock
- Tension causing:
  - Stress
  - Fear
  - Competitiveness

In the case of Company A and Company B, the change was still necessary. The two giants, operating on the same market, communicating through different media, targeting almost the same market segment while sitting on huge piles of customer data extremely valuable to each party.

The owner of each company decided that they would both equally benefit from sharing that information, leading to the two companies merging in early 2016 (Tegos, 2016). They will now operate through both analogue and digital media, while providing most services imaginable from a property prospective.
3.9 Population and Inclusion/Exclusion Criteria

Inclusion and exclusion criteria are used to set the guidelines for the population (Nezu and Nezu, 2008), narrow down to the subjects of interest (Loue, 2000). Inclusion and exclusion criteria was in this case used to define the population among the 100 people are working in the Company C Bangkok office.

The workers were part of the focus of the study since satisfied workers takes care of the company (Jackson, 2004). Managers on the other hand, are according to research, in general very open to change (Price, 2007). Also, managers are responsible for employee satisfaction (Schermherhorn, 2015), and the ones to blame for potential failure (Rodenberg, 2007). Managers were therefore also included in the criteria due to the impact of overall motivation their current state of mind has.

Among the workers, the focus was on the core employees, defined as non-managerial employees with no supervisory authority but involved directly in production (Stone, 2004). This was done since they possess skills more valuable for organizational success than the non-core employees (Moses, 1998). Among the remaining, the strategic employees were the focus since they’re in direct contact with clients and holds the most important positions which directly determines the company outcome and affects the strategy (Gebauer and Lowman, 2008).

Therefore, managers (21) were not excluded since they fitted within that framework, 98 people are in the population. Among these, the drivers (5) were excluded due to the department’s lack of involvement in production. IT (1), distribution (1), operations (1) and editorial and design (5) were then excluded since they do not collaborate directly with the target market. The remaining departments and staff were treated as equals since they work together towards the same organisational goal (Härtel and Fujimoto, 2014) and due to the contagiousness of bad attitudes (Cassidy, Kreitner and VanHuss, 2014). The inclusion criteria in the end resulted in a population of 87 (100-5-1-1-1-5).
3.10 Sample Size

Out of a population of 87, a 95% confidence level was chosen based on the research of Khuong and Hoang (2015). This is the most common confidence level to work with in research (Rumsey, 2016), leading to the z* value of 1.96 (Cumming and Calin-Jageman, 2016). With a confidence interval goal of 5, a required sample size of 46 was generated (Hair, 2015). This justifies normal distribution use due to the sample size being larger than 30 (Alston and Bowles, 2003) according to the Central Limit Theorem (Brase and Brase, 2016).

3.11 Sampling Method

A common method to use is a simple random sample (Peck, Olsen and Devore, 2015), which is performed through assigning a number to each participant (Thomas, 2004) and letting a random number generator (Randomness and Integrity Services Ltd, 2016) decide which numbers, participants, will be included in the sample.

Despite being easy to implement (Peck and Devore, 2011) and accurate (Sharma, 2005), stratified sampling was not an option since at least one subgroup (Wrenn, Stevens and Loudon, 2007) would be a number smaller than 30 representing them (Rubin and Babbie, 2009). With cluster sampling the case was similar (Shukla, 2008) and was therefore was not an option.

However, a census is the preferred method, which is more doable if the target population is small enough (Jha, 2015). The difference is that sampling only requires small portion of the population (Naurang and Mangat, 1996), rather than all of it (Neelankavil, 2015). While sampling saves time when conducting research on bigger populations (Black, 2009), in this case it is small enough to survey all of the employees, the entire population.

3.12 Reliability Test of Research Instrument

A reliability test of the research instruments is done in order to test how accurate the testing methods used are (Bailey, 2008), in this case the questionnaire.
The reliability test determines whether the same methods used in another research would yield the same outcome (Siegle, 2013).

### 3.12.1 Cronbach’s Alpha Coefficient

Cronbach’s alpha coefficient will be used to test the research instruments mentioned earlier. Cronbach’s alpha coefficient test measures the reliability by checking how the total score correlates with each separate variable (Singh, 2007) and is widely used among researchers and recognized in academic circles (Wang, 2014).

The reliability level that is frequently cited as desired is 0.7 (Touliatos, Perlmutter, Strauss and Holden, 2000) and is therefore also the goal for the research instruments in this independent study.

<table>
<thead>
<tr>
<th>Cronbach’s Alpha Coefficient</th>
<th>Reliability Level</th>
<th>Desirability Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.80 – 1.00</td>
<td>Very High</td>
<td>Excellent</td>
</tr>
<tr>
<td>0.70 – 0.79</td>
<td>High</td>
<td>Good</td>
</tr>
<tr>
<td>0.50 – 0.69</td>
<td>Medium</td>
<td>Fair</td>
</tr>
<tr>
<td>0.30 – 0.49</td>
<td>Low</td>
<td>Poor</td>
</tr>
<tr>
<td>Less than 0.30</td>
<td>Very low</td>
<td>Unacceptable</td>
</tr>
</tbody>
</table>

### 3.13 Data Collection

Online survey tools offer many creative options and the ability to change interface for the interviewees (Safko, 2010). Many of them are also free (Lehman and DuFrene, 2010) and Google Survey was therefore used as CASI tool for the survey. A link to the computer survey was sent to the HR Manager at Company C who distributed a link to the employees via email. The answers were then sent back straight from the employee to the researcher, ruling out any outside noise to affect the answer along the way.
The questionnaire is designed to define latent traits/attitudes and reference/behavior with closed-ended questions with predefined answers, or a Likert scale of 1-5 (David and Sutton, 2004).

- 1 = Strongly disagree.
- 2 = Disagree.
- 3 = Neutral / Neither agree nor disagree.
- 4 = Agree.
- 5 = Strongly agree.

The questionnaire is divided into 4 separate segments.

Part 1 will collect demographic data. This part of the questionnaire contained 7 questions in total, from question 1.1 to 1.7.

Part 2 will measure how well the employees’ perceived their managers’ communication effectiveness. This part was created based on the research previously done by QuestionPro (N.D.). This part of the questionnaire contained 7 questions in total, from question 2.1 to 2.7.

Part 3 will measure the employees’ resistance to change. This part was created based on the research previously done by Oreg (N.D.). This part of the questionnaire contained 12 questions in total, question 3.1 to 3.12.

Part 4 will measure the employees’ level of motivation. This part was created based on the research previously done by Smith, (2018). This part of the questionnaire contained 14 questions in total, question 4.1 to 4.14.
3.14 Data Analysis

The conceptual model was tested using various statistical tests using SPSS, specified in the subheadings below.

3.14.1 Pearson Correlation

Then in order to test each hypothesis stated in earlier subheadings, Pearson Correlation will be applied to the outcome of the summarized survey results. The Pearson Correlation is a parametric feature that locates relationships between the various variables (Levesque, 2007) in survey responses and is therefore used by researchers in cases such as this one.

The r-value (correlation coefficient) is within the +1 to -1 range. The numbers at the both ends of this range represents whether the results are a perfect positive linear correlation or a perfect negative linear correlation. Any number in between the +1 and -1 variables represents the level of strength in terms of association. A full explanation of each sub range can be seen in table 3.14.11 below.

Table 3.14.11: R-Value and Correlation:

<table>
<thead>
<tr>
<th>Correlation (r)</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>No linear correlation</td>
</tr>
<tr>
<td>1</td>
<td>Perfect positive linear correlation</td>
</tr>
<tr>
<td>0.90 to 0.99</td>
<td>Very high positive correlation</td>
</tr>
<tr>
<td>0.70 to 0.89</td>
<td>High positive correlation</td>
</tr>
<tr>
<td>0.40 to 0.69</td>
<td>Medium positive correlation</td>
</tr>
<tr>
<td>0 to 0.39</td>
<td>Low positive correlation</td>
</tr>
<tr>
<td>-1</td>
<td>Perfect negative linear correlation</td>
</tr>
<tr>
<td>0 to 0.39</td>
<td>Low negative correlation</td>
</tr>
<tr>
<td>-0.40 to -0.69</td>
<td>Medium negative correlation</td>
</tr>
<tr>
<td>-0.70 to -0.89</td>
<td>High negative correlation</td>
</tr>
<tr>
<td>-0.90 to -0.99</td>
<td>Very high negative correlation</td>
</tr>
</tbody>
</table>
3.14.2 Moderation Test

Moderation test is a test that intends to measure the moderator’s influence on the interaction between two other variables. In this case, the moderator is the employees’ resistance to change and how that affects how pre-merger communication effectiveness correlates with their post-merger motivation.

![Path Diagram]

Figure 3.14.21: Moderation Test Path Diagram

The common way is to separately run tests to estimate the relationships between variables (Fairchild and MacKinnon, 2009). For more efficient analysis, a macro for SPSS created by Andrew Hayes (Newsom, 2019) will be used. This macro will run all tests at the same time and present the results in a table (Hayes and Scharkow, 2013).
In the case of this research, to determine if employees’ resistance to change affects how pre-merger communication effectiveness correlates with their post-merger motivation, the results are to be interpreted like this (Tewari, 2017) (Fritz, Taylor and MacKinnon, 2012):

- Values between BootLLCI and BootULCI doesn’t go passed 0, the values show that the moderator affects the relationship between dependent and independent variables.
- Values between BootLLCI and BootULCI go passed 0, the values show that the moderator doesn’t affect the relationship between dependent and independent variables.

Figure 3.14.22: Moderation Testing, Alternate Path Diagram
3.14.3 T-Test

A t-test is used to determine whether or not the test results collected from two separate groups generate a significant difference between the means. The differences between the means in the t-test can be assigned to certain features. There are several types of t-test, the one used in this research will be a paired t-test since the two sample sets are the same.

In this research, the two groups are employees that were previously working at either Company A or Company B. The features compared between the groups are pre-merger communication effectiveness, resistance to change and post-merger motivation. The test will therefore determine if the company employees previously worked in had any effect on the variables tested. Values from the test will be checked against critical values in a distribution table by Bürkel (N.D.) and it will be shown if the means are statistically significantly different whether the results are higher or lower than the critical values.

3.15 Reporting

Reporting is the process in which the compilation of the data from the target sample is completed and conjoined. This is then analyzed through the SPSS software and presented in chapter 4. The discussion of the data will be presented in chapter 5, in which the research questions will be answered based on the results from the surveys.
3.16 Challenges

The first challenge in this research is the potential language barrier for the employees when answering the survey due to Thailand’s low level of English proficiency (Low and Hashim, 2012). However, since Company C operates internationally, higher than country average level of English is required from the employees.

As the research was handled by an external researcher there is a risk for less staff cooperation (Borkowski, 2009). It also takes the researcher longer to get to know the organization (Wiid and Diggines, 2010). Also, the external researcher will not be present during any potential implementation of recommendations (Stockmann and Meyer, 2013) and is therefore less affected by consequences (Jones Steffy and Bray, 1991).

However, benefits are that the external researcher was able to apply objective thinking (Miller and Salkind, 2002), has previous technical training (Clarke and Dawson, 1999). In this case the research involves low cost, unlike what is usually the case (Sekaran and Bougie, 2016) and the core employees will perceive the research as more anonymous (Webb, 2002).

The HR manager handling the links to the survey automatically becomes the gatekeeper (Oliver, 2010), the person who grants access to research (Jupp, 2006) and controls interactions with the population (Bailey, 2007). One must negotiate with the gatekeeper for him/her not to become an obstacle (Tolich, 2016), in this case the research was sought after in conjunction with the merger in order to outline future HR strategies. A thing to consider when gaining such access is to not do any harm (McNamara, 1997), by avoiding sensitive questions and always balance risks between research value contra the discomfort for the participant (Roberts and Priest, 2010).
3.17 Conclusion

In order to answer the research questions and find out which hypothesis that is correct, from the two major options, quantitative research was chosen to be used in this descriptive research.

Survey via an online form will be used in order to collect the data from the target sample within the total population. A total of 46 surveys is required to be collected in order to reach the goal of a confidence interval of 5.

Pearson Correlation and Moderation Test will be used for testing each hypothesis and to check what affect resistance to change has on the interaction between pre-merger communication effectiveness and post-merger motivation. After that, in order to test the reliability of the instruments used, Cronbach’s alpha coefficient will be used.

Likert 5 points scale will be used for the surveys handed out to the target sample; each survey divided into 4 separate parts with different focus. When the surveys are collected, SPSS is to be used to analyze the data.

Potential challenges that the researcher might run into:

- Language barrier.
- Gatekeeper.

Counter measures have been thought through in order to circumvent anything that might sidestep the research. The results will be presented in the next chapter.
CHAPTER 4: DATA PRESENTATION

4.1 Introduction

From the researchers covered in chapter 2 in this research, a questionnaire was tested for reliability and sent out to the entire population by the researcher. Also, a valid number of responses were collected, equal to the proposed sample size.

In order to get a specific number of respondents that matched the previously calculated sample size, the HR employees within the newly formed Company C were distributing the survey among the staff, while also doing the survey themselves. Surveys were posted in employee group chats on 8th of February 2019 and samples were collected for 10 days, until 18th of February 2019. Through this process, the researcher was able to collect a total of 55 surveys that were taken into account when conducting the research.

The research methodology presented earlier in chapter 3 was used as a base for the analysis and to yield the result from the collected surveys presented in this chapter.

The summarized and analyzed data will be split up in 3 separate categories in this chapter. The first category will be an analysis of the demographic data, descriptive statistics, and its characteristics. The analysis in this section will be done by using percentages and frequency only.

The second category is the data analysis and presentation. In this section the researcher will measure the various variables in the study with the help of standard deviation and mean. The third and final category is the hypothesis test in which we’ll be able to see which of the assumptions that are correct in this specific case.

The data presentation in each section, mainly the 3rd, also aims to answer the research questions that were asked in chapter 3.
4.2 Reliability Test of Research Instrument

4.2.1 Cronbach’s Alpha Coefficient

These are the results from the Cronbach’s alpha coefficient test.

Table 4.2.11: Results of Reliability Testing

<table>
<thead>
<tr>
<th>Variables</th>
<th>Alpha (α-test)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Merger Communication Effectiveness</td>
<td>0.957</td>
</tr>
<tr>
<td>Resistance to Change</td>
<td>0.763</td>
</tr>
<tr>
<td>Post-Merger Motivation</td>
<td>0.942</td>
</tr>
</tbody>
</table>

As shown in the table above, the results from the Cronbach’s alpha coefficient test is over 0.9 for Pre-Merger Communication Effectiveness and Post-Merger Motivation, both considered excellent in terms of desirability. The result for Resistance to Change was over 0.7, considered good in terms of desirability. Since the lowest acceptable score is 0.7 (Garson, 2001), these result show that the research instruments are reliable.

4.3 Descriptive Analysis

The descriptive analysis is a summary of the data from the sample, put into words

4.4 Data Presentation of Demographic Characteristics

The data in this first section is from the first section of the survey. The data has been processed and summarized in SPSS for the total frequencies to be presented. The table named 4.41 is the summary of the data, presented by using frequency and percentages to represent the demographic characteristics of the survey participants.
Table 4.41: Summary of Data Presentation of Demographic Characteristics:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency (f)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Male</td>
<td>19</td>
<td>34.5</td>
</tr>
<tr>
<td>• Female</td>
<td>36</td>
<td>65.5</td>
</tr>
<tr>
<td>2. Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 18-24</td>
<td>1</td>
<td>1.8</td>
</tr>
<tr>
<td>• 25-30</td>
<td>21</td>
<td>38.2</td>
</tr>
<tr>
<td>• 31-40</td>
<td>33</td>
<td>60</td>
</tr>
<tr>
<td>• 41-50</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>• 51+</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3. Education level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• High school diploma</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>• Bachelor’s degree</td>
<td>39</td>
<td>70.9</td>
</tr>
<tr>
<td>• Master’s degree</td>
<td>16</td>
<td>29.1</td>
</tr>
<tr>
<td>• PhD or equivalent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>• None of the above</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4. Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Editorial / Design</td>
<td>2</td>
<td>3.6</td>
</tr>
<tr>
<td>• IT</td>
<td>6</td>
<td>10.9</td>
</tr>
<tr>
<td>• Conference / Events</td>
<td>9</td>
<td>16.4</td>
</tr>
<tr>
<td>• Distribution</td>
<td>3</td>
<td>5.5</td>
</tr>
<tr>
<td>• Sales</td>
<td>20</td>
<td>36.4</td>
</tr>
<tr>
<td>• TS / CS Marketing</td>
<td>8</td>
<td>14.5</td>
</tr>
<tr>
<td>• Operations</td>
<td>7</td>
<td>12.7</td>
</tr>
<tr>
<td>5. Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Entry level</td>
<td>6</td>
<td>10.9</td>
</tr>
<tr>
<td>• Intermediate or Experienced Level</td>
<td>28</td>
<td>50.9</td>
</tr>
</tbody>
</table>

(Continued)
Table 4.41: (Continued) Summary of Data Presentation of Demographic Characteristics:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Level Management</td>
<td>10</td>
<td>18.2</td>
</tr>
<tr>
<td>Middle-Level Management</td>
<td>7</td>
<td>12.7</td>
</tr>
<tr>
<td>Senior, Executive or Top-Level Management</td>
<td>4</td>
<td>7.3</td>
</tr>
</tbody>
</table>

6. Tenure

<table>
<thead>
<tr>
<th>Tenure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1 years</td>
<td>9</td>
</tr>
<tr>
<td>2-3 years</td>
<td>17</td>
</tr>
<tr>
<td>4-5 years</td>
<td>24</td>
</tr>
<tr>
<td>6+ years</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>51.4%</td>
</tr>
</tbody>
</table>

7. Previous company

<table>
<thead>
<tr>
<th>Previous company</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>12</td>
</tr>
<tr>
<td>Company B</td>
<td>28</td>
</tr>
<tr>
<td>Hired after merger</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>50.9%</td>
</tr>
</tbody>
</table>

Explanation of data presented in the table:

The table show that in terms of gender, out of the total of 55 respondents, 19 of them are male and 36 of them are female. That means that male and female occupies a total of 34.5% and 65.5% respectively, making it 100% out of the total that is 55.

The age of the respondents shows that 1 employee (1.8%) is between the ages of 18-24. The majority of employees are between the ages of 25-30 and 31-40, 21 (38.2) and 33 (60%) respectively. None of the respondents are aged between 41-50 nor is there anyone over the age of 51.

In terms of the employee’s educational level, none of them has a high school diploma and nothing on top of that. 39 respondents (70.9%) have a bachelor’s degree and 16 of them (29.1%) have a master’s degree. None of the respondents have a PhD or equivalent and none of them have no education at all.
The table also show what department within the company the respondents are a part of. 2 of the respondents (3.6%) are working with editorial / design. 6 of the respondents (10.9%) are working with IT, 9 (16.4%) with conference / events and 3 (5.5%) are working with distribution. The biggest department is sales with a total of 20 respondents (36.4%). TS / CS marketing and operations employ 8 (14.5%) and 7 (12.7%) of the respondents respectively.

When answering the question about what position they are working in, 6 of the respondents (10.9%) answered that they’re in an entry level position. Intermediate / expert level and first-level management were the biggest positions within Company C with 28 (50.9%) and 10 (18.2%) of the respondents respectively. 7 of the respondents (12.7%) answered that they’re middle-level management and the smallest group was senior, executive or top-level management with 4 respondents (7.3%).

Regarding how long the employees have worked at Company C, their tenure, 9 or the respondents (16.4%) have worked there for 0-1 years. The biggest groups are respondents that have worked there for 2-3 years or 4-5 years respectively, each group occupying 17 (30.9%) and 24 (43.6%) respectively. The smallest group is respondents that have worked there for more than 6 years with a total of 5 (9.1%).

Lastly the respondents answered what company they previously worked in, or if they were hired after the merger. Out of the total of 55, 12 of the respondents (21.8%) came from Company A. The biggest group came from Company B with a total of 28 (50.9%). 15 of the respondents (27.3%) were hired after the merger.

4.5 Data Presentation of Measuring Variables

The data in this second section is from all sections of the survey. The data has been processed and summarized in SPSS. The table named 4.51 is the summary of the data, presented in measuring variables with the aid of standard deviation and mean.
Table 4.51: Summary of Data Presentation of Measuring Variables:

<table>
<thead>
<tr>
<th>Communication effectiveness (pre-merger)</th>
<th>Question number</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.1</td>
<td>40</td>
<td>3</td>
<td>5</td>
<td>3.78</td>
<td>.660</td>
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<th>Max</th>
<th>Mean</th>
<th>Std. Deviation</th>
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<table>
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<th>Question number</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Deviation</th>
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</thead>
<tbody>
<tr>
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<td>3</td>
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</tbody>
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(Continued)
Table 4.51: (Continued) Summary of Data Presentation of Measuring Variables:

<table>
<thead>
<tr>
<th>Question number</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Deviation</th>
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</thead>
<tbody>
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<td>40</td>
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<td>.630</td>
</tr>
<tr>
<td>4.6</td>
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<td>3</td>
<td>5</td>
<td>4.25</td>
<td>.494</td>
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<td>4.25</td>
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<td>5</td>
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<td>4.11</td>
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<td>5</td>
<td>4.30</td>
<td>.564</td>
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<tr>
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<td>3</td>
<td>5</td>
<td>4.33</td>
<td>.526</td>
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</table>

**Post-merger colleagues**

<table>
<thead>
<tr>
<th>Question number</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>15</td>
<td>1</td>
<td>4</td>
<td>2.87</td>
<td>.990</td>
</tr>
</tbody>
</table>

Explanation of data presented in the table, along with analysis and assumptions based on the results:
The first section in the table show the employees’ perceived effectiveness of pre-merger communication effectiveness, in which the maximum average mean is 3.85. This show how well the employees rate their manager’s communication skills before the merger. The minimum average mean is 3.70, representing the employees’ knowledge of respective previous company and its strategies right before the merger compared to a year earlier.

The maximum standard deviation in the communication effectiveness section is equivalent to 0.816, which show how well the employees knew their previous company, prior to the merger. The minimum standard deviation is 0.660, representing the employees’ overall satisfaction with the communications in the companies they worked in before the merger.
The second section in the table show the employees’ resistance to change, in which the maximum average mean is 3.83. This show how stressed out that employees get when things don't go according to plans. The minimum average mean is 2.73, which show if employees prefer to be bored, rather than surprised.

The maximum standard deviation in the resistance to change section is equivalent to 0.921, showing if the employees believe that change is a negative thing. The minimum standard deviation is 0.494, for 2 of the results, showing both how likely employees are to change their mind when they’ve come to a conclusion and how consistent their views are over time.

Figure 4.52: Resistance to Change
The third section in the table show the employees’ current level of motivation, in which the maximum average mean is 4.40. This show how well employees agree to having the tools and resources to do their job well. The minimum average mean is 4.13, for 2 of the results. This represent how encouraged employees are to come up with new and better ways of doing things and if their work after the merger gives them a feeling of personal accomplishment, both after the merger.

The maximum and minimum standard deviation are the same as the maximum and minimum average mean. The maximum standard deviation in the current level of motivation section is equivalent to 0.672, which show how well employees agree to having the tools and resources to do their job well. The minimum standard deviation is 0.404, representing how encouraged employees are to come up with new and better ways of doing things and if their work after the merger gives them a feeling of personal accomplishment, both after the merger.

The fourth and final section of the table show at what level of motivation of pre-merger employees have, according to post-merger motivation employees. They were scored between 1 and 4, with a mean of 2.87 and a standard deviation of 0.990, showing that the answers were very spread out.
The table named 4.42 is the summarized data and a comparison of answers depending on the pre-merger company that each respondent was working in. The score of the questions in each section has been summarized, hence the larger than 1-5 scale. Instead, the possible minimum is 7 for Pre-merger communication effectiveness, 12 for Resistance to change and 14 for Post-merger motivation. The possible maximum score is 35 for Pre-merger communication effectiveness, 60 for Resistance to change and 70 for Post-merger motivation.

Table 4.52: Pre-merger Company Comparison:

<table>
<thead>
<tr>
<th></th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Range</th>
<th>Std. Dev</th>
<th>Skewness</th>
<th>Kurtosis</th>
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</thead>
<tbody>
<tr>
<td><strong>Pre-merger communication effectiveness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company A</td>
<td>19</td>
<td>35</td>
<td>29.00</td>
<td>16</td>
<td>4.61</td>
<td>-.741</td>
<td>.665</td>
</tr>
<tr>
<td>Company B</td>
<td>21</td>
<td>35</td>
<td>25.18</td>
<td>14</td>
<td>4.24</td>
<td>.587</td>
<td>-.508</td>
</tr>
<tr>
<td><strong>Resistance to change</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company A</td>
<td>24</td>
<td>46</td>
<td>37.42</td>
<td>22</td>
<td>5.85</td>
<td>-.786</td>
<td>1.604</td>
</tr>
<tr>
<td>Company B</td>
<td>32</td>
<td>50</td>
<td>40.07</td>
<td>18</td>
<td>4.22</td>
<td>.362</td>
<td>.351</td>
</tr>
<tr>
<td><strong>Post-merger motivation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company A</td>
<td>56</td>
<td>70</td>
<td>60.86</td>
<td>14</td>
<td>5.50</td>
<td>-.567</td>
<td>1.991</td>
</tr>
<tr>
<td>Company B</td>
<td>46</td>
<td>66</td>
<td>56.92</td>
<td>20</td>
<td>4.89</td>
<td>.683</td>
<td>-1.004</td>
</tr>
</tbody>
</table>
Figure 4.51: Pre-merger Company Comparison

Explanation of data presented in the table, along with analysis and assumptions based on the results:

The first section in the table show the employees’ perception of the pre-merger communication effectiveness within each company. Company A has a larger range of scores, 16 compared to 14. Company A also has a lower minimum of 19, compared to 21, while both companies have the same maximum score of 35. However, Company A also has a higher average score due to the larger amount of answer in the higher range, showing that they were more satisfied with the pre-merger information received. The skewness and kurtosis for Company A is -0.741 and 0.665 respectively, meaning that the distribution is peaked and has a moderately skewed long left tail and the answers are more positive. Meanwhile it’s 0.587 and -0.508 for Company B, showing that the distribution is flat and has a moderately skewed long right tail and the answers are more negative.

The second section in the table show the employees’ resistance to change. Yet again, Company A has a larger range of scores, 22 compared to 18. In this case though, Company A has both a lower minimum score, 24 compared to 32 for Company B, and a lower maximum score, 46 compared to 50. Company B also has a higher average mean, compared to Company A, showing that Company A employees have a lower resistance to change than the employees from Company B. The
skewness and kurtosis for Company A is -0.786 and 1.604 respectively, meaning that the distribution is peaked and has a moderately skewed long left tail and the answers are more positive. Meanwhile it’s 0.362 and 0.351 for Company B, showing that the distribution is peaked and has a moderately skewed long right tail and the answers are more negative.

The third and final section show the employees’ post-merger motivation when working at Company C. Here instead, Company B has the largest range among the scores, 20 compared to 14 at Company A. Company A has both the highest maximum score and the highest minimum score. In conjunction with that, Company A also has the highest average mean in terms of post-merger motivation among its employees. The skewness and kurtosis for Company A is -0.567 and 1.991 respectively, meaning that the distribution is very peaked and has a moderately skewed long left tail and the answers are more positive. Meanwhile it’s 0.683 and -1.004 for Company B, showing that the distribution is very flat and has a moderately skewed long right tail and the answers are more negative.

### 4.6 Hypothesis Testing

#### 4.6.1 Pearson Correlation

The hypotheses mentioned in chapter 3 were tested to see which assumptions were closer to reality. The results of the Moderation testing and the Pearson Correlation hypothesis testing are outlined in the subheadings and tables below.

Table 4.6.11: Pearson correlation hypothesis testing results outline.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
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</thead>
<tbody>
<tr>
<td>Pre-merger communication effectiveness with post-merger motivation</td>
<td>.681**</td>
<td>.002</td>
</tr>
<tr>
<td>Resistance to change with post-merger motivation</td>
<td>.431*</td>
<td>.050</td>
</tr>
</tbody>
</table>
4.6.1.1 Pre-Merger Communication Effectiveness and Motivation

The hypotheses were

- H1o: There is no relationship between pre-merger communication effectiveness and post-merger motivation.
- H1a: There is a relationship between pre-merger communication effectiveness and post-merger motivation.

As shown under the hypothesis test sub heading and its table, the Pearson Correlation significant is equal to 0.002. This result is lower than 0.01 (0.002<0.01). This means that the null hypothesis (H1o) was rejected at the 0.01-significance level according to the test results. This, in its turn, means that the alternate hypothesis (H1a) is accepted.

The Pearson Correlation shows that there is a medium positive correlation relationship between pre-merger communication effectiveness and post-merger motivation with a result of 0.681.

4.6.1.2 Resistance to Change and Motivation

The hypotheses were

- H2o: There is no relationship between resistance to change and post-merger motivation.
- H2a: There is a relationship between resistance to change and post-merger motivation.

As shown under the hypothesis test sub heading and its table, the Pearson Correlation significant is equal to 0.050. This result is equal to 0.05 (0.050=0.05). This means that the null hypothesis (H2o) was rejected at the 0.05-significance level according to the test results. This, in its turn, means that the alternate hypothesis (H2a) is accepted.

The Pearson Correlation shows that there is a medium positive correlation relationship between resistance to change and post-merger motivation with a result of 0.431.
4.6.2 Moderation Testing

Table 4.6.21: Model summary of moderation testing with pre-merger communication effectiveness as independent variable, resistance to change as moderator and post-merger motivation as outcome.

<table>
<thead>
<tr>
<th>R</th>
<th>R-sq</th>
<th>MSE</th>
<th>F</th>
<th>df1</th>
<th>df2</th>
<th>P</th>
</tr>
</thead>
<tbody>
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<td>.4830</td>
<td>.2333</td>
<td>25.74</td>
<td>3.6521</td>
<td>3.0000</td>
<td>36.0000</td>
<td>.0214</td>
</tr>
</tbody>
</table>

Table 4.6.22: Results of moderation testing with pre-merger communication effectiveness (Com) as independent variable, resistance to change (Res) as moderator and post-merger motivation as outcome. Int_1 show the final test, how Res affects Com.

<table>
<thead>
<tr>
<th></th>
<th>Coeff</th>
<th>Se</th>
<th>T</th>
<th>P</th>
<th>LLCI</th>
<th>ULCI</th>
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</thead>
<tbody>
<tr>
<td>Constant</td>
<td>30.2389</td>
<td>.458157</td>
<td>.6600</td>
<td>.5134</td>
<td>-62.6810</td>
<td>123.1589</td>
</tr>
<tr>
<td>Com</td>
<td>1.1244</td>
<td>1.7173</td>
<td>.6547</td>
<td>.5168</td>
<td>-2.3586</td>
<td>4.6074</td>
</tr>
<tr>
<td>Res</td>
<td>.3649</td>
<td>1.1631</td>
<td>.3138</td>
<td>.7555</td>
<td>-1.9940</td>
<td>2.7239</td>
</tr>
<tr>
<td>Int_1</td>
<td>-.0140</td>
<td>.0437</td>
<td>-.3213</td>
<td>.7489</td>
<td>-.1026</td>
<td>.0746</td>
</tr>
</tbody>
</table>

Resistance to Change and Communication-Motivation Relationship

The hypotheses were

- H3o: Resistance to change has no effect on the pre-merger communication effectiveness and post-merger motivation relationship.
- H3a: Resistance to change has an effect on the pre-merger communication effectiveness and post-merger motivation relationship.

From the summary of the results we see an R value of 0.4830, showing that there’s a medium positive correlation between the variables in the model and the outcome. The P value of 0.0214 show that the significance level is lower than 0.05 and the results show that hypothesis 3 can be validated.
As mentioned in Chapter 3, there’s only 1 interaction in the model, Int_1, where the moderator interacts with the independent and dependent variables. Since there is a 0 in between the BootLLCI and BootULCI values, -0.1026 and 0.0746, it shows that the moderator has no effect on the dependent and independent variables. In this case, that means that resistance to change has no effect on the interaction between pre-merger communication effectiveness and post-merger motivation, confirming H3o.

4.6.3 T-Test

Table 4.6.31: Results of the T-Test.

<table>
<thead>
<tr>
<th></th>
<th>F</th>
<th>Sig.</th>
<th>t</th>
<th>df</th>
<th>Sig. (2 tailed)</th>
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</thead>
<tbody>
<tr>
<td>Post-Merger Motivation</td>
<td>1.754</td>
<td>.193</td>
<td>2.144</td>
<td>38</td>
<td>.039</td>
</tr>
<tr>
<td>Resistance to Change</td>
<td>.815</td>
<td>.372</td>
<td>1.618</td>
<td>38</td>
<td>.114</td>
</tr>
</tbody>
</table>

38 degrees of freedom gives a critical value of 2.024 for both tests.

As shown the T-Test table, the p-value for Post-Merger Motivation is equal to 0.039 and the t-value is 2.144, which is higher than the critical value of 2.024, showing that the means are statistically significantly different.

The Resistance to Change equivalent is 0.141 and the t-value is 1.628. The higher p-value (>0.05) for Resistance to Change means that the results are not significant. Also, the t-value is 1.628, which is lower than the critical value of 2.024, telling us that the difference is not statistically significant.
4.7 Conclusion

The data from the questionnaire answered by 55 respondents was processed using SPSS and the summary of the data displayed in tables with explanations below. The answers show that employees that worked in the two companies gave the pre-merger communication effectiveness a score of 3.76 out of 5. The same employees gave their own post-merger motivation a higher score of 4.27 out of 5. Resistance to change was the lowest of them all at 3.29 out of 5.

When dividing employees from each of the two pre-merger companies into separate segments, seen in table 4.52, it was easier to see each result. Company A employees scored pre-merger communication effectiveness higher, as well as post-merger motivation. However, the only statistically significant result, according to the t-test, was the difference in post-merger motivation in favor of Company A.

Moderation tests on the data after this, seen in table 4.6.21, confirmed that resistance to change has no effect on the relationship between pre-merger communication effectiveness and post-merger motivation. Further hypothesis testing using Pearson Correlation, seen in table 4.6.11, showed that H1a, H2a and H3a are all accepted. H1a, H2a and H3a show a medium positive correlation relationship.

The following chapter, Chapter 5: Discussion, will cover the outcome and recommendations based on the data analysis and presentation in Chapter 4.
CHAPTER 5: DISCUSSION

5.1 Introduction

In this chapter, the overall results of the research will be discussed while using the data presented in Chapter 4, Data Presentation, as foundation. Chapter 5 will also answer the research sub-questions along with the major research question all stated in Chapter 3, Research Methodology. These are the sub-questions that were answered:

- RQ1: How does the employees’ resistance to change affect post-merger motivation?
- RQ2: What effect does resistance to change have on the pre-merger effectiveness communication and post-merger motivation relationship?
- RQ3: What is the post-merger hired employees’ view on pre-merger employees’ level of motivation?

This is the major research question:

- MQ: How does pre-merger communication effectiveness affect employees’ post-merger motivation?

The recommendations made will be based on the findings in Chapter 4, also using information found in Chapter 2, Literature Review.

The results of this research can improve the planning process for companies with big changes pending in order to maximize employees’ post-change motivation. Doing so, companies can sidestep all the pitfalls sometimes present around big internal company changes and therefore avoid a decline in motivation and the negative outcomes associated with that (Miner, 2005).
5.2 Discussion

The following sub-headings will describe and interpret the findings in the analysis, while taking known information into account in order to understand the outcome.

5.2.1 Research Questions and Answers

Research questions were asked in Chapter 3 and each of the questions were answered in different parts of Chapter 4, this is outlined here:

- MQ1 was answered in the moderation testing Pearson Correlation Hypothesis Testing.
- RQ1 was answered in the Pearson Correlation Hypothesis Testing.
- RQ2 was answered in the Moderation Testing.
- RQ3 was answered in the Data Presentation of Measuring Variables.

The underlying research sub-questions, to the main research question, will be discussed in the following paragraphs.

*RQ1: How does the employees’ resistance to change affect post-merger motivation?*

According to the results in this research and the Pearson Correlation Hypothesis Testing in Chapter 4, employees’ post-merger motivation correlate with the employees’ pre-merger level of resistance to change.

*RQ2: What effect does resistance to change have on the pre-merger communication effectiveness and post-merger motivation relationship?*

According to the results in this research and the Moderation Testing in Chapter 4, resistance to change has no effect on the relationship between pre-merger communication and post-merger motivation.
RQ3: What is the post-merger hired employees’ view on pre-merger employees’ level of motivation?

According to the results in this research and the Data Presentation of Measuring Variables in Chapter 4, there is no specific outlier when it comes to post-merger hired employees and their opinions their colleagues’ motivation.

MQ: How does pre-merger communication effectiveness affect employees’ post-merger motivation?

Based on the answers from RQ1, RQ2 and RQ3, pre-merger communication effectiveness affects employees’ post-merger motivation. There is a medium positive correlation relationship between the two, meaning that the more effective the communication is before the merger, the more likely is that the employees will be motivated after the merger.

5.2.2 Pre-Merger Communication Effectiveness

The results show that pre-merger communication effectiveness has a positive effect on post-merger motivation, as shown in the Pearson Correlation Hypothesis Testing. It was the factor in the analysis that affected the outcome the most and would therefore be the one to focus the most on. The pre-merger communication effectiveness is also not affected by any previous resistance to change when it comes to its effect on post-merger motivation.

All change models mentioned in the literature review has communication in common, pointing towards the importance of it being carried out effectively. Since motivation goes from the top down (Camilius, 2011), communication needs to be clear towards managers and senior staff in order for them to be motivated and keep carrying that message and attitude to the rest of the employees.

The managers and senior staff should be included when putting together a vision and creating an urgency for change within the company and among the employees (Tanner, 2019). When management and senior staff are on par with changes, it’s their job to communicate changes to the rest of the employees through
various channels. Some channels are more effective than other, it all depends on the situation and senior managers will have to make decisions regarding what channels to use (Adenle, 2017).

- Some examples of recommended channels are:
  - Town hall presentation
  - Workshops
  - Questions and answers Sessions
  - Panel discussion
  - Team meetings
  - One to one meeting

Depending on the situation and the resources available, one of a combination of these options are to be selected.

In order for communication to be as effective as possible, it is recommended to start the communication process as soon as feedback is received, confirming the need for change (Hamilton, 2010). This is also in line with advice that the communication should be as open as possible (Scheer, Abolhassan, Jost, Kirchmer, and Hammer, 2012).

5.2.3 Resistance to Change

The results show that resistance to change has a positive effect on post-merger motivation, as shown in the Pearson Correlation Hypothesis Testing. However, it does not affect post-merger motivation to an as high of a level as pre-merger communication effectiveness, as shown in the Moderation Testing.

In addition, resistance to change has no effect on the relation between pre-merger communication effectiveness and post-merger motivation. The reason for this might be, as described by Khanka (2006), that the employees were resisting change due to loyalty to the company but stayed motivated either way after the merger thanks to great management. Also, the test showed that the employees working in either company preferred to be surprised, rather than bored.
The results also showed that the employees prefer to do what they’re used to and do well, rather than trying new things. The case here might be that the merger didn’t result in too many changes to their position, other than good ones.

Resistance to change will always be present within every company (Immonen and Saaksvuori, 2013). An ongoing efficient flow of information combined with communication effectiveness can help reducing the resistance to change (Whitman and Mattord, 2009).

### 5.2.4 Post-Merger Motivation

While most sections in the data presentation showed a mid-range mean, in terms of perceived pre-merger communication effectiveness and resistance to change, all questions for the motivation section received high mean scores. These higher scores show that each employees’ position after the merger makes good use of their abilities and that their managers have made sure that they have the right tools to do their job.

The opinions gathered from employees hired after the merger were very spread out and based on the results it is hard to determine why that is the case. Looking at the mean and standard deviation, each possible score almost got the exact amount of selections. However, a possibility is that this would have been the case of the pre-merger employees were to measure others, rather than themselves. The results are very different from the pre-merger employees, that gave themselves a higher score.
5.3 Conclusion

The outcome of this research and the answers gathered shows three important findings in this specific case. First of all, pre-merger communication effectiveness affects the employees’ post-merger motivation. Second, the level of resistance to change also affects the employees’ post-merger motivation. Finally, the level of resistance to change does not affect the relationship between pre-merger communication effectiveness and post-merger motivation.

In the case of the merger between Company B and Company A, together forming Company C, the latter of the two previous companies had more success in their pre-merger communication effectiveness, something that is evident seeing their employees’ higher post-merger motivation.

In the next and final chapter, managerial implications and a personal statement will be presented, while summarizing the whole research.
CHAPTER 6: CONCLUSION

6.1 Introduction

The purpose of this final chapter is to provide a complete conclusion and overview of the entire research in the form of a summarized discussion. Therefore, the entire study will be discussed and recommendation for feature research and managerial implications according to the research sub questions will be provided.

Along with that, recommendations for future research on the topic will be provided, based on what the researcher learned in this research and what additional information would be useful. There will also be a personal statement in which the author himself will discuss what the author learned from conducting the research.

6.2 Discussion

This research tested a model to determine the employees’ post-merger motivation based on their perception of the company’s pre-merger communication effectiveness. This analysis was performed on employees from former Company A and Company B, two companies that merged and formed Company C.

Previous research shows that resistance to change is something constantly present within every company, for better or for worse. Research also show that communication is necessary to keep the resistance to change at a minimum, but also to increase motivation during times of change. Since change has been shown to be essential for company success, these two forces will always be present while conducting business.

In order to see how pre-merger communication effectiveness affects post-merger motivation and how resistance to change affects their relationship, a quantitative study was carried out. Questionnaires were sent to employees of Company C with a goal of 46 samples, the research collected a total of 55, reaching the goal with a very good margin.
The results showed that pre-merger communication effectiveness has a medium positive effect on post-merger motivation. It also showed that resistance to change has a medium positive effect on post-merger motivation, just not as much effect as pre-merger communication effectiveness. However, another test when running the variables side by side showed that resistance to change has no effect on the pre-merger communication effectiveness and post-merger motivation relationship.

Based on this information communication is needed both to prevent resistance to change and to increase motivation before, during and after a big change. The staff in charge of major changes need to address this very likely future matter and focus resources on the company’s biggest asset, their employees.

6.3 Managerial Implications

This research explored what factors that weigh in the most, or at all, in terms of necessary information to communicate the employees to maintain high motivation during big changes within an organization. The research also took demographics into consideration regarding when looking at what factors that matters most.

The information in this research is very important for companies that are planning for big changes, for examples a merger, an acquisition or an internal restructure of departments. This information will help a company when setting up a strategy, know what to focus on in terms of communication. It will also help the company getting to know their employees, what motivates different members of staff.

Firstly, due to the resistance to change existing within any company at any time, change management is a concept that should be constantly present within any company. Since, as stated in the Literature Review, change is inevitable for company survival, there needs to be a system setup with continuous communication via various channels. Examples of such channels are email, newsletter and the company intranet (Smith and Mounter, 2008)
Secondly, when big changes are on the horizon, the company needs to further communicate changes to the employees. Keep the information flow going through the same channels, but in more frequent intervals to ensure that post-merger motivation results are as good as possible (Larkin & Larkin, 1994) by using techniques in Chapter 3, Literature Review.

Finally, since the pre-merger state of resistance to change does not affect the relationship between pre-merger communication effectiveness and post-merger, a separate communication process needs to be setup in order to maximize communication effectiveness to improve post-change motivation.

Following these recommendations should improve post-change motivation and, in conjunction with that, also increase the company’s chances of success, as mentioned in Chapter 3. This would apply to any major changes done within the company, the example in this research was a merger.

6.4 Recommendation for Future Research

As shown in the literature review, majority of research shows that there’s a correlation between communication and motivation and that this is very important in conjunction with big changes within an organization. What wasn’t shown is how different types of communication affects the outcome of big changes in terms of motivation.

In order to acquire more data, it’s therefore recommended to also measure the employees’ level of motivation before the big change, in the middle of the change and then after the change. This information together with what information that is being communicated to the employees will provide even more insight.

Another thing that future studies could focus on, is to take more factors into account, other than the parameters measured in this research. By doing so there’s possibility to fine tune the results to come up with better recommendations.
The final stage would be to conduct a study in which a company implements all the recommendations in this research, or similar, to see if it makes a difference in practice.

6.5 Personal Statement

When conducting the research in this research I learned the importance of structure and having a thread running through the paper, making everything fall into place while reading through it. Everything in the different chapters must come together towards the end, with little to no unnecessary side notes.

I learned the importance of the methods that are picked to achieve the desired results, along with what questions to ask. Along with that, I got a lot of important SPSS knowledge when using the powerful tool for the quantitative research, regarding analyzing large amounts of data for interpretation. In conjunction with that I got accumulated knowledge about data interpretation during the analysis in order to make managerial implications for future decision making.

This research has been an eye opener regarding the average worker’s view and opinion regarding change and how that affects their performance. This knowledge I will carry with me for life and have in the back of my head when making future managerial decisions that will affect a lot of employees, not matter what position they’re in.

6.6 Conclusion

This final chapter summarized the entire research in a discussion that brought up elements from all chapters.

The discussion shows how everything within the paper is linked together, followed by the managerial implication that this leads to. Resistance to change will always be present within the company, constantly communicate change and setup a separate communication process for big changes, for example a merger.
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APPENDIX
Part 1 – Demographic data

The alternative answers in this part is presented under each question.

1.1 - Gender?
   1. Female
   2. Male

1.2 - Age?
   1. 18-24
   2. 25-30
   3. 31-40
   4. 41-50
   5. 51+

1.3 - Education level?
   1. High school diploma
   2. Bachelor’s degree
   3. Master’s degree
   4. PhD or equivalent
   5. None of the above

1.4 - Which department are you a part of?
   1. Editorial / Design
   2. IT
   3. Conference / Events
   4. Distribution
   5. Sales
   6. TS / CS Marketing
   7. Operations

1.5 - What is your position within the company?
   1. Entry level
   2. Intermediate or Experienced Level
3. First-Level Management
4. Middle-Level Management
5. Senior, Executive or Top-Level Management

1.6 - For how long have you worked at Company C?
1. 0-1 years
2. 2-3 years
3. 4-5 years
4. 6+ years

1.7 - Which company were you previously a part of?
1. Company A
2. Company B
3. Hired after merger

Note:
If employees were hired after, they automatically skip to part 5.

Part 2 - Communication effectiveness (pre-merger)

Previous company represents the company that you worked in before the merge, either Company A or Company B. Pick the option you agree with the most.

In this part, respondents have 5 different options when responding.

- 1 = Strongly disagree.
- 2 = Disagree.
- 3 = Neutral / Neither agree nor disagree.
- 4 = Agree.
- 5 = Strongly agree.

2.1 - Overall, I was satisfied with communications in my previous company.

2.2 - My impression of communications within my previous company is that they kept me well informed.
2.3 - I believe that my previous company was good at selecting which information I would receive communications about.

2.4 - I felt good about the information I received in my previous company, regarding the upcoming merger.

2.5 - I knew my previous company well, prior to the merger.

2.6 - Compared to a year earlier, I had good knowledge of my previous company and its strategies right before the merger.

2.7 - In conjunction with the merger, I would rate my manager's communication skills as good.

Scoring: Sum all the items for an overall communication effectiveness score. No items are reverse scored.

**Part 3 – Resistance to change.**

In this part, respondents have 5 different options when responding.

- 1 = Strongly disagree.
- 2 = Disagree.
- 3 = Neutral / Neither agree nor disagree.
- 4 = Agree.
- 5 = Strongly agree.

3.1 - I generally consider changes to be a negative thing.

3.2 - I'll take a routine day over a day full of unexpected events any time.

3.3 - I like to do the same old things rather than try new and different ones.

3.4 - Whenever my life forms a stable routine, I look for ways to change it.

3.5 - I'd rather be bored than surprised.

3.6 - When I am informed of a change of plans, I tense up a bit.

3.7 - When things don't go according to plans, it stresses me out.
3.8 - Changing plans seems like a real hassle to me.

3.9 - I sometimes find myself avoiding changes that I know will be good for me.

3.10 - I don't change my mind easily.

3.11 - Once I've come to a conclusion, I'm not likely to change my mind.

3.12 - My views are very consistent over time.

Scoring: Sum all the items for an overall resistance to change score. Item 3.4 is reverse scored.

**Part 4 – Motivation measures (post-merger)**

In this part, respondents have 5 different options when responding.

- 1 = Strongly disagree.
- 2 = Disagree.
- 3 = Neutral / Neither agree nor disagree.
- 4 = Agree.
- 5 = Strongly agree.

4.1 - After the merger, I feel encouraged to come up with new and better ways of doing things.

4.2 - My work after the merger gives me a feeling of personal accomplishment.

4.3 - I have the tools and resources to do my job well.

4.4 - On my job, I have clearly defined quality goals after the merger.

4.5 - Property Guru does an excellent job of keeping employees informed about matters affecting us.

4.6 - I understand why it is so important for Property Guru to value diversity (to recognize and respect the value of differences in race, gender, age, etc.)

4.7 - My job after the merger makes good use of my skills and abilities.

4.8 - My supervisor’s manager visibly demonstrates a commitment to quality.
4.9 - Senior managers visibly demonstrate a commitment to quality.

4.10 - I am satisfied with the information I receive from management on what is going on in my division after the merger.

4.11 - I am satisfied with my involvement in decisions that affect my work after the merger.

4.12 - Considering everything, I am satisfied with my job after the merger.

4.13 - I am satisfied with the information I receive from management on what’s going on in the company after the merger.

4.14 - I am satisfied with the opportunities to get a better job in this company after the merger.

Scoring: Sum all the items for an overall motivation level score. No items are reverse scored.

Note:

Employees who were hired before the merger and made it to the end of Part 4, will skip Part 5 and the survey will end.

**Part 5 – Post merger colleagues**

In this part, respondents have 5 different options when responding.

- 1 = Strongly disagree.
- 2 = Disagree.
- 3 = Neutral / Neither agree nor disagree.
- 4 = Agree.
- 5 = Strongly agree.

5.1 - Overall, my colleagues who were hired after the merger are more motivated than colleagues who has worked here since before the merger.

Scoring: Sum all the items for an overall motivation score of pre-merger employees, according to their post-merger colleagues. No items are reverse scored.
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