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Importance of effective leadership for the success of mergers and acquisitions

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IMPORTANCE OF EFFECTIVE LEADERSHIP FOR THE SUCCESS OF MERGERS AND AQUISITIONS

A Research Project

Presented to the Faculty of

The George L. Graziadio

School of Business and Management

Pepperdine University

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In Partial Fulfillment

of the Requirements for the Degree

Master of Science

in

Organization Development

_____

by

Ken Berkow

April 2017

This research project, completed by

KEN BERKOW

under the guidance of the Faculty Committee and approved by its members, has been

submitted to and accepted by the faculty of The George L. Graziadio School of Business

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MASTER OF SCIENCE
IN ORGANIZATION DEVELOPMENT

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Abstract

This study explores the importance of effective leadership on the success of mergers and acquisitions for the organization and employees of merged companies. More precisely, this study addresses how the nature and influence of leadership and leadership styles impact the integration of merging companies and their employees during the post-merger integration process. Qualitative data from 10 interviews was used to provide a deeper examination of the study participants about their beliefs, responses, opinions, and points of view. This study supports much of the current research in that leadership style does have an effect on both merger and employee satisfaction. This study found that leadership styles should be a key component for organizations to review and take under serious consideration, when preparing and planning for a merger.

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Chapter 1

Introduction

Merger and acquisition (M&A) activity continues to be a predominant growth

strategy for companies worldwide. Pressure from key stakeholders to increase

shareholder value has not subsided, requiring chief executive officers and their boards to

leverage M&As to achieve growth targets and increase shareholder value. For example,

in the first three quarters of 2014, global M&A activity increased by more than 39% from

the prior year, and more than $2.5 trillion worth of M&A deals were announced

worldwide (Ashkenas, 2014). Although the future outlook for M&A growth and activity

looks promising, significant challenges related to successfully navigating through the

M&A process exist.

M&As are, by definition, disruptive to an organization. Any M&A transaction,

large or small, can introduce a period of fundamental change for the organization and

their employees steering through the post-merger integration process. Based upon these

potential impacts, we also must understand the critical factors for M&A success, as there

are stark differences between success and failure of a M&A transaction.

On the surface, most M&As are initiated to create strategic alliances, build strong

organizations, and enhance company performance. Although these outputs or potential

benefits of M&A activity may look very promising on paper, the actual end results can be

more disruptive and damaging than planned. Research on M&As indicates that 40%-80%

of M&As fail to meet their objectives (Dunbar, 2014). Why then do so many potential

M&As look like solid business opportunities, but in essence end up being far from that?

Much of the present day research indicates that areas such as strategic fit or alliance

generally are not the culprits of an unsuccessful M&A transaction (Waldman, & Javidan,

2009). Instead, the lack of attention by organizations to the actual post-merger integration process and the human component can be two of the key contributors. Covin, Kolenko, Sightler, and Tudor (1997) added that across the many reasons for M&A failure, human factors comprise the core obstacle.

Generally speaking, mergers tend to amplify employee indecision, which can increase employee stress and decrease employee satisfaction; commitment; intentions to remain with the organization; and perceptions of the organizations trustworthiness, honesty, and caring. Organizations must be able to recognize the importance of the role that effective leadership plays in the actual post-merger integration process. Research indicates that effective leaders during the M&A integration phase are those who demonstrate their belief in and commitment to the M&A transaction (Dion, Allday, Lafforet, Derain, & Lahiri, 2007). The overall impact of an effective leadership team on the success of integration and the execution of merged companies is paramount. Additionally, the influence of effective leadership on employee engagement and productivity during M&As should not be underestimated.

Organizational culture also plays a key role in the M&A process. M&A transactions take people of different corporate cultures and attempt to meld them into one company. In this process, effective leaders must fully understand and embrace the culture differences that are present. Effective leaders must also be mindful and sensitive to the internal nuances in corporate culture and feedback provided by their employees undergoing the post-merger integration process. Sound leadership throughout the M&A process can help organizations promote both organizational and cultural alignment.

Although there is no standard for success in building harmonious organizations, understanding the role and importance of effective leadership in the post-merger

integration process can help promote M&A success (Stahl, 2004). Rather than treating

the human element and organizational culture as an afterthought, addressing these factors

from the beginning of the M&A process can enhance M&A outcomes. Although the

financial and strategic benefits of M&A transactions remain important, these should not

overshadow or defer the human and cultural aspects of the post-merger integration

process. Nor should employees simply be expected to adjust (Ashkenas, 2014). Ashkenas

emphasized that such attitudes typically comprise:

> a prescription for failure and can either prevent a deal from taking off or reduce
> the benefits after the deal is done. To counter this, if you're part of a deal team,
> make sure that the human dimensions of the combination are built into your due
> diligence and integration planning from the beginning, and not just as an
> afterthought. And if you're not involved in the M&A planning and decision
> making, as most of us are not, keep reminding your managers or clients that
> organizations are more than just physical assets and balance sheets. It's an
> obvious statement, but one that often gets overlooked in the excitement of the
> deal. (p. 4)

Purpose

This study examined the impact of leadership style and leader attributes on

employees and company integration during M&As. The impact of effective leadership on

the success of M&As will generally be defined within the post-merger people integration

process of multinational mid-market companies. This study addresses how the nature and

influence of leadership and leadership styles impact the integration of merging companies

and their employees.

In order to define effective leadership and how it applies to the M&A process, this

study utilized the Six-Dimension Integrative Model of Leadership developed by Sitkin,

Lind, and Long (2001). They described how each of the six essential dimensions of

effective leadership (personal, relational, contextual, inspirational, supportive, and

stewardship; Sitkin et al., 2001) have a particular influence on followers. For example,

personal leadership nurtures loyalty, *relational* leadership creates a feeling of trust and justice, *contextual* leadership creates community, *inspirational* leadership inspires greater aspirations, *supportive* leadership fosters internal self-discipline, and *stewardship* increases an internal sense of responsibility. In understanding the impact of leadership and leadership styles on the integration of merging companies and their employees, two research questions were explored:

1. What is the relationship between different styles of leadership in the post-merger environment and the level of engagement and productivity of their workers?

2. What leadership attributes and actions lead to effective post-merger integrations?

Study Setting

Information was collected for this research study by performing virtual interviews from a sampling of several different organizations and industries. The final interviewee participant population for this research study was made up of the following: four executive leaders (including two vice presidents and two senior leaders), three mid-level employees, and three mid-to senior level subject matter experts (SMEs). Each of the 10 study participants had taken part in the post-merger integration process. Contingent upon the three-interviewee participant groups (executive leaders, employees, and SMEs), each participant received the same interview questions specific to their position and role in the post-merger integration process (see Appendices A through C for interview questions). The interview data was then grouped, evaluated, and summarized into several key themes.

Study Significance

Post-M&A integration success is contingent upon sound leadership that promotes organizational and cultural alignment and drives employee engagement and productivity (Nemanich & Keller, 2006). Although researchers have examined the impacts of managerial actions on the success of M&As, focus on the actual role leadership plays has been missing. Interest in the importance of leadership in post-merger integration has recently received further attention (Vasilaki, 2011). This illustrates that research is still limited on the subject of leadership, specifically within post-acquisition integration. Most studies offer a theoretical analysis and only a few offer empirical results. This study offers additional data on the influences of leadership and leadership styles, and the crucial role it plays in the facilitation, integration, and enhancement of acquisition performance and overall employee satisfaction and engagement.

Study Outline

Chapter 1 provided a background and purpose of the study, including details of the study setting, and the importance of the study. Chapter 2 presents the literature connected to the impact of effective leadership and leadership style, and its linkage to post-merger integration and employee satisfaction. Chapter 3 summarizes the research methods used in this study. Chapter 4 presents the findings of the study. Chapter 5 encapsulates conclusions of the study, and provides interpretations and suggestions regarding post-merger integration, and its relationship to future studies.

Chapter 2

Literature Review

This study examined the impact of leadership style and leader attributes on employees and company integration during M&As. Chapter 2 presents an examination of research connected to the impact of effective leadership and leadership style, and its linkage to post-merger integration and employee satisfaction. There is a considerable number of studies related to leadership and organization culture, but far less literature exists within the post-acquisition process. Thus, the primary intention of this chapter is to depict the key methods, types, and characteristics related to leadership and leadership styles as well as organizational culture, to delineate which components best contribute to favorable post-merger outcomes and employee engagement. This chapter begins with a brief discussion of mergers and acquisitions.

Mergers and Acquisitions

"Mega-mergers and acquisitions on an international scale have grown rapidly in the last decade, with no signs of such activity slowing down" (Lakshman, 2011, p. 605). Even in the mix of recent upheaval within global financial markets, M&A activity has strengthened in a majority of sectors across the globe. M&As continue to be a dominant growth tactic for many companies worldwide. Many chief executive officers see several key components to justify an M&A such as cost savings, attainment of synergies, increase in products, expansion of distribution channels, and achievement of economies of scale (McDonald, Coulthard, & deLange, 2005). That being said, one of the most common reasons that companies purchase another organization is to acquire customers. Factors such as pressure from key stakeholders, persistent in their pursuit of shareholder value, continue to drive many companies down the path of M&As.

Along with the increased rate of M&As is the compounded rate of M&A failure. Internal disruptions, misunderstanding, and culture clashes when the two companies are joined are common occurrences (Epstein, 2004). When M&As fail, their unsuccessful actions also negatively impact customer and employee satisfaction, leading to substantial decreases in company profitability. Impacts to shareholder value are also significant, and one study indicated that 61% of recent mergers devastated shareholder wealth.

As quickly as chief executives appear to be happy to share the merits of their latest acquisition, they are equally as hesitant to admit their failed M&As. These ineffective M&As either outright fail or do not end up fulfilling expectations as planned. Research indicates that it is not uncommon to see M&A failure rates as large as 50% or mergers having less than a 50/50 chance of overall success (Covin et al., 1997). In essence,

> Even in the best of circumstances, mergers can so change the nature, orientation and character of one or both of the merger partners that five to seven years are typically needed for employees to feel truly assimilated in the merged entity. (p. 22)

Generally speaking, M&As fail due to the lack of vision by shortsighted executives who end up taking the secure route and purchase current competitors to gain and capture market share (McDonald et al., 2005).

The importance of monetary, strategic, and social conditions to M&A success cannot be underestimated in related literature and research. Nevertheless, insights about why so many M&As fail and underperform are lacking. Some studies have attributed M&A failure to areas such as the mismatch of cultures, difficulties in communicating and leading the organization, and poor integration planning and execution (McDonald et al., 2005). Additional explanations for M&A failure have been identified in the areas of

strategic vision and fit, pre- and post-merger planning, and post-merger integration

(Epstein, 2004). Epstein added:

> Though poor performance in any one of these can cause merger failure, there has been significant discussion related to the design features such as vision, fit, and deal structure, and other items such as due diligence and external environment. (p. 174)

M&A theory is particularly lacking regarding proper execution of the pre-merger

planning and post-merger integration process.

Other evidence has corroborated this sentiment and indicated that more attention

should be directed in these studies to non-financial variables that may be

underrepresented within this research, such as the role of leadership for integration

success and post-merger company performance. Additionally, it would be advantageous

to understand the influences that contribute to poor M&A outcomes, specifically around

human elements such as leadership styles within the post-merger stage. These concepts

that drive human components related to M&A post-merger integration are further

explored in the next section.

Leadership in Post-Merger Integration

Substantial challenges exist when blending the human and technical components

of two companies during the post-merger integration phase. Having a strong post-merger

integration process can help organizations rise above any problems in the development

and design of a merger. Epstein (2004) explained:

> A strong [post-merger integration] process can also overcome merger activity that has been undertaken by chief executive officers with political motives, to cement their legacy, or to achieve other personal rather than shareholder-related objectives. (p. 175)

Conversely, a weak post-merger integration, can significantly and negatively impact the best-envisioned merger plans. Far too often, organizations do not take the necessary steps to correctly develop an effective post-merger integration strategy (Epstein, 2004).

"It is well recognized that the post-M&A integration process is one of the critical factors affecting the success of M&As" (Zhang, Ahammad, Tarba, Cooper, Glaister, & Wang, 2014, p. 1022). However, executing post-acquisition integration is often difficult and complex, and even the best plans fail to guarantee success. Some of the complexities and difficulties attributed to M&As succeeding can be linked back to factors within the pre-acquisition stages, as well to the overall improper management of the post-acquisition integration.

It is not surprising, then, that post-merger and acquisition performance, specifically when looking at the integration of merging firms, is convincingly correlated to organizational factors such as leadership (Waldman & Javidan, 2009). Leadership may also be a likely driver of the many human elements that are connected with an M&A implementation, and consequently its ultimate success. However, the impact of leadership on M&A outcomes is a gap in scholarly research. Waldman and Javidan stated:

> Corporate mergers too often continue to disappoint by failing to meet management's strategic and financial expectations and enhance shareholder value. Scores of problems have been identified, and skilled acquires have tried to combat them by improving all facets of the M&A process. But a key reason why the casualty list remains high is the persistent failure of [chief executives] to provide strong leadership while the deal is being done, especially in the critical post-merger integration phase. (p. 131)

Based upon information available within existing literature on leadership and post-merger integration, the following provides material on the correlation between each area. "Leadership has been long recognized as one of the critical factors affecting the

success of post-M&A integration" (Zhang et al., 2014, p. 1024). Post M&A integration success is contingent upon sound leadership and style, which can promote organizational and cultural alignment. For example, if employees develop a belief that their leader has interest in and cares about them, they ultimately gain greater allegiance to the overall integration, and an enhanced outlook toward the change (Zhang et al., 2014).

One example of the importance of leadership in post-merger integration is around the concept of acquisition acceptance. When an employee has a positive attitude about the acquisition and realizes it to be beneficial, there is a state of acquisition acceptance (Nemanich & Keller, 2006, see Figure 1). Achieving acquisition acceptance is a very significant organizational end result, because employees who have greater satisfaction around the acquisition and its overall components are generally more inclined to adapt to the new culture and strategies the company is trying to implement. Resistance to the acquisition tends to create more unproductive behaviors such as reduced productivity.

The importance of leadership is also reflected in the post-merger integration process regarding the integration team. The integration team, in order to be successful, must have the element of leadership demonstrated through the makeup and configuration of the team. Research suggests that the post-merger integration leader needs to be an outgoing, assured, and fully committed senior executive (Epstein, 2004). Without successful leadership, key areas such as communication can occur compromising the outcomes of the integration process (Nemanich & Keller, 2006).
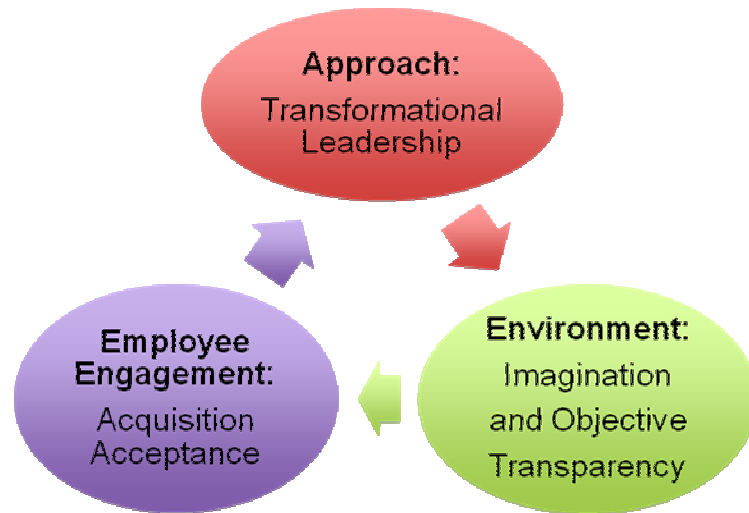
Note. Based on "Transformational Leadership in an Acquisition: A Field Study of Employees," by L. A. Nemanich and R. T. Keller, 2006, *The Leadership Quarterly, 18*, p. 51.

Figure 1

Leadership in Acquisition Integration Model

To create an environment in which employees have greater satisfaction with the acquisition, leaders must be able to help them understand the reason for the acquisition. More importantly, leaders must believe that this purpose is worthy enough to balance all of the disruptive attributes that are the output of the process. Leaders also must help employees connect to and believe in the new vision for the combined organization. Finally, leaders' communication skills and their ability to effectively illustrate the vision to employees and utilize this as a baseline for building employee understanding will be extremely important for supporting the business case for change (Vasilaki, 2011).

Transformational Leadership

The concept of transformational leadership (Vasilaki, 2011) has quickly become one of the most prevalent ways of understanding leader effectiveness. In defining and

truly understanding transformational leadership, we need to recognize the relationship between leaders and their supporters based upon a set of leader behaviors (Nemanich & Keller, 2006). Transformational leadership involves four components of leader behavior (Vasilaki, 2011): (a) *idealized influence,* wherein the leader acts a role model for their followers; (b) *inspirational motivation,* wherein the leader focuses on self-determination and portraying an optimistic and attainable view of the future; (c) *intellectual stimulation,* wherein leaders challenge others to think critically; and (d) *individualized consideration,* wherein leaders connect with their subordinates on an individual basis, as described in leader-member exchange theory (Avolio & Bass, 2004).

Of the four components of leader behavior, intellectual stimulation appears to be one of the clearest leadership's styles within the acquisition framework (Vasilaki, 2011). "This behavior (intellectual stimulation) is critical in enhancing post-acquisition performance as the leader provides innovative ways to cope with the change in the integration process" (Vasilaki, 2011, p. 54). Nemanich and Keller (2006) also described the correlations between a range of outcomes and transformational leadership. "Our results demonstrate positive relationships between transformational leadership and acquisition acceptance, job satisfaction, and performance" (p. 63).

The importance of transformational leadership applied to acquisitions also should not be understated. In general, people enter the acquisition integration phase of an M&A with their own viewpoints and rational understandings based upon prior experience. These viewpoints and understandings are shared across a broader network of coworkers from the prior employer, but not necessarily from the other merging organization. Additionally, the employees pre-existing understandings potentially could conflict with their leaders' perspective of the new reality of the merged organization. This situation,

along with the uncertainty and disruptive change of the overall integration process, can both increase the influence and importance of effective leader behaviors (Nemanich & Keller, 2006).

Transformational leadership often is a very valuable model because the atmosphere of acquisition integrations are generally characterized by uncertainty, change, and distress (Nemanich & Keller, 2006). It is safe to say that transformational leaders are ultimately agents of change because they can see a future state different from the current one and can inspire people to work with them to get there. When transformational leaders encourage others, they ultimately motivate employees, helping to enhance their job satisfaction and performance, despite the uncertainty of the integration process.

Haspeslagh and Jemison (1991) noted that poor acquisition performance is correlated with an absence in leadership. Chief executives should have the skills, knowledge, and resources, as drivers within the integration process, to impact acquisition success and post-acquisition performance (Vasilaki, 2011). Studies on transformational leadership indicate that by demonstrating behaviors such as intellectual stimulation and inspirational leadership, leaders will be able to help guide their followers toward accomplishing a particular task or goal (Elenkov, Judge, & Wright, 2005; Vasilaki, 2011).

Within the realm of acquisitions, leaders provide both vision and inspiration to their followers and build a structure and culture that enables and encourages the necessary positive behaviors for integrating two organizations (Vasilaki, 2011). Chief executives can ensure they stay engaged in the post-acquisition integration process by delegating responsibilities as needed, sustaining positive relationships, and ensuring that they communicate all decisions that are made during the integration process.

Understanding the importance of transformational leadership within the acquisition context is critical for ensuring and establishing the foundation for post-M&A integration success. Transformational leadership is achieved when leaders can provide an appealing vision for the acquisition and then inspire, motivate, and challenge followers to develop creative solutions during the integration process (Vasilaki, 2011). Finally, transformational leaders also have the ability to motivate and inspire people, yielding a positive influence on integration management and processes, thus enhancing post-acquisition performance.

Leadership Style

As stated earlier, a high percentage of acquisition failures are not specifically from a lack of strategic planning, but from ineffective leadership during the implementation and integration phases (Gomes, Angwin, Weber, & Tarba, 2003). For this reason, it is imperative for organizations to ensure that their leadership is capable of determining and implementing the appropriate change continuums. Schweiger, Csiszar, and Napier (1993) claim that significant changes that occur during the actual acquisition implementation involve the removal or closing down of groups that become redundant, as well as the formation of new interrelationships among groups that did not have to interact in the past (Gomes et al., 2003). One of the ways organizations can help ensure successful implementation of the acquisition process is through effective use of leadership power.

"Two popular approaches to the study of leadership are the power-influence approach and the behavior approach" (Covin et al., 1997, p. 23). The power-influence approach evaluates leadership effectiveness by source and amount of power available and

how leaders use power over others. The behavior approach underscores what leaders do versus their traits and/or source of power.

Understanding that mergers can often produce politically charged organizational environments, leaders will generally draw upon numerous bases of power to inspire and motivate employees (Covin et al., 1997). Different leadership styles and leader power will show associations in various ways with employee post-merger satisfaction. For example, when examining the concepts of expert and referent power, French and Raven (1959) suggest that expert and referent power tend to positively be associated with subordinate satisfaction and performance. Covin et al. (1997) added:

> Referent power showed the strongest association with merger satisfaction. Because referent power generally takes time to develop, this finding may highlight the importance of placing individuals who are known, liked, and respected by employees in transition-related positions. (p. 31)

Additionally the level of leader-employee trust has also been found to impact the power relationships considerably (Covin et al., 1997). Overall effective leaders rely more on expert and referent power to sway employees.

This research indicates that leadership style does influence both merger and employee satisfaction (Covin et al., 1997). Leadership styles should be a key component for organizations to review and take under serious consideration, when preparing and planning for a merger. This is critical because when mistakes are made with any M&A, the negative aspects of the merger don't always fade away with time. Conversely, they seem to get more serious as time goes on. Leadership is very important in the early stages of a merger, and might have a beneficial factor long after the merger has taken place. Additionally, appropriate use of power also may be a significant consideration in employees' uncertainty levels during the merger process.

Summary

In summary, the literature contains a significant amount of evidence that shows the positive relationships of leadership attributes and use of power on merger satisfaction and outcomes.

Nonetheless, research is still limited on leadership, specifically concerning the post-acquisition integration phase. This study adds to the body of knowledge by expanding the evidence on leadership and the crucial role it plays in the facilitation, integration, and enhancement of acquisition performance and overall employee satisfaction and engagement.

The next chapter describes the methods that were used in this study. Chapter 3 describes both the design and the methodology established to collect data from companies that have entered the post-merger integration process. The chapter also delineates the participant sampling and the process used to measure and analyze data that was collected.

Chapter 3

Methods

This study examined the impact of leadership style and leader attributes on employees and company integration during M&As. Two research questions were investigated:

1. What is the relationship between different styles of leadership in the post-merger environment and the level of engagement and productivity of their workers?

2. What leadership attributes and actions lead to effective post-merger integrations?

This chapter illustrates the data and research methodologies. This includes the research design, sampling, data measurement, and data analysis procedures. The chapter concludes with limitations of the research method, an overall summary and a look ahead into chapter 4.

Research Design

This study used a qualitative research method for two principal reasons. First, the focus on the actual role of leadership regarding the success of M&As has been overlooked from some studies. The qualitative approach allows the researcher to establish the meaning of a phenomenon from the insights of participants (Creswell, 2014). In this case, the qualitative research gathered through interviews offered additional data on the influences of leadership and leadership styles on M&A success.

Second, a qualitative method was applicable because it employs open-ended questions, collects participant meanings, and brings personal values into the study (Creswell, 2014). Through virtual interviews, participants were asked to describe their experience and background with leadership in M&As. The researcher probed for

clarification as needed and studied participants' responses to gain understanding about the importance of leadership for M&A success.

Qualitative data were collected through virtual interviews, which took place with individuals from pre-selected organizations having the ability and willingness to take part in this research study. These data were used to provide a deeper examination of the study participants about their beliefs, responses, opinions, and points of view. The format of the virtual interviews utilized open-ended questions to create a candid and collaborative dialogue. Participants had the ability, without restrictions, to discuss and exchange information in an amenable and friendly environment. Additionally participants were selected only from an adult population (anyone under 18 was excluded from the study). Finally, Pepperdine University's Institutional Review Board approved the researcher's research design, and all appropriate ethics training was completed before any fieldwork was performed, as required.

Sampling

Virtual interviews were performed with a focus of participants from several different organizations. The researcher used the convenience sampling technique. Convenience sampling is defined as the sampling units being accessible, convenient, and easy to measure (Smith & Albaum, 2010). Although the sample included a majority of participants in a leadership level position, it also contained members from multiple job responsibilities and levels to provide a well-rounded sample. Based upon the study focus, data were collected from three specific groups. These three groups were made up of participants who had taken part in the post-merger integration process. This included executive leaders who held leadership roles in post-merger outcomes, employees who were directly involved in acquisitions, and other closely related SMEs.

The aforementioned sampling criteria were constructed to gather data and information from multiple perspectives. This enabled the researcher to examine qualitative data to more efficiently assess patterns, successful methods, and notable challenges within the research. The target sample size was 10 participants. The sample included two vice presidents, two comparable senior leaders, three mid-level employees, and three mid- to senior-level SMEs who have experience with M&As and participated in the post-merger integration process (see Table 1).

Table 1

Participant Demographics: Target and Final Population

Interview Participant Group	Target	Sample	% Variance
Executive Leaders	5	4	-20%
Employees	5	3	-40%
Subject matter experts	5	3	-40%

Data Measurement

The interview questions were developed to better understand the relationships between different styles of leadership in the post-merger environment and what leadership attributes and actions lead to effective post-merger integration and employee engagement. Appendices A through C present the interview scripts used in this study.

Executive leaders. Appendix A shows the questions that were used to interview executive leaders who have had leadership roles in post-merger outcomes. These questions centered around the impact of leadership and leadership styles on the integration of merging companies and their employees. For further context, one interview question invited participants to explain if they ever had to adjust their leadership style during the M&A process and, if so, why they made the change and how this affected employees.

Employees directly impacted by acquisitions. Appendix B shows the questions that were used to interview employees directly involved in acquisitions. These questions centered on the impact of leadership and leadership styles, with a focus directly on the employee themselves and their viewpoints of the merging companies. For further context, one interview question invited participants to explain how important employee engagement is in post-merger integration and what qualities leader should exhibit to increase engagement in the integration process.

Subject matter experts. Appendix C shows the questions that were used to interview SMEs involved in acquisitions. These questions centered around the impact of leadership and leadership styles on the integration of merging companies and their employees. Specifically, they were targeted to discern the experiences SMEs had when involved with leaders and employees in the post-merger acquisition process. For further context, one interview question invited participants to explain how leaders interfaced with, encouraged, and collaborated with others in the organization to motivate employees through the uncertainties of the integration process.

Data Analysis

Once participant interviews were completed, their responses were collected and the qualitative data were analyzed. The researcher examined the qualitative data in detail by focusing on how participants responded by each question and organizing their responses into coherent categories. Through the data analysis process, key leadership and leadership style themes and ideas surfaced. Interview responses also were grouped by like themes, with any variances in respondent feedback additionally being captured and documented.

Summary

This chapter summarized the methods used in this study, including the research design, sampling methodology, data measurement, data analysis procedures, and limitations. Chapter 4 presents the study findings.

Chapter 4

Results

This study examined the impact of leadership style and leader attributes on employees and company integration during M&As. Two research questions were examined:

1. What is the relationship between different styles of leadership in the post-merger environment and the level of engagement and productivity of their workers?

2. What leadership attributes and actions lead to effective post-merger integrations?

This chapter outlines the details of a comprehensive content analysis of the qualitative data collected through 10 individual interviews. The chapter reports the key themes, interview messages, and leadership suggestions from the data collected. The chapter concludes with a summary.

Key Themes

Through completing the content analysis of the qualitative data collected, one consistent attribute that surfaced was a similarity in the predominant themes interwoven in the participant interviews. Although many participants offered variations in their responses, questions, and concerns, they shared the same interest and passion about leadership and successful M&As. Seven themes were uncovered: culture and establishing trust; timely, consistent, and proper communication; personality and vision; leader background; employee engagement; leadership style and leadership attributes; and fostering effective collaboration. Table 2 provides further details on these seven predominant themes, including quotes that demonstrate key messages and effective

leadership suggestions for each. This information will also be discussed further in this chapter.

Table 2

Key Themes from Participant Interview

Predominant Themes	Sample Quote Exemplifying Theme	Effective Leadership Suggestions Sample Quote
Culture and Establishing Trust	"A lot of times leaders make two mistakes, for example around people as assets and understanding how cultural integration can be a big hurdle."	"Third would be leaders need to be able to set and drive culture. Culture is so important and needs to drive the right atmosphere, and this responsibility goes directly to business leaders."
Timely, Consistent, and Proper Communication	"In my situation, most employees were unsure of if they were going to lose their jobs or not. They always felt nervous and there was a lack of communication to employees around restructuring and layoffs."	"At the end of the day, employees want to know, 'Am I going to be okay,' and the sooner leaders can answer that question, the better, and in doing so, also let employees know that hopefully we are done with further actions that will significantly impact them as part of the integration."
Personality and Vision	"In M&A situations with leaders, there are certain personalities that they may have, such as M&A are just business transactions, and this mindset at the end of the day has a huge people impact."	"Leaders who were empathic, who believed in communications, who were committed to be onsite and visible tended to do better than leaders who were straightforward and bottom-line focused looking at things as a business transaction with limited ability to adapt."
Leader Background	"I feel background is the first because my experience has been if the plan is not well developed and leaders don't bring in the right people at the start, executing on the rest of the M&A process is much harder."	"For employees, leadership background or leadership skills like any prior M&A experience, will help leaders with knowing what is the best approach and style that they will need to portray and exhibit to support that particular deal."
Employee Engagement	"Not that you need to listen to every issue, but employees need to know that we [leaders] hear you and understand that all of us are going through a lot."	"Leaders need to have sincerity, authenticity, and be honest to impact engagement. They need to share as much as they can share and do so often."
Leadership Style and Leadership Attributes	"Leaders must be able to make quick decisions and focus on involving employees."	"Being a leader who is nimble and agile and can adapt and be flexible is really important in situations like this."
Fostering Effective Collaboration	"Leaders must also partner with other leaders and collaborate with subordinates as they need to be collaborative and empower people to make and be a part of the decision making process."	"M&As that generally work the best have collaborative spirit in that there are team members from both organizations participating in the development of the plan, the communications, the timeline, etc."

M&A = mergers and acquisitions

Culture and establishing trust. When discussing some the challenges that employees face during the post-merger integration process, more than half of the discussions centered on the larger topic of culture. Many of the interviewees elaborated on culture related to leadership and leadership styles impacting the success of M&As. A mixture of leaders, employees, and SMEs discussed the importance of establishing trust in the areas of employee cultural assimilation, cultural integration, cultural fit of leaders and their leadership teams, and leaders executing on what they say they are going to do. When asked about the top challenges employees face during the post-merger integration process, one of the SMEs stated, "I would say number one would be cultural assimilation." This SME went on to mention,

> What I have seen is there is a lot of lip service paid to cultural components and to create a new joint culture, but this is often very difficult to actually execute. New employees feel out of place and existing employees are not sure what this all means, which prevents cultural assimilation from going very well.

> In response to the same question, an executive leader indicated that there were a couple of key areas to highlight, where "one is the cultural fit of the leadership team into the new culture of the acquired company regarding leadership." Elaborating upon these points and addressing the cultural components concerning the importance of establishing trust through leaders executing on what they say they are going to do, another SME stated:

> With the vast differences in merging cultures and organizations, it can create a lot of issues if you don't address the cultural integration piece head on. I would also say that I think the failure to execute on the things that you say you are going to do, can be detrimental for organizations. I have seen when we are going to do something and we have lost focus because of the failure to execute on the synergies and the hypothesis of value the deal was going to bring.

Timely, consistent, and proper communication. Continuing the discussion on the challenges employees face during the post-merger integration process, all 10

interviewees agreed on the importance of leadership and the need for leaders to effectively communicate—not only for helping support employees in their navigation through the M&A process, but also to create a foundation for the opportunity of a successful M&A. A number of the employees and SMEs were able to discuss the challenges concerning effective communications that leaders face. One of the SMEs stated:

> Even if you create the best communication plan, people are emotionally not ready for the M&A message. And when they are emotionally unstable, people do not process information in the same way. What I saw was the employees were not getting actionable communication including how to frame the M&A, with less attention paid to telling employees what to do, where to go for questions, and the impact to them day-to-day. I have seen challenges for employees around organization size and with one entity being a large organization, the people at the top knew what was going on, but this information was not being pushed down to lower-level managers. Those managers and employee relationships became strained in the process of miscommunication.

There were similar concerns involving effective leadership and leader communications in the integration process from employees. One employee said, "Often we don't have communications with employees throughout the M&A process." Another employee went on to say that they frequently experienced, "Confusing and poor communication from management" and that "middle management had a difficult time taking the vision from upper management, and explaining things to the rest of the troops."

Personality and vision. When asked about the successful leader attributes such as leader background, social connections, and personality throughout the integration process, the characteristics of personality and vision were key themes that surfaced during each of the interviews. Even though these were key themes, it should be noted that some of the interviewees did have variable opinions concerning what qualities defined

each. Some saw leaders being more effective if they had an empathetic personality while others thought being charismatic drove success. Some believed leaders needed to be strategic in their vision while others saw success in leaders who were flexible.

One SME said about personality and charisma, "Having a leader that is charismatic goes a long way when you are trying to get a lot done with little, within the overall M&A process." Another SME stated in reference to an empathic personality, "Generally speaking, leaders who were a few levels removed were more empathic in their leadership styles." A final SME reaffirmed the importance of personality in general and as it specifically relates to employees. This participant explained:

> Personality is important because leaders come in all shapes and forms. Their personality will shape the deal including how invested they are and this will be both important and transparent to employees. I have encountered leaders that were not informed of the deal, and by the time they were, it was very much about them and they came first and employees came second. This is what showed up in the process and to the employees. When you have an M&A, the employees look to the leaders for guidance and to see how they are reacting and how excited they are (e.g., when they stand up and talk about the deal).

For the second attribute on leader vision, one executive leader described the importance around being strategic in the integration process. This participant stated, "Leaders also need to have big picture thinking and understand the nuances and potential differences in organization shapes and sizes." Finally, when asked about flexibility within the component of leadership vision, one employee responded, "Leaders need to be able to be flexible and adapt to the whole [M&A] process."

Leader background. Secondary to personality and vision involving the previously mentioned successful leadership attributes, leader background also appeared in the discussion with a number of the interviewees. Several of the dialogues arose in reference to how a leader's background ultimately can build lasting credibility, which

was felt to be critical to the overall integration process. Others believed that a leader's background and skills help drive the best approach and style to support a successful M&A. One SME stated about the connection of a leader's background and credibility that "background is important because it ultimately builds credibility." Discussing the most important leadership attributes throughout the integration process, one executive specified how understanding one's own style benefited both oneself and one's employees. This participant explained:

> For the organization, what is most important would be the leader's background because if leaders know themselves and their styles, they can balance needs. This is also true for employees around leadership background being the most important.

When elaborating on the skills and attributes leaders needed to promote a successful M&A outcome, one executive leader had a unique insight on the type of leader background. This leader stated, "Also the leader's background is important as they [*sic*] need to be a 'generalist' in some capacity and have an enterprise view of the business, which is so important."

Employee engagement. On the collective theme of employee engagement, there was an overwhelming response from a majority of the interviewees on how important this is to a successful post-merger integration. Each participant had unique insights on the topic of employee engagement and its significance in the integration process. In reviewing the criticality of employee engagement, one SME said:

> I would put employee engagement as one of the top three most critical items in any post integration. If employees are not engaged, the team members will have low morale, they will leave the company, and create less desirable overall customer experiences. Employee engagement is critical and on the top of this list, and an area to be sure to include in regular [employee] surveys in order to make sure employees are engaged both during and after the integration.

Several participants talked about what occurs when you don't have employees engaged or if there is a loss of engagement, including the rippling effects this has. One SME pointed out regarding the impacts of employee engagement:

> is absolutely critical because you need people from Day 1 to keep doing their job. Loss of engagement can lead to retention issues, and if you have a mass exodus of employees, you will have a big problem on your hands. You will always have key employees that are critical for the short-term and long-term transition and you need to incentivize them, which is generally in a financial way. Especially if there are clients and services involved.

One executive leader was succinct in elaborating upon what leaders needed to do to drive positive employee engagement in the post-integration process. They identified the key leadership skills, styles, and when this must take place:

> Employee engagement is very important in the post-integration process. The leaders who are able to increase engagement are the ones who have been a leader who: can facilitate good and healthy conversation, have walked into the post-integration process without judgment, and have the ability to listen for at least the first 30-60 days. They must also act quickly, make decisions on key talent, and stabilize the environment very early in the process.

When talking about the ramifications of employee engagement, one of the employee interviewees illustrated a very interesting point on the barriers to change impacting the status quo and continuing to do what we have always done. The employee stated,

> If employees don't believe in it [post-merger integration] and are not engaged in believing and seeing the vision, they will revert to their old ways and how they used to do things and focus on old methods versus executing on the vision going forward.

Leadership style and leadership attributes. When considering all of the discussions that occurred with the 10 interview participants, the components of leadership style and leadership attributes were the most evident. They dominated the conversations in more than half the questions posed to each interviewee. It appeared that a majority of

the participants had strong opinions on the critical qualities, behaviors, mindsets, and

ways leaders need to adjust their leadership style to yield successful M&A outcomes.

One executive leader explained the importance of leaders shifting their leadership

style during the integration process:

> Generally, it is needed 100% of the time for the leader to adjust their style in some form or fashion, based on what the particular business need would be. In doing so, the approach can be very different. The more the leader adjusts their style, the more effective they are. Also the more the leader can be self-aware of their style, the more effective it will be for all and impactful to employees.

In providing an example in which a leader made a shift in their style, a SME

shared the following instance:

> This leader accepted and immersed themselves in the culture and made the adjustment, including the shift in their leadership style. I saw them make a shift from their culture to ours, and in doing so, they also got support from other leaders. They encouraged the employees to do the same as well, and this benefited the employee population and helped them get what they needed throughout the integration.

When understanding what qualities leaders should have, a number of important

attributes were mentioned, such as honesty, clarity, authenticity, and the ability to listen.

One executive leader expressed many of these qualities in this way:

> Leaders need sincerity, authenticity, and to be honest to impact engagement. They need to share as much as they can share and to do so often. Be up front and clear with employees and be open in doing so. Be empathetic with the ability to relate to the situation at hand.

Another executive leader added a few similar points in reference to these

attributes in saying, "Leaders must be authentic as the face of the corporation, personable,

charismatic, with a strong ability to communicate and they must be able to bring

everyone along with you, get their hands dirty, and take the hill together!"

Participants from each group (i.e., executive leaders, employees, SMEs)

expressed considerable passion regarding the critical mindsets, behaviors, styles, and

attributes leaders must demonstrate. Although there were numerous responses on what leaders must demonstrate and need to do, many of the responses centered on accessibility throughout the integration process. One executive leader emphasized the importance of being visible and accessible. She added:

> I would say what came to mind right away was being visible and accessible. Being onsite, being available to employees, answering their questions, and showing a visible picture of leadership is key. These leaders are available and let employees know that they are there and engaged in what is going on.

An executive leader focused on the importance of mindset for success in the post-merger integration process, explaining how mindset can be applied in a positive and intriguing manner during the M&A process:

> it is just as important to be judicious as it is being right. You need to understand where people are coming from and meet them where they are. This mindset is critical. You can't say that you should be happy here, because we are the new company. In order to be successful, the mindset of respect for people and meeting them where they are at is so important.

Fostering effective collaboration. The last of the seven predominant themes, fostering effective collaboration, surfaced through the conversations with participants in several different questions. That being said, a majority of the dialogue occurred when asked how leaders encourage and collaborate with others to motivate employees through the integration process. One executive leader provided a clear picture on the importance of leaders collaborating and the impacts of doing so within and outside the organization:

> One thing that I have done and seen others do is to understand what employees are really feeling. I took the opportunity to find the "Charlie" of the group, and get close to them to find out what really is going on. You need to collaborate with employees and other leaders to determine what information is really correct, which helps to decrease uncertainty and helps you understand what [employees] are really thinking and concerned about. Key leaders also collaborate with outside resources like community groups. They bring in outside resources to talk to employees and help address specific needs that they have.

When talking about the importance of effective collaboration, one employee echoed some of the same thoughts of when leaders collaborate, and how it motivates employees through the integration process. She said:

> M&As that generally work the best have a collaborative spirit in that there are team members from both organizations participating in the development of the plan, the communications, the timeline, etc. It has to be a collaborative approach to make things happen in my experience with successful M&As.

One SME added a few final thoughts in reference to leaders working together to effectively collaborate and motivate employees: "Leaders must also partner with other leaders and collaborate with subordinates as they need to be collaborative and empower people to make and be a part of the decision making process."

It was evident from the interviews conducted that all three participant groups (i.e., executive leaders, employees, SMEs) had a passion about the topic and realized the impact of leadership and leadership style on the integration of merging companies and their employees. All participants that were interviewed had some form of variation in their responses, ultimately driven from their background and prior perspectives on this subject. All 10 participants were in agreement that effective leadership is important for the success of M&As for the organization and the employees of merged companies. One executive leader so energetically articulated what leaders must do to create a successful M&A, stating, "Leaders must also know who is dependent upon whom and what, and communicate and give visibility to be able to implement like hell and at the speed of lighting!"

Summary

This chapter outlined the research findings and the key themes from the data collected. Chapter 5 brings the study to a close by examining the present research

findings in light of past literature. Suggestions for practice and continued research also are provided.

Chapter 5

Discussion

This study examined the impact of leadership style and leader attributes on employees and company integration during M&As. Two research questions were investigated:

1. What is the relationship between different styles of leadership in the post-merger environment and the level of engagement and productivity of their workers?

2. What leadership attributes and actions lead to effective post-merger integrations?

This chapter provides a discussion of the study results. Conclusions, recommendations for practice and research, and study limitations are outlined.

Conclusions

Conclusions were drawn for each research question based on the study. These conclusions are presented in the following sections.

Impact of leadership styles. Of the 10 virtual interviews, the components of leadership style were the most prevalent. This topic of leadership style dominated the conversations in more than half the questions asked in each interview. A majority of interview participants had strong opinions on the qualities, critical behaviors, mindsets, and ways leaders need to shift their leadership style to create successful M&A outcomes. Interviewees generally believed that the more a leader could actually adjust their style, the more effective they could be. Participants emphasized the relationship between adjusting one's leadership and M&A effectiveness. This could imply that not only leadership style, but also the ability to adjust the style in the post-merger environment, if done correctly, could enhance employee engagement and productivity. This study finding

links to transformational leadership literature, which indicates that leaders who provide employees with flexible, innovative ways to cope with change in the integration process enhance post-acquisition performance and promote employee satisfaction (Vasilaki, 2011).

Many interviewees additionally elaborated on culture as it relates to leadership and leadership styles having an overall impact on the success of M&As. For example, a group of participants discussed the importance of leaders being able to establish trust in the areas of employee cultural assimilation, cultural integration, and the actual cultural fit of other leaders who are part of their leadership teams. This conclusion is supported by Epstein (2004), who found that results are often disastrous when company cultures are not properly integrated or the endeavor is not backed or stabilized by leadership.

Interview participants also mentioned that leader qualities including honesty, clarity, authenticity, the ability to listen were central to M&A success. Many responses emphasized the importance of leader accessibility during and throughout the integration process. This could be explained by the participants' experience of lacking consistent exposure to leaders during the good and inevitably challenging times characteristic of M&A processes. Leaders' ability to foster effective collaboration also surfaced through several different interview questions regarding how leaders encourage and collaborate with others inside and outside the organization to motivate employees and drive employee engagement throughout the integration process.

These findings echo the importance of leadership styles that involve leaders providing both vision and inspiration to their followers, and building a structure and culture that enables and encourages the necessary positive behaviors for integrating two organizations (Vasilaki, 2011).

Effective post-merger integrations. All participants also concurred about the need for leaders to effectively communicate during the post-merger integration process. This study finding concerning effective leadership communication is supported by Nemanich and Keller's (2006) observations on acquisition acceptance. Nemanich and Keller explained that for employees to be happy with the acquisition, "they need to be able to understand the purpose for the acquisition" (p. 51). For this to occur, leaders must be able to effectively build employee understanding through communication. "Leaders' skills at communicating the vision to employees and inspiring support for it provide the basis for building employee understanding of the business case for change" (p. 51).

Additionally, participants articulated several leadership attributes or characteristics they believe leaders must have to support an effective post-merger integration. Two such leader qualities were personality and vision. More importantly, some interviewees perceived that leaders could increase their overall effectiveness if they had an empathic personality, while others believed that charisma drove M&A success. Still other participants expressed that leaders needed to be strategic in their vision, while others associated success with leaders' abilities to be flexible in their style, approach, and actions.

A number of these conclusions about leadership qualities echo aspects of transformational leadership named in the literature. Nemanich and Keller (2006) found that transformational leadership behaviors play a significant role in helping employees accept the change in acquisition integration. Their study revealed that transformational leaders visualize the future as being different from the current state. Transformational leaders also motivate employees to strive for a higher level purpose through attributes like charisma. Covin et al. (1997) similarly expressed, "Two key aspects of

transformational leadership are charisma and inspiration" (p. 24). Their study also provided an overview of connections among some leadership style variables and merger satisfaction.

It is important to note that even though there may appear to be variations in some of the aforementioned findings, a majority of these conclusions were anticipated and expected. For example, as noted by one author in reference to effective leadership style, rather than a universal set of leadership styles or characteristics, there may be different styles or approaches for different integration models (Gomes et al., 2003). The findings also support and reinforce the data surfaced by the principal investigator uncovered during his research and illustrated in greater detail within the literature review.

The background of a leader also surfaced in discussions with many interviewees in the context of impacting effective post-merger integrations. Several participants reviewed how a leader's background could ultimately build lasting credibility critical to the overall integration process. Others indicated that a leader's background and skills helped to drive the best approach to support a successful M&A. Additional support for this conclusion was not directly named in the literature gathered by the researcher. This does not necessarily indicate that this is a new finding, but one that was outside of the scope of the studies gathered by the researcher.

Based upon these findings, a business case for what leadership attributes lead to effective post-merger integration can be made. There may not necessarily be one particular leadership characteristic that all leaders should follow. Instead, there could be multiple options based upon numerous extenuating factors. As an example, understanding that mergers can often produce politically charged organizational environments, one

author noted that leaders will generally draw upon numerous bases of power to inspire and motivate employees (Covin et al., 1997).

Recommendations for Practice and Research

With M&A activity continuing to be a predominant growth strategy for companies worldwide, the nature and influence of leadership and leadership styles impacting the integration of merging companies and their employees will only grow in prevalence. Therefore, the prominent practical recommendation from this study (as well as a natural extension of this research project) would be to explore deeper the impact of leadership and leadership styles on the integration of merging companies. Specifically, it would be valuable to include further dimensions of culture using an existing diagnosis of culture and the desired state of culture post-M&A. Additionally, participants could be asked more direct questions regarding the elements of transformational leadership in the post-merger integration process and to provide examples of its impact on the success of M&As. Even more specific would be the collection of participant demographics such as position, position tenure, and company tenure for purpose of substantiating or refuting the data discovered. A future study of this kind could be expected to produce incisive outcomes and should be a follow-up to the present study.

Study Limitations

Several limitations affected this study. First, the researcher was unable to locate participants through his own professional network as originally planned. Even after several attempts, no one from this network was available to participate in the study. This made it more challenging to find suitable participants within an abbreviated study timeframe and resulted in a smaller sample size ($N = 10$; four executive leaders, three

employees, and three SMEs) than anticipated ($N = 15$). The smaller sample size meant that the results may have less generalizability.

Second, it was challenging to arrange time with executive leaders. Although the researcher expected executive leaders to have limited availability, these participants had even less time than anticipated. This extended the research process beyond the planned timeline.

Third, the 10 interview participants represented different industries, had diverse backgrounds, and embodied experiences from various merger conditions.

Summary

It can be said that a key reason for M&As failure is the persistent failure of chief executives and other leaders to provide strong leadership while the deal is being done, specifically in the critical post-merger integration phase (Waldman & Javidan, 2009). This study supports much of the current research in that leadership style does have an effect on both merger and employee satisfaction. However, the leader's style or their attributes are not necessarily the only factor that affect M&A success. For example, leader-employee trust also has been found to affect relationships considerably. As noted earlier, this study assessed the importance of effective leadership on the success of M&As for the organization and employees of merged companies.

All three participant interview groups (executive leaders, employees, SMEs) had a passion about this study and its topic. Inherent to this passion, members each participant group realized and articulated their understanding and real-world experiences regarding the effect of leadership and leadership style on the integration of merging companies and their employees.

Leadership styles should be a key component for organizations to review and take under serious consideration when preparing and planning for a merger. This is critical because when mistakes are made with any M&A, the negative aspects of the merger don't always fade with time. Future research should be conducted regarding the two research questions addressed in this study.

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Appendix A: Executive Leader Interview Script

1. Even when M&As have a successful outcome, research shows that M&A failure rates can be as much as 50%. In your experience, what challenges do you face during the post-merger integration process?

2. My research indicates that successful leadership attributes throughout the M&A process include leader background, social connections and personality. Of those three, which do you feel is most important and why?

3. In your experience, was it ever necessary for you to adjust your leadership style during the M&A process? If so, please explain why you think the change was made and how it impacted the employees.

4. How important is employee engagement in post-merger integration? What qualities do you have, or leaders you admire have, to increase engagement in the post-merger integration process?

5. How do you encourage and collaborate with others in an organization, to motivate employees through the uncertainties of the integration process?

6. In your experience, what are the three most critical behaviors you must demonstrate in order to create a successful M&A for all involved?

7. Describe a model or methodology you use for success in the post-merger integration process.

Appendix B: Employee Interview Script

Interview Questions – Employees Directly Impacted by Acquisitions

1. Even when M&As have a successful outcome, research shows that M&A failure rates can be as much as 50%. In your experience, what challenges do employees face during the post-merger integration process?

2. My research indicates that successful leadership attributes throughout the M&A process include leader background, social connections and personality. Of those three, which do you feel is most important for a leader and why?

3. In your experience, was it ever necessary for an executive to adjust their leadership style during the M&A process? If so, please explain why you think the change was made and how it impacted the employees.

4. How important is employee engagement in post-merger integration? What qualities should leaders exhibit, to increase engagement in the post-merger integration process?

5. How do leaders you have experienced encourage and collaborate with others in an organization, to motivate employees through the uncertainties of the integration process?

6. In your opinion, what are the three most critical behaviors leaders must demonstrate in order to create a successful M&A for all involved?

7. Describe a model, methodology, or mindset, which you have experienced leaders using, for success in the post-merger integration process.

Appendix C: Subject Matter Expert Interview Script

1. Even when M&As have a successful outcome, research shows that M&A failure rates can be as much as 50%. In your experience, what challenges do employees face during the post-merger integration process?

2. My research indicates that successful leadership attributes throughout the M&A process include leader background, social connections and personality. Of those three, which do you feel is most important for a leader and why?

3. In your experience, was it ever necessary for an executive to adjust their leadership style during the M&A process? If so, please explain why you think the change was made and how it impacted the employees.

4. How important is employee engagement in post-merger integration? What qualities should leaders exhibit, to increase engagement in the post-merger integration process?

5. How do leaders you have interfaced with encourage and collaborate with others in an organization, to motivate employees through the uncertainties of the integration process?

6. In your opinion, what are the three most critical behaviors leaders must demonstrate in order to create a successful M&A for all involved?

7. Describe a model, methodology, or mindset, which you have experienced leaders using, for success in the post-merger integration process.