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Preparing Senior Executives to Address Organizational Culture During an Organizational Merger

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This is to certify that the doctoral study by

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Abstract

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MBA, Temple University, 1996

BS, Rutgers University, 1994

Doctoral Study Submitted in Partial Fulfillment

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Abstract

Executives planning for an organizational merger often neglect or overlook the importance of creating a positive organizational culture. Researchers have demonstrated that organizational culture is important to the success of mergers. Workersøcompensation industry executives who managed mergers successfully often includ organizational culture in their merger strategy. The purpose of this qualitative case study was to explore the strategies that business executives used to unify organizational cultures during an organizational merger. The population for the study consisted of 3 CEOs with operations in northern Florida, who successfully merged companies within the workers' compensation managed care industry. For each of these participants, success was self-reported and measured by internal financial metrics. Semistructured interviews were used to collect information regarding successful strategies from experiences during past mergers. Interpretations from interview data were then triangulated with CEOsøemails, executive memoranda, and previously administered employee surveys. The results of this study reflect successful strategies that were used in previous mergers. The data analysis resulted in themes that indicate executives within the workersøcompensation managed care industry need to ensure that organizational culture is included with financial metrics during mergers. The implications of these findings promote social change as employees become a part of newly combined organizations and may have a more positive and cooperative work effort to strive for organizational and individual success.

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Dedication

This doctoral study is dedicated to my wife and best friend Kim. Without her love and support, this goal would not have been reached. This study is also dedicated to my three children Alex, Ashley, and Kaitlyn. May they one day understand that knowledge is only good if you can use it, we are never too old to stop learning.

Acknowledgments

I would like to acknowledge all my family, friends, and co-workers that have supported me during the last few years while I worked on this study. My deepest gratitude goes to Dr. John House for being patient with me and working with me through many variations of my work. Your support and extremely quick turn around with your reviews is very much appreciated. Thank you to Dr. Alen Badal for your honest feedback on my work and help with advancing me through the review process. Thank you to Dr. Judith Blando for your insight and comments to keep me on track. Lastly, thank you to my peers. We have all had a long journey together and your support along the way will never be forgotten.

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Section 1: Foundation of the Study

Culture is a powerful force within any organization, but at the same time is invisible and intangible (Wines & Hamilton, 2009). Culture can be best described as the organization's core values that influence how employees work together, work with customers, and make company decisions (Flamholtz & Randle, 2012). Positive organizational cultures offer significant competitive advantages over other companies (Alleyne & Amaria, 2013).

Organizational culture differences and lack of attention to cultural integration between companies contribute to the high failure rate of organizational mergers (Dauber, 2012; Weber & Tarba, 2012; Eaton & Kilby, 2015). Combining organizational cultures, in the event of a merger, is a way for individuals to improve their work as they learn many new techniques and skills from each respective company (Ghafoor, Khail, Khan, & Hassan, 2011). An executive team who is considering an organizational consolidation through a merger should be prepared to address the organizational culture of the newly combined organization.

Background of the Problem

Employers who have a desire to change organizational culture within their company may require employees or consultants with experienced change management skills (Jorritsma & Wilderom, 2012). Jorritsma and Wilderom indicated that senior managers who want to make a culture change should recognize the direct effect that supervisors have on organizational culture. Organizational leaders can take steps to acknowledge each entity's culture and address historic identities while working to build a

common identity for the future (Bouchikhi & Kimberly, 2012). In contrast to strategic and operational alignment, identity alignment during the merging of organizational culture is not a single project or task, but a process that can take several years (Bouchikhi & Kimberly, 2012).

During a merger, rapid integration may be beneficial, but executives should attempt to determine the speed of integration to ensure employees are on board and adequately trained (Butler, Perryman, & Ranft, 2012). Organizational leaders should understand the existing organizational cultures of both merging entities in order to evaluate proper direction or training required to merge into a single cohesive culture (Warren, Gaspar, & Laufer, 2014). Marks and Mirvis (2011a) discovered that culture is not just something organizations should review after the transaction, but should be evaluated predeal, during the merger, and postintegration.

Problem Statement

Organizations that undergo a merger have a high chance of failure, and organizational culture is a primary factor in the integration of those organizations which succeed (Weber, Rachman-Moore, & Tara, 2012; Weber & Tara, 2012). The high failure rate of companies after a merger demonstrates that between 30% and 50% of all mergers destroy shareholder value and as much as 80% fail to deliver any value (Boyle, Carpenter, & Mahoney, 2012). The general business problem is that when companies merge, the conflicting organizational cultures often negatively influence the relative success of the merger. The specific business problem is that some business executives lack strategies for unifying organizational culture during an organizational merger.

Purpose Statement

The purpose of this qualitative case study was to explore the strategies that business executives have used to unify organizational culture during an organizational merger. Mergers bring about the destruction of prior organizational cultures and the eventual reconstruction of a new culture (Barratt-Pugh, Bahn, & Gakere, 2013). Employees who are willing and able to adapt to change may lead to the achievement of successful outcomes from a merger (Clayton, 2010). The population for this study was three CEOs from three organizations with operations in northern Florida. These CEOs are from within the workers' compensation managed care industry, and each has developed a successful strategy to implement a merger and unify organizational cultures in the last 5 years. The results of this study may assist future organizational leaders by providing executives information about various strategies for creating a positive organizational culture which may result in increased success of the planned organizational merger.

Nature of the Study

Three methods for scientific research are qualitative, quantitative, and mixed methods (Richards & Morse, 2012). The qualitative method is a research approach designed to reveal the behavior and perceptions of a target audience using descriptions and ways of conceptualizing observed data by the researcher (Richards & Morse, 2012). The quantitative method uses numbers and measureable data, and allows the researcher to pursue specific, research questions, rather than a general area of interest (Moustakas, 1994; Richards & Morse, 2012). For my study, the quantitative method was not the optimal research method, as the testing of hypotheses would not be ideal to determine successful strategies to merge organizational cultures. A mixed methods approach is a

combination of quantitative and qualitative research. My research did not include a quantitative component, so a mixed method was not appropriate either.

The qualitative designs I considered for use in this study were case study, ethnography, narrative, and phenomenological study (Richards & Morse, 2012). A case study is an exploration of either a single group or a comparison of multiple cases conducted by a researcher seeking meaningful characteristics of real life events (Yin, 2013). An ethnographic study directs researchers to collect data through prolonged observation of a cultural group and to subsequently interpret the results of the data (Richards & Morse, 2012). Since my research did not include observation of any cultural groups, an ethnographic study was not ideal. Similarly, a narrative design tells a developing story about the research subject while studying the lives of the research participants (Richards & Morse, 2012). A phenomenological study focuses on the lived experiences of subjects (Moustakas, 1994). Because this study did not focus on the essences of the lived experiences of others in a particular phenomenon, a phenomenological approach would not fit (e.g., Richards & Morse, 2012). For this research, a case study approach yielded the best results because I focused on successful strategies that have worked through managerial experience (e.g., Yin, 2013).

Research Question

The central research question for this study was: What strategies have business executives used to unify organizational cultures during mergers? The following interview questions focus directly on the case study topic of organizational culture. I designed the semistructured interview questions to be insightful and capture respondentsø explanations

of perceived inferences of situations and scenarios that were and were not successful

(e.g., Yin, 2013).

Interview Questions

I used the following interview questions to aid my collection of data:

1. What were your personal experience with merging two organizationsø cultures during the last corporate merger you experienced?

2. What events took place during the time between the announcement of the merger, and when the event occurred?

3. What actions did you take for the merging of two organizational cultures that you managed?

4. When merging organizational cultures, what strategies worked during your merger and why?

5. When merging organizational cultures, what strategies did not work during your merger and why?

6. What would you do differently to address organizational culture if you manage another merger?

7. What strategies did you use to improve their communication regarding organizational culture with employees during the organizational merger?

8. What organizational departments played a key role in implementing the strategies you implemented during your merger?

9. What other ideas or information that you would like to share regarding the merging of organizational cultures?

Conceptual Framework

The conceptual framework for this study was the changing organizational cultures management theory as developed by Trice and Beyer (1993). Using this management theory allowed me to determine whether my research identified and filled any gaps and could assist company executives in preparing strategies for integrating organizational cultures during an organizational merger. This theory provided eight issues to consider when changing organization cultures and included the following: capitalizing on propitious moments; combining caution with optimism; understanding resistance to culture change; changing many elements but maintaining some continuity; recognizing the importance of implementation; selecting, modifying, and creating appropriate cultural forms; modifying socialization tracts; and finding and cultivating innovative leadership (Trice & Beyer, 1993).

The changing organizational cultures management theory directly applies to this study because wherever the merging of organizational culture occurs, change is required. Merging companies need to identify the best team to assist with the merger, embrace culture change, and cultivate the required cultural changes (Linke & Zerfass, 2011). A combined organizational culture is a strategic asset that may turn into an organizational liability if not properly managed (Flamholtz & Randle, 2012). In this study, I discuss strategies for combining corporate culture for private companies that plan to merge.

Operational Definitions

Acquisition: An acquisition is situation when an investor owned acquirer purchases another organization where the integration attempts to reflect a positive return

on investment, and economies of scale produce decreased operating costs (Ault, Childs, Wainright, Young, & Williams, 2011).

Culture, or organizational culture: Culture in this study refers to organizational culture. Culture is the collection of operational practices, a common set of values, and the socialization of employees within the organization (Fortado & Fadil, 2012).

Integration: Integration is a general term used when two companies become one through an acquisition or merger (Dauber, 2012).

Managed care: Managed care is the process that provides efficient quality medical care to patients at a lower cost to the payer than the rate offered directly from the fee-for-service medical provider (Acker, 2010).

Merger: A merger is two organizations that join into one company, adopting efficient resources and operational procedures that provide a better product or service for customers (Blair & Haynes, 2011).

Synergy: Synergy is a general term, used in a positive context, which references a new status or output created from mergers or acquisitions (Gaggiotti, 2012).

Workers' compensation managed care: Workersøcompensation managed care is the process that manages the medical care and costs associated with workersø compensation claims (Nuckols et al., 2011).

Assumptions, Limitations, and Delimitations

Assumptions, limitations, and delimitations are reported risks or areas not addressed in the research. In the following section, I present a definition and description of the applicability of each issue within this study. The disclosed items in this section may also lend to potential future research.

Assumptions

Assumptions are thoughts, ideas, or events not explored within the body of research but rather concepts that researchers use that are untested (Frederic, Di Bacco, & Lad, 2012; Yin, 2013). In this case study, I made an assumption that participant responses were open and honest explanations of their perceptions of the organizational merger during the semistructured interviews. Another assumption was that the strategies shared by the participants could yield the same results for others entering an organizational merger.

Limitations

Qualitative researchers understand and acknowledge the limits or shortcomings of their studies while pursuing the goal of producing trustworthiness results (Marshall & Rossman, 2011). For this case study, I completed focused, semistructured interviews with three members of the study population. Study participants were limited to those who led organizations in the study area, and my findings may not be applicable to a larger demographic. In addition to the respondent limitations, the literature review was limited to English language publications only.

Delimitations

Delimitations are topics and areas of research not addressed within the study (Wolcott, 2009). The scope of this study was to understand both the perceptions and experiences of business professionals from various organizations that participated in a merger within the workersø compensation industry. The scope did not include participants outside of the workersø compensation industry nor did it include those whose

organizations operate outside of the study area. I did not discuss my experience with mergers and acquisitions with the study participants.

<div align="center">**Significance of the Study**</div>

Understanding the influence that employees have on the success of organizational mergers may provide executives strategies for successfully unifying organizational culture. The significance of the study is for future company leaders to understand the strategies that executives have used to unify organizational cultures in organizational mergers. By applying time and focus to addressing the culture, organizational leaders may discover successful strategies for merging organizational cultures.

Contribution to Business Practice

This study may contribute to business practice by providing executives with strategies to more successfully unify organizational culture. The goal of this study is to provide possible strategies regarding the importance of organizational culture as experienced and perceived by corporate executives who have worked through an organizational merger. Understanding the strategies used by other executives who have participated in mergers may provide insight for organizational leaders before they enter into an organizational merger.

Implications for Social Change

The results of this qualitative case study may compel executives in the workersø compensation managed care industry approaching an organizational merger to consider organizational culture as a necessary item, and a measure of success. The results of this study may increase the awareness of executives regarding this as well as provide strategies for successfully managing it. The findings of this study may also contribute to

positive social change as employees become a part of newly combined organizations and may have a more positive and cooperative work effort to strive for organizational and individual success. Employees that believe they are a part of an organization will work more effectively for the company and potentially reduce the number of merger failures. Not only are happier employees an implication to social change, the contribution to potentially increased merger success may follow as well.

A Review of the Professional and Academic Literature

To understand the implications of organizational culture during an organizational merger, I reviewed the body of existing literature on the topic. My thorough review of the academic literature included research on organizational consolidations, mergers and acquisitions, organizational culture, employee satisfaction, and organizational design. I utilized Google Scholar and the Walden University Library as my primary portals, and conducted a majority of the searches on the ProQuest ABI/INFORM and EBSCO Business Source Complete databases. The research included keywords: *culture, organizational culture, mergers, acquisitions, communication, human resources, knowledge management,* and other variations found in magazines, newsletters, proceedings, books, and dozens of journals. I read several hundred articles over a 30-month period and included 94 sources in the literature review. Of the 94 used, 91 sources (97%) are peer reviewed and less than 5 years old. Over the course of my review, the themes that emerged were: timing for culture change; human resources; communication and executive direction; fundamental employees; substance both lost and gained during mergers; knowledge management; and economic influence. These themes link to the õchanging organizational cultures management theory as developed by Trice & Beyer

(1993)ö. The themes outlined in the conceptual framework link to the research summary through a summary of experiences of research subjects who have first-hand experience with mergers or acquisitions, for future executives to understand resistance to culture change, combining caution with optimism, and recognizing the importance of implementation of a combined culture during a merger.

Each of the following themes are categorized and detailed as to how I will tie them into the conceptual framework. Timing for culture change ties to the conceptual framework used in this study because it underscores how important it is for executives to understand resistance to culture change. Given that one factor of the conceptual framework is capitalizing on propitious moments, timing culture change reflects how executives must understand how to align changes with propitious moments. Researchers have been studying organizational culture since the 1960s (Bowden & Smits, 2012). Human resources, as a theme, ties into the conceptual framework as organizational leaders recognize the importance of merger implementation activities. Communication and executive direction tie into the conceptual framework as organizational leaders combine caution with optimism and create a newly combined organizational culture during the merger. The conceptual framework of changing organizational culture ties in through fundamental employees, as executives need to find and cultivate innovative leadership. The conceptual framework of this study applies through knowledge management as executives change elements of the newly combined organizations while still maintaining some continuity.

Timing for Culture Change

An organization's culture is rooted in its values, beliefs, and behaviors (Eaton & Kilby, 2015). Organizational cultures exist on many levels and may vary geographically, organizationally, and occupationally (Bowden & Smits, 2012). Geographical differences may be regional or locally based; organizational differences may be sales versus operations; and, occupational differences may be differences between management and staff employees (Bowden & Smits, 2012). Organizational cultures develop at multiple levels within an organization, are reinforced through success, and are passed on to new employees through organizational socialization (Bowden & Smits, 2012). Although management can be optimistic over the merging of cultures, cautious change is required. Cultural divergences between organizations can cause integration problems and delays (Cording, Harrison, Hoskisson, & Jinsen, 2014). Management should also understand the importance of implementing the change and communicate the needs for the change throughout the organization (Linke & Zerfass, 2011). When two organizations merge, there is a shift in the identity of the newly combined entity (Eaton & Kilby, 2015).

Consistent positive behavior and positive character of employees are central to ensuring sustainable culture change (Stokes & Harris, 2012). Stokes and Harris described the importance of executives' recognition that every interaction between management and employees becomes both a moment of choice and an opportunity for management to reinforce positive behavior. The challenge for executives is to understand the timing for this interaction. When a company undertakes a merger, each respective organization will evolve through three phases: the valuation, the structure of the deal, and integration (Antoine & Kleiner, 2015). While the valuation and deal structure are the most important

phases for the financial side of the transaction, integration is the most critical phase involving employee interaction and the management of their concerns and core values (Antoine & Kleiner, 2015).

When attempting to change organizational culture, organizational executives need to understand the dynamics of two different types or workers: selfish workers who respond to monetary incentives and exert only individual effort; and conditionally cooperative workers, who also respond to monetary incentives, but who will exert cooperative effort if a coworker cooperates and both benefit financially (Kosfeld & von Siemens, 2011). Selfish workers never cooperate with management or organizational leaders without strong monetary incentives (Kosfeld & von Siemens, 2011).

One synergistic reason for a merger of organizations is the reduction of market competition. Organizational mergers and acquisitions might have a negative effect on employeesødesires to continue working hard and innovating (Fulghieri & Savilir, 2011). Mergers of organizations may also create internal employee competition within the postmerger organization, and may create a negative work environment (Fulghieri & Savilir, 2011). Reducing employee competition in a post-merger organization can create value and protect against the creation of a multidivisional firm (Fulghieri & Savilir, 2011). Marks and Mirvis (2011b) described how human factors contribute to the failure or success of the organizationøs merger. The reason for combining two companies is that together they can achieve strategic goals faster and more efficiently than being separate (Marks & Mirvis, 2011b).

During a merger, executives do not often consider identity integration; however, employees cannot achieve better results if they do not come together and work toward a

common direction (Bouchikhi & Kimberly, 2012). From an organizational perspective, firm specific resources determine success and failure. Organizational culture is an intangible resource critically linked to firm performance or eventual failure (Yang, 2012). Executives who allow their managers time to understand both organizations will provide those managers with the requisite skills to lead a more productive merger (Butler et al., 2012).

One objective for organizations that proceed with a merger is the achievement of synergies that can enhance the competitive position of both organizations through the complementary capabilities of the combined organizations (Cheng & Seeger, 2012). Organizational culture and executive communication are closely linked concepts (Cheng & Seeger, 2012). Changes in any organization, including organizational culture changes, require good decision-making and effective communication (Cheng & Seeger, 2012).

Corporate change does not always require consultants and large amounts of money. Small acknowledgements, such as a simple thank you in a corporate setting, have a positive effect on employees (Moore, 2011). Further, department heads or identified high potential employees are not the only staff with good ideas on how organizational culture can change (Moore, 2011). Engaging with employees that others gravitate toward can help executive make a positive influence on any change in organizational culture (Moore, 2011).

Whether domestic or international, organizations that merge face many of the same challenges. Managers strive to implement a unified culture, values, practices, and work to determine whether to implement programs uniformly or differently in various units within the organization (Rosenblatt, 2011). During a merger, organizations should

determine how to balance between product or service quality and customer service. The role of customer service in both service quality and corporate image is more important in customer satisfaction with rapid economic development (Hui-Yao & Shieh, 2012). A positive organizational culture affects both customer value and marketing strategies in a positive manner (Hui-Yao & Shieh, 2012). Corporate leaders that take the time to establish excellent brand image through organizational culture will aide customers in reducing risks and enhancing confidence (Hui-Yao & Shieh, 2012).

The only way to change an organization's culture is to make a change in its employees (Wines & Hamilton, 2009). When considering cultural change, three groups of employees emerge: those who are on-board, those who are on the fence, and those who are resistant (Wines & Hamilton, 2009). The first group will be conducive to organizational change, the second and third groups will need to change or leave the organization (Wines & Hamilton, 2009). A different model that can make acquisitions successful includes a clear strategic plan, buy-in from individuals within the organization, a cross-functional integration team, and adoption of a large-scale change.

When cultures of merging companies unify, the economic benefits are high and may lead to better merger success. Delegation decisions drive organizational culture that in turn may affect integration performance. Many organizational leaders consider organizational culture as an essential part of postmerger integration but nonetheless push for a need to evaluate culture even before a merger (Weber & Tarba, 2012). Premerger planning and negotiation should also include consideration of how the combined organization will approach a unified culture.

Organizations that merge try to develop a unified culture, but even after they are integrated, cultural changes may not have taken effect. Some of the problems include a lack of consistent effort in managementøs cultural influence, a failure to understand the gaps in the development of the desired culture, and management challenges in communicating the vision of the desired culture (Spicer, 2011). Tarba and Weber (2011) completed a qualitative case study that compared two international high tech companies before, during, and after the merger and ensuing culture clash. The self-reported limitations of the study recognized that large samples of data regarding culture during merger negotiations are difficult and expensive to obtain. Through addressing culture during the integration, organizational leaders may be able to protect against costly efforts to address culture clash.

Stahl, Larsson, Kremershof, and Sitkin (2011) demonstrated in a case study how the speed of integration, communication quality, and culture are the key issues influencing trust in a merger, rather than the organizationsø collaboration history and premerger performance differences. Trust between employees and executives matters when organizations consolidate; but more important is understanding how it matters, and how that trust is developed (Stahl et al., 2011). Employees of organizations with cultures that avoid uncertainty respond negatively to high levels of integration, whereas employees from organizations with cultures that tolerate risk perform more effectively with higher levels of integration (Stahl, Chua & Pablo, 2012).

Integrations of organizations are not just about systems and processes, but also involve the integration of people and culture (Carbonara & Rosa, 2009). Carbonara and Rosa found that organizations that focused on a supportive integration of culture had a

better success than those that did not. Integration of two organizations is not just simply changing the organizational structure and establishing a new hierarchy; it involves the integration of systems, processes, strategy, and people (Carbonara & Rosa, 2009).

Organizations that enter a merger with no focus on profit, employee accountability, or lack of a sense of urgency could lead to poor market and financial performance (Gill, 2012). Organizations that approach a merger with authentic leaders will generate trust through their behavior, words, and deeds (Gill, 2012). Leaders need to understand cultural differences, and capable authentic leadership will lead to follower trust and commitment to cultural values needed to realize postintegration synergies (Gill, 2012).

Merger and acquisition activity is a popular corporate strategy as a means to improve shareholder value, but a clash in organizational culture can fail to lead to value delivery (Patel, 2012). The importance of establishing communication with respect to the management of culture, morale, and other human elements in a merger transaction can better lead to success (Patel, 2012). Culture conflicts, power struggles, and lack of direction or responsibilities can bring on business failure while planning and addressing these factors can lead to success (Patel, 2012).

Culture provides structure to organizational daily life, rules for employee interaction, and is one effective factors to accomplish company objectives (Shahmandi, Silong, & Ismail, 2012). Shahmandi et al. (2012) opined that organizational change is dependent on leadership effectiveness through leader competencies and is not gender specific. Management competencies involve organizational strategy, resource management, communication, and collaboration (Shahmandi et al., 2012). As

management evaluates these competencies, human resources within the organization can play a fundamental role.

Human Resources

Senior managers should be convinced that culture be a part of the integration decision-making process and human resources can assist in lessening the negative effects on merger success measurements by providing sustainable competitive advantage (Yildiz, 2014). Human resources can facilitate organizational culture change as long as the emphasis is visibly on leading change and not just grievance and merger related outplacement activity (Barratt-Pugh, Bahn, & Gakere, 2013).

Organizational culture has been a necessary component of mergers and acquisitions across time, but there have been few frameworks for human resource professionals or front line managers to use during integration (Marks & Mirvis, 2011a). The human resources need is to create an integration plan that includes organizational design, integration tools, and communication tools (Podgorski & Sherwood, 2015). Once these plans are developed, they should be centrally available as a resource for management (Podgorski & Sherwood, 2015).

During the 1980s, considerable attention enhanced organizational culture with mission, vision, and shared value statements (Fortado & Fadil, 2012). Fortado and Fadil (2012) discussed that there is not a commonly accepted way to think about organizational culture. Through managing cultures, managers are able to improve their organizationsø performance and competitiveness in the marketplace (Fortado & Fadil, 2012). Through the 2000s, managing organizationsøperformance and competitiveness relies on employees. The human resource integration strategy now refers to employeesøjob

security and communication (Byungho, Sung-gun, & Joongwha, 2015). This

communication is used to inhibit ore reduce the negative effect of employees by reducing

fear and panic (Byungho, Sung-gun, & Joongwha, 2015).

The success of a postmerger integration will depend on positive cooperation

between employees and organizational leaders of both organizations to understand team

dynamics and address human resource concerns (Weber and Fried, 2011b). One reason

that contributes to the absence of positive results in a merger is the failure to account for

human resource practices (Weber & Fried, 2011b). Because of the infrequency and

unpredictability of mergers, management does not have the experience or ability to

collect large amounts of experience or observations (Weber & Fried, 2011b).

Many organizational mergers and acquisitions occur solely on financial synergies

found by operationally combining the companies. Good planning however depends on

employees and the organizational culture. Organizational culture is powerful because it

can encourage or hamper change within the company (Nongo & Ikyanyon, 2012). Nongo

and Ikyanyon found that employees involved with decision-making would have a

positive commitment to the organization. Organizational integrations seldom achieve the

desired success (Lundqvist, 2011). The human element is important for executives to

acknowledge preventing merger failure by stressing the importance to maintain positive

employee perceptions after the merger (Lundqvist, 2011).

A high failure rate of mergers and acquisitions occur because of culture

differences (Dauber, 2012). The debate between organizational culture and organizational

performance in merger and acquisition research has not provided a consistent conclusion

because of a number of factors including mixed analysis with national versus

organizational culture (Dauber, 2012). When executives measure synergies, non-financial benefits may take several years to turn into measureable figures (Dauber, 2012). Two organizations that merge need to consider how employees from each culture will work together and create a unified culture for the future.

During organizational mergers, employees may believe that one partner is the dominant organization (Makri, 2012; Ribando & Evans, 2015). As two organizations merge, the dominant organization may yield employees that have lower stress, better physical and psychological stress, postmerger than the lower status organization (Makri, 2012). Organizational leaders that approach a merger with open communication and power distribution among merging companies, may reduce any merger-related stress and may improve the positive well-being among employees (Makri, 2012).

Organizations that merge need to prepare for employees that intend on leaving the organization postmerger. Employees that exhibit lower stress immediately after an organizational merger result in higher job satisfaction as far as two years postmerger (Makri, 2012). Mergers of equals rarely happen, so managers need to devise strategies to address employee negativity during the merger (Makri, 2012). Managers need to communicate the focus on deemphasizing premerger differentials by advocating the equal treatment of both organizationsøemployees to minimize feelings of frustration (Makri, 2012).

Employees resist change and are loyal to their former cultures because of fear of adapting to the new organization, fear of additional roles and responsibilities, and fear of losing their jobs (Singh, Saeed, & Bertsch, 2012; Eaton & Kilby, 2015). Management should understand the reasons for the fear and use that energy to facilitate positive change

for employees (Singh et al., 2012). Employee resistance has a tremendous influence on productivity, morale, turnover, and the company's level of success on any organizational change jobs (Singh et al., 2012).

Organizations that prepare for mergers by focusing on various aspects of human resources can yield more efficiency and employee satisfaction toward their jobs (Kemal & Shahid, 2012). Sustainable and beneficial working conditions that achieve organizational objectives will reduce employee job insecurity (Kemal & Shahid, 2012). Little evidence exists that managers' actions through the integration affect acquisition performance, but the role of an integration manager has direct influence on success (Teerikangas, Véry, & Pisano, 2011). Integration managers affect the economic performance of both the value created and the value leaked (Teerikanga et al., 2011). Senior executives attempting to align organizational culture and human resources with corporate strategy need to take on a motivational role, a cultural role, and a structural role (Hosseini, Shakhsian, Moezzi, & Khaksar, 2011). Within the motivational role, managers need to encourage employees to support the culture and the system, while the cultural role requires managers to create an organizational culture that encourages teamwork, and last a structural role requires managers to create a decentralized organization without excess layers of management (Hosseini et al., 2011).

The role of human resources in postmerger and acquisition culture contributes to the success of cultural integration (Weber & Fried, 2011a). Many organizations neglect to use human resources practices in the management of culture integration during a merger (Weber & Fried, 2011a). Even with the best-implemented management systems, newly formed organizations may have conflict. Suggestive qualities of strength for

organizational culture include commitment, customer service, and long-term orientation (Vallejo, 2011). Organizational leaders need to understand how each employee feels as part of the team and how each solves the conflict of assimilation into the group, and their desire to be autonomous from the group (Vallejo, 2011).

Employeesøsenses of identification during a merger depend on identification with the previous organization, perception of opportunity, sense of belongingness to the dominant company, and interaction intensity (Rouzies, 2011). Top managers should nourish identification with the initial organization and not solely devote all their attention to the new identity (Rouzies, 2011). A merger does not develop with the detriment of the previous organization and that multiple identities can coexist after a merger (Rouzies, 2011). Employees react to change through emotional intelligence, irrational thoughts, and defense mechanisms of the affected employee (Wittig, 2012). Employees that have a mild reaction are neutral to the change while those that have a strong reaction may be resistant or accepting, and top managers need to manage all situations (Wittig, 2012). Wittig (2012) cautioned leaders of organizational change that employeesøreactions are constantly changing, measured, and considered as of that moment and not over the span of the merger.

With financial performance the most common measure of success, the bulk of literature relating to mergers and acquisitions focuses on financial, economic, and strategic factors (Maden, 2011). Managers should encourage employees in a merger to increase personal visibility, show resistance to uncertainty, position themselves to be team players and open to change, and maintain relationships both inside and outside the organization (Maden, 2011). Positive employee perception to change can be a

fundamental factor during a change effort because a positive situation will be an

organizational opportunity, while a negative situation will be an organizational threat

(Kovoor-Misra & Smith, 2011). Trust in senior management enables individuals to

accept goals during change (Kovoor-Misra & Smith, 2011). Understanding employeesø

attitudes during a merger is beneficial, as management needs to provide support to

confirm that the change efforts are implemented successfully (Kovoor-Misra & Smith,

2011).

Mergers leave employees feeling as though they are victims of unplanned

negative effects of integration that often result in lack of productivity and poor employee

morale (Schriber, 2012). Managers who fail to handle integration challenges may result

in poor or negative outcomes (Schriber, 2012). As executives prepare a strategy for

employees during the integration, there also needs to be a focus to ensure managers are

also prepared to achieve success. Managers understand the need to communicate and may

have a desire to do so, but often times the same managers lack information to share with

employees (Schriber, 2012).

Weber, Rachman-Moore, and Tarba (2012) explored how human resources assist

in managing cultural conflict situations. The findings reflected no best practices to

address culture conflict that may enhance merger and acquisition performance. Logic

appears that executives that have prior merger and acquisition experience would perform

better than executives that do not have experience. The association between acquisition

experience and acquisition performance has ranged from positive to non-significant

(Ellis, Reus, Lamont, & Ranft, 2011). Size of the merging organizations has an effect on

the potential benefit of previous managerial merger experience. The effects of a merger

could change depending on the culture of the newly found organization (Ellis et al., 2011). Using human resources as a valuable resource to the executive team, human resources can assist with areas of corporate communication.

Communication and Executive Direction

Integrating the financial and operational aspects of an organization is easy, but integrating the human resources aspect is more complicated (Maden, 2011). Management should provide timely and honest information to employees rather than false promises that may only validate employee rumors (Maden, 2011). Executives need to plan their messages carefully and take care to ensure the management team is prepared to live by the messages delivered (Cording, Harrison, Hoskisson, & Jinsen, 2014). A way that management can reduce the conflict that may arise from cultural differences is for organizational leaders to be aware, and also anticipate and acknowledge those differences (Dauber, 2012).

Trust in top management fosters the relationship between communication from top management and organizational commitment (Mahajan, Bishop, & Scott, 2012). Employees respond positively to the organization if the organization involves the employees in setting goals and provides updates on the progress of the goals (Mahajan et al., 2012). Communication from top management creates a positive orientation of employees toward top management (Mahajan et al., 2012). Communication appears to be a solution to implement during a merger (Joshi & Goyal, 2012; Razi & More, 2012). Non-management employees have difficulty making long-term change and require clear communication from management (Jorristsma & Wilderom, 2012).

Relationships at work significantly predict the well-being of employees (Santos, Hayward, & Ramos, 2012). Level and quality of communication within organizations is important, however management provides little time to employees to discuss operational issues (Santos et al., 2012). Management that spends time with their employees to understand the daily roles will ensure the same employees are not exhausted with their daily routines, which in turn will affect productivity (Santos et al., 2012).

Culture problem solving occurs when employees recognize a need and respond accordingly. As employees undergo cultural change, they may experience resistance to the change and cultural contradictions (Briody, Tracy, & Trotter, 2012). Management can have better success in changing culture through empowering employees, relationship building, and providing appropriate training (Briody et al., 2012). Including employee participation in the integration process and following through with the communication plan both contribute to increased productivity (Cording, Harrison, Hoskisson, & Jinsen, 2014).

When face-to-face communication is not possible, online communication is an acceptable replacement except concerning developing trust. Managersøemotional intelligence directly influences communication effectiveness with employees (Jorfi & Jorfi, 2012). Those managers who possess a high understanding of organizational culture tend also to have higher emotional intelligence that will improve communication effectiveness (Jorfi & Jorfi, 2012). Organizational leaders should pay attention to the emotional intelligence of managers to gain a higher success of improving communication with employees (Jorfi & Jorfi, 2012).

Communication tools such as email, staff meetings, and company events create employee awareness, understanding of what is occurring, employee acceptance, and positive action (Linke & Zerfass, 2011). Effective and timely communication can contribute toward the success of a merger by reducing employee stress and maintaining high levels of employee commitment (Razi & More, 2012; Ribando & Evans, 2015). Marmenout (2011) discussed how negative consequences occur when merging cultures passively discuss organizational problems. Managers need to prepare staff from both companies during a merger.

At the time an organization announces a merger, employees within merging organizations may experience confusion, stress, frustration, and may even be frightened (Joshi & Goyal, 2012). Stress management is an intervention that companies should address that will reduce the influence of these negative emotions within the workplace (Joshi and Goyal, 2012). Merger stressors that can cause employee stress include uncertainty, insecurity, fear of job loss, changing quality of job, changes in salary, changes in process, workload, technological problems, group differences, communication, and culture clash (Joshi & Goyal, 2012; Ribando & Evans, 2015). Joshi and Goyal suggested measures to manage stressors should include human resources practitioners, employee communication, employee reassessment, and employee training.

Executives that have served previously with value-creating enterprises will have good experiences in a merger while those that have served with value-destroying firms have gained bad experiences (Wright, Kroll, Walters, & Ma, 2012). Good experiences of management may benefit acquisitions because executives continue to act in the same manner as with previous merger activities (Wright et al., 2012). Wright et al. explained

how good leadership experiences of corporate leaders, combined with employee

incentives, are positively associated with positive financial returns for the organization.

Culture clash within newly merged organizations has a direct effect on the

company's leadership with the employees' attitudes and behaviors, and as such will have

a direct effect on postmerger success (Weber & Drori (2011). Organizations that

communicate intentions can reduce uncertainty, increase the company trustworthiness,

and reduce the negative attitudes of their employees (Weber & Drori, 2011). Most

executives have tools available to them to assist with developing corporate and strategic

goals and other aspects of change for the organization (Auster & Ruebottom, 2013). The

softer side of change such as politics and emotions can create problems for any change

left unattended (Auster & Ruebottom, 2013). Executives will have a better chance of

implementing change if they can identify employees who sponsor and promote to assist

with converting the fence sitters and skeptics (Auster & Ruebottom, 2013).

Primary Employees

Employees that sense culture shifting without executive communication may have

a sense of feeling disconnected from the organization (Ribando & Evans, 2015). Any

management of an organization that is looking to move into a merger needs to identify

and closely monitor the primary employees. These primary employees need to know they

are more secure than the average employee is and these employees should have an

implemented retention plan. Lack of integration strategies for primary employees can

result in failure to retain and motivate employees in the newly combined organization

(Podgorski & Sherwood, 2015).

During a merger, some employees may choose not to share their thoughts and concerns about company issues, which may become a problem when open and positive communication is needed (Nikolaou, Vakola, & Bourantas, 2011). Employee silence usually occurs when employees have a general lack of trust with their supervisors, managers, and the organization, whereas dialogue that is more open will occur from employees that trust their organization (Nikolaou et al., 2011). To improve employee morale and job satisfaction, management should focus on organizational structure, policies, and open communication (Nikolaou et al., 2011).

Negative employee behavior including stress, attrition, absenteeism, or even sabotage will affect the financial success of a merger (Maden, 2011). One way to address negative employee behavior is through training. Investment in human capital by improving training will promote entrepreneurial culture and improve organizational effectiveness (Nadrag & Mitran, 2011). Organizations that want to keep a balance between work and family for its employees need a competitive spirit, develop organizational culture, and promote culture and social responsibility (Nadrag & Mitran, 2011).

Employee career satisfaction is a challenge for organizations as mergers and acquisitions have forced a feeling of life-long employment toward lifelong employability (Joo & Ready, 2012). As a way to attract and retain talented employees, employers should focus on a learning culture that supports employees training and career development (Joo & Ready, 2012). Part of an integration plan for employees should include labor planning, job rotation, succession planning, and even the potential for company moves or transfers (Joo & Ready, 2012). Supportive organizational culture has

a positive effect on employee satisfaction while a bureaucratic organizational culture will have a negative influence on the same employee satisfaction (Bigliardi, Dormio, Galati, & Schiuma, 2012). Bigliardi et al. (2012) defined a bureaucratic culture as not suitable for attracting creativity while a supportive culture promotes an open confident workplace.

The relationship between supervisors and their subordinates directly reflects the mood experienced by the subordinates (Ismail, Richard, & Taylor, 2012). Employees can experience both a positive mood and negative mood at different periods, but could also experience them at the same time regarding different aspects of the organization (Ismail et al., 2012). Supervisors that perform extra duties are respected and trusted more by their teams (Ismail et al., 2012).

Positive individual employee satisfaction correlates to a constructive organizational culture and negative employee satisfaction with a defensive culture (Stebbins & Dent, 2011). Stebbins and Dent (2011) defined a defensive culture as one where its employees are agreeable, although not always in agreement and constantly seeking the approval of others. Aligned employeesø views and the actual organizational culture account for accurate measurement of satisfaction (Stebbins & Dent, 2011). Understanding employee satisfaction will protect organizations from losing a positive culture during a merger.

Intangibles Lost During Mergers

When two organizations merge, the effect on organizational culture can have three possible outcomes: integration, where the two cultures merge into something new, pluralism, where the two cultures continue to exist side-by-side, and assimilation, where one organizationøs culture subordinates the other (Ribando & Evans, 2015). In times of

adversity or financial strain, many organizations make difficult cultural changes. Merging companies should have some form of ethics plan in effect and available to all employees. Company executives that develop a formal ethics program also indicate that organizational culture had a direct effect with identifying, eliminating, and preventing corporate fraud (Alleyne & Amaria, 2013).

Organizations that wish to merge based solely on financial synergies may make poor choices when it comes to simply reducing employee headcount as an expense reduction (Goergen, O'Sullivan, & Wood, 2014). While the termination of these employees will reduce costs, there is also the loss of knowledge that these employees may have had regarding the company (Goergen, O'Sullivan, & Wood, 2014). Human resources will then have to focus on managing the negative aspects of the merger rather than creating a new positive organizational culture (Goergen, O'Sullivan, & Wood, 2014).

Negative employee behavioral outcomes associated with mergers and acquisitions include high voluntary attrition rates, absenteeism, employee stress, and sabotage. All influence the success of the merger and subsequently the financial profitability (Maden, 2011). Drori, Wreniewski, and Ellis (2011) explored two events in mergers of equal companies: culture clash and culture construction. When one company's culture begins to emerge in the post integration, the organizations are no longer mergers of equals (Drori et al., 2011).

Human resources issues are an important aspect of a merger that may affect employee satisfaction, which may have a direct effect on productivity and success of the merger (Perwez & Saleem, 2012). During a merger, employees may experience a feeling

of loss, cope with uncertainty, anxiety, and change in their professional role. Management needs to understand these issues and the implications for both the employees and the company (Perwez & Saleem, 2012).

Many organizations charge management with the responsibility of daily integration while also managing employeesø motivation, even when the same managers may have difficulty with their own low motivation or lack of productivity (Schriber, 2012). Schriber (2012) found that employees of the acquired company might change behavior when ownership and new loyalties change. Organizational leaders need to look closely as the combined leadership during a merger. When there is an occurrence of leadership positions from the acquiring company, the employees from the acquired organization may experience defeat and lose motivation of long-term employment (Schriber, 2012).

Organizations that undergo a merger find that existing routines may no longer work and require change. Employees will change their routines to fit the new situation and will need management direction to ensure these routines are healthy for the organization (Allatta & Singh, 2011). At the time of merger announcement, employees will proceed with caution, fear of uncertainty, and feelings of antagonism between workers of the other firm (Allatta & Singh, 2011). Employees in a merger will resist changes, treat co-workers of the previous company preferentially, and will not likely communicate across lines openly (Allatta & Singh, 2011; Eaton & Kilby, 2015). Not all mergers yield negative employee behavior as these mergers also gain efficient synergies.

Gains During a Merger

Units within a combined organization that have executives from the acquiring company would remain relatively unchanged while acquired executives will lead with change (Karim & Williams, 2012). Executives are the link between information and change execution within a merged organization (Karim & Willians, 2012). Executives need to understand the structural composition of the departments and teams they will manage. An executive with experience in one type of organizational structure may have trouble in trying to manage or transition to a different organizational structure (Karim & Williams, 2012).

As organizations evaluate ways of growing the financial earnings, some may consider a merger as a means of growing products or services. Others still may enter into a merger to gain access to employees (Chatterji & Patro, 2014). Firms that choose this strategy may gain new employees, but often fail to achieve their goals and ultimately through attrition lose those same employees (Chatterji & Patro, 2014). This strategy provides little consideration to both organizational culture, and how the new employees will fit into the organization (Chatterji & Patro, 2014).

Kagaari (2011) found that a positive correlation exists between performance management practices and managed performance. Organizations need to employ managers with the vision to manage strategic barriers, retain thinkers, and create result-oriented relationships (Kagaari, 2011). Organizations should implement performance management practices for decisions made to develop reward systems and with policies and procedures (Kagaari, 2011). Success depends on decisions in different phases within the merger (Bauer & Matzler, 2014).

Management of organizational culture and the understanding of the influence on the operation on employees directly relates to the success of a merger (Vancea, 2011). A positive organizational culture encourages employees to make ethical decisions and makes them more comfortable in the work environment, which in return produces productive employee work response (Iqbal, Bhatti, & Zaheer, 2013). Employee performance progressively lessens when company leadership does not actively work toward a positive culture (Iqbal et al., 2013). The development of a positive work culture exists to encourage employee creativity and increase the level of commitment (Iqbal et al., 2013). The combination of these will contribute to a more efficient organization.

Employee behavior is important to organizational life and management, and organizational understanding needs to increase in both breadth and depth (Lerner, 2011). Lerner (2011) wrote the practical implications of offering new ways to better analyze and understand postmerger culture can improve loyalty, commitment, motivation, and alignment of cultural diversity. In addition to human behavior, organizations have knowledge embedded within employees.

Knowledge Management

Management should approach knowledge management during a merger as an intangible asset. Culture has a direct effect on knowledge management and not just in a positive or negative way, but a type of knowledge management process that organizations are likely to focus (Rai, 2011). The integration of company culture and knowledge management will facilitate improved knowledge management within the organizational behavior (Rai, 2011). Managers that adopt a multilevel approach to fostering creativity will have a culture that provides open exchange of information (Gong, Kim, Lee & Zhu,

2013). Team goal orientation within a company will also encourage individual creativity while working toward shared organizational goals (Gong et al., 2013).

Knowledge management and organizational culture are managerial terms linked in literature. Three perspectives of cultural values are knowledge resources, knowledge cultures as antecedents for knowledge management, and last how knowledge management initiatives can change organizational culture if employees have positive experiences (Mueller, 2012). As organizations merge, leaders need to understand that culture is a form of knowledge that is required to be included in knowledge management initiatives (Mueller, 2012). Executive management communication frequency is generally positively associated with operational outcomes (Lauring, & Selmer, 2011). Knowledge is an important organizational asset linked to other social structures like culture and language therefore; knowledge is not a flowing resource (Lauring, & Selmer, 2011).

Organizations that restructure need to consider the culture with an understanding toward retention of knowledge to ensure that employeesøexperiences are positive (Sitlington & Marshall, 2011). Decisions made during any restructuring will affect the skills and knowledge retained within the company because longer-term employees that leave may change the corporate history will newer employees may change the current skills and contacts within the industry (Sitlington & Marshall, 2011). Improved organizational effectiveness does not require positive perceptions of employees as long as management avoids negative employee perceptions (Sitlington & Marshall, 2011).

Employees are essential to effective merger and acquisition management, and any failure to achieve employeesøcommitment will have negative implications for the future of the firm (Razi & More, 2012). Organizations that build a workforce with deep

company knowledge of products, customers, and processes during a merger will have employees with positive feelings (Razi & More, 2012). Employees that understand reasons of the merger and included with changes will interact effectively with customers and experience improved organizational performance (Razi & More, 2012).

A knowledge friendly culture that uses internally developed knowledge management projects has positive performance outcomes (Machuca & Costa, 2012). A knowledge friendly culture consists of good company atmosphere based on trust and honesty, collaboration and professionalism, and flexibility and commitment (Machuca & Costa, 2012). For knowledge management to have a positive effect on performance, managers should make the effort to promote and evaluate these values within the organization (Machuca & Costa, 2012). Knowledge management and organizational culture are business concepts linked in literature, but the two are rather different (Mueller, 2012).

Organizational knowledge is important to help firms compete and is essential to continue to develop and manage both the internal and external environment (Pun & Nathai-Balkissoon, 2011). Organizational learning models are also important within organizations, and organizational culture has a direct influence on management techniques and technology (Pun & Nathai-Balkissoon, 2011). Integrating knowledge management and organizational learning is beneficial in any aspect of organizational culture and can affect quality management, information systems, and finance which will have an economic effect on the organization (Pun & Nathai-Balkissoon, 2011).

Economic Effects

The financial synergies experienced by mergers can allow some to increase prices and others to decrease prices; most occur to increase market power (Haas-Wilson & Garmon, 2011). The data presented in this literature reviews many of the financial reasons for a merger, but little merit to the effect on the human element of mergers is applied. Companies that are in the process of merging should also continue to monitor daily operations and measure performance management. A well-planned employee integration plan can drive value into the success of the merger (Podgorski & Sherwood, 2015).

Corporate management and employees have a fundamental difference as they relate to the benefit of employee contribution to organizational performance (Steen, Welch, & McCormack, 2011). When organizational leaders investigate the value in a merger, management should value the employeesø significance to the firms to protect against any negative effects such as enhanced bargaining power for employees or their collective unions (Steen et al., 2011). When there is difficulty in creating a precise metric on measuring employee value, management should consider the intangible to determine a more accurate picture of a companyøs value (Steen et al., 2011).

Many organizations that merge in the insurance industry are under scrutiny on the economic justifications for the mergers (Shim, 2011). Firms with excess cash and limited investment opportunities that merge with those that have limited cash and high investment opportunities can gain on the financial synergies (Shim, 2011). Some companies have a corporate social responsibility to facilitate growth and development, with no direct theory that connects the firmsø activities with sustainable development

(Scholtens, 2011). Some other companies are active in sponsoring and volunteer work while only a few engage in environmental risk analysis (Scholtens, 2011).

Organizational culture plays a role in the success of a merger between companies through the establishment of strategic financial objectives (Crintea, Burlacu, & Micu, 2012). Organizational culture must be unfailing and united with the new organization's strategy to meet financial quotas that support postmerger sustainability (Crintea et al., 2012). Continual improvement of management strategies adapts existing management tools for any newly merged organization. Creating a positive organizational culture can be used as a competitive advantage and is critical to initiate strategies to conduct integration activity (Crintea et al., 2012). Sharing success measurements during a merger have a positive effect on organizational culture ensuring that employees are operating in the same direction (Crintea et al., 2012).

Since the 1980s, organizational leaders have experienced a startling rate of merger failures through the lack of realized financial synergies (Boyle, Carpenter, & Mahoney, 2012). Executives need ongoing questioning during the merger and post integration to create a culture of transparency geared toward acquisition success (Boyle et al., 2012). One aspect of a positive culture is the effect of employee job satisfaction and employee retention. The positive relationship of group creativity and corporate ethics are associated with increased job satisfaction, and decreased turnover (Valentine, Godkin, Fleischman, & Kidwell, 2011). Positive organizational culture can reduce management challenges such as costs associated with high employee turnover.

Transition

In this section, I identified the importance of organizational culture for organizations during a merger. I have reviewed the existing literature and categorized the findings into eight distinct themes. The themes found in the literature review were timing for culture change, human resources, communication and executive direction, primary employees, substance both lost and gained during mergers, knowledge management, and economic affects. Corporate executives can better prepare for their mergers when considering employees and the positive organizational culture they can create. The next section will include the process for the research, the participants, the research method and design, and presentation of findings.

Section 2: The Project

In this study, I focused on the importance of a positive organizational culture for company leaders pursuing a merger. This section includes the business project purpose, the role of the researcher, the research participants, the research method, and the research design. I describe the study population, review the sampling techniques, and review the systematic process for ethical research. Finally, I detail the data collection instruments and technique, the data organization techniques, data analysis, and conclude with a discussion of the reliability and validity of the study.

Purpose Statement

The purpose of this qualitative case study was to explore the strategies that business executives have used to unify organizational cultures during an organizational merger. Mergers bring about the destruction of two distinct organizational cultures and the eventual reconstruction of a new culture (Barratt-Pugh, Bahn, & Gakere, 2013). Producing a culture where employees are willing and able to adapt to change, may lead to the achievement of successful outcomes from a merger (Clayton, 2010). The population for this study was three CEOs from three organizations with operations in northern Florida. These CEOs were from the workers' compensation managed care industry and had each developed a successful strategy to implement a merger and unify organizational cultures in the last 5 years. The results of this study may provide strategies that can influence future organizational leaders by providing executives information about various strategies for creating a positive organizational culture, which may result in increased success of the planned organizational merger.

In this case study, I conducted semistructured interviews. The interview questions were open-ended, and I used them to guide the conversation with the respondents. My role during the individual semistructured interviews was mainly that of a listener. I listened to participants and attempted to capture the meanings and motivations behind their comments and explanations.

This research occurred away from the place of business. In semistructured interviews, a clear distinction exists between practice and research (Yin, 2013). I conducted the semistructured interviews in an ethical manner. Specifically, I followed the protocol outlined by the Belmont Report by establishing distinct boundaries between practice and research, following basic ethical principles, and the way I conducted the interviews (United States Department of Health & Human Services, 1979). The basic ethical principles that I followed were respect for the respondents and beneficence. Gathering appropriate information and capturing it correctly directly affected the quality of information collected (Rubin & Rubin, 2011).

I have worked in the workersøcompensation managed care industry for 18 years where I have developed a good business relationship with peers. To mitigate bias, I listened closely, recorded, and captured the ideas and suggestions provided by the respondents. I disclosed any relationships that could potentially affect the outcomes of the study, as I have managed organizations in Florida and there is a concentration of several organizations with offices in the Florida region.

The interview protocol required building a rapport with the participants. I sent them each an email detailing the purpose of the interview (see Appendix A), and included a statement of informed consent for signature prior to the interview (see Appendix B).

Prior to the semistructured interview, and again when the interview started, I informed each respondent that their participation was optional and that he or she may withdraw participation at any time without penalty. I also informed them that I would keep their personal information, company information, and data confidential. The recorded interviews, data, and analyses are stored on a flash drive and I will secure everything for 5 years.

Participants

Participants were three CEOs from three organizations with operations in Florida that had merger strategies, and had successfully unified organizational culture during their mergers in the last 5 years. Participant screening ensured that participants were in management positions and employed for at least 2 years with the organization prior to the merger. The importance of this screening was to identify participants who had enough time to be a part of the organizational culture prior to the merger, and who experienced the changes first hand. I used census sampling and interviewed the three participants.

The three participants provided an adequate sample size, as the population of organizations that underwent a merger or acquisition is relatively small (Dworkin, 2012). The number of managed care organizational mergers that occurred in the United States from 2004-2013 was 223, with 18 of them occurring in the state of Florida (Irving Levin Associates, Inc., 2014). Rather than emphasizing the quantity of participants, the semistructured interviews focused on quality and depth of the information (Prendergast & Chan Hak, 2013).

While establishing the initial connection with the participants, I recognized that collecting data is not a passive, but rather a cognitive process. Setting up the interview

process and ensuring the respondent understood the expectations in advance allowed the participants to respond more openly. The nature of the questions asked and the attention that I gave the participants while actively listening determined the quality of the data collected (Richards & Morse, 2012). Throughout all lines of questioning during the semistructured interviews, I recalled the overarching research question to ensure the respondents provided strategies.

Research Method and Design

In this section, I expand on the research method and research design. Within the method section, I describe the method for this study along with the reason why I chose the method. The design section will include more information and additional resources regarding why I used a case study design.

Research Method

To pursue the central research question, I chose a qualitative research method. Qualitative research is the process of discovering in detail what people do in their lives and what those experiences mean to them, and then interpreting the meaning of those the phenomena (Denzin & Lincoln, 2011). In general, qualitative research is focused on the subjectivity and authenticity of human experience (Silverman, 2010), which is the goal of this study. Quantitative research focuses more on breadth and finding averages, while qualitative research focuses more on depth and investigating the specific situations of individuals (Rubin & Rubin, 2012). Collecting data through interviewing participants allows the qualitative researcher to focus on the meaning of the respondentsø perspectives (Wisdom, Cavaleri, Onwuegbuzie, & Green, 2012). The quantitative approach would have been appropriate if I had aimed to determine the number of merger successes or

failures with concrete or numerical evidence (Weathers et al., 2011). Mixed methods research has philosophical assumptions that guide the collection of data along with a mixture of qualitative and quantitative data within the same study (Cameron, 2011).

Whereas quantitative data may be relevant to a case study, qualitative data is critical in explaining events at a higher level (Yin, 2013). Researchers use qualitative research methods to build a comprehensive understanding of complex issues that may lack exact measurements (Denzin & Lincoln, 2011). Given that my goal for this study was to understand the strategies previously used by managers during organizational mergers, neither a quantitative nor mixed method approach was appropriate. I interviewed executives to explore their strategies for unifying organizational cultures during a merger. These strategies may prepare executives of future companies entering into mergers to create a unified, positive organizational culture.

Research Design

The qualitative research designs considered for this study included phenomenological study, ethnography, narrative, and case study (Richards & Morse, 2012). Phenomenology is the process that allows the researcher to probe the phenomenon and lived experiences of others for deeper meaning (Enger & Lajimodiere, 2011). Because I did not pursue insights into the essences of the lived experiences of others, the phenomenological approach was not suited to my study (Richards & Morse, 2012). In an ethnographic design, researchers collect data through prolonged observation of cultural differences and determine what is happening with the data (Richards & Morse, 2012). During this study, I did not interact with participants in their real-life environments nor try to determine the differences between cultures; therefore, an ethnographic study was

not an appropriate design. A narrative design tells a story about the research subject while studying the lives of the research participants (Richards & Morse, 2012). To provide a more expanded view of mergers, I focused on various individuals and the successful strategies they have experienced and thus a narrative design was likewise not suitable.

The purpose of this research was to explore complex social situations with organizational mergers so that future executives can understand and better prepare strategies to address organizational culture during mergers. To achieve this level of study, I concluded that a case study method would yield the best results because it would not require me to control behavioral events. I focused on contemporary events and explored the participantsø perceptions, behaviors, and emotions during their experiences of organizational mergers (e.g., Yin, 2013; e.g., Koltz & Feit, 2012).

The chosen method I used for collecting data was semistructured interviews using interview questions. During the guided conversational semistructured interviews, I observed each respondentøs body posture, facial expressions, and hand gestures that may have provided reason for deeper exploration using probing questions. Researchers use the case study to illuminate both the decisions made by individuals, and the results of those decisions (Yin, 2013). To mitigate any risk to the validity of the results, I used open-ended questions to guide the semistructured interviews and provided the opportunity for participants to share open and honest responses. After concluding the initial interviews, I undertook secondary questioning to identify any new information. As each of three participantsø interviews revealed no new information, saturation occurred.

Population and Sampling

The population I used for this study was CEOs who had a strategy for mergers and who had experienced a merger of workersøcompensation managed care organizations with operations in northern Florida. Qualitative researchers recognize there is no correlation between sample size that will lead to data saturation (Marshall, Cardon, Poddar, & Fontenot, 2013). Member checking and re-interviewing with probing questions continued until data saturation occurred, as there was no new information to gain (Dworkin, 2012). There is a relatively small and homogenous population within the workersøcompensation managed care industry. Approximately 400 companies nationwide comprise the managed care industry for workersøcompensation (American Association of Preferred Provider Organizations [AAPPO], 2014).

Study participants were business professionals working in Florida who I met either while attending a trade conference, or through contacts made at the conference. The participants met the following criteria: (a) they worked within the workersø compensation managed care industry, (b) they were employed by an organization that underwent a merger within the last 5 years, (c) at the time of the merger they held an executive position, such as CEO, and (d) they had a strategy to implement the merger. Participants were required to review and sign a consent form understanding their role in the study. Participation was voluntary and participants had the right to withdraw at any time without consequence.

The semistructured interviews all occurred in-person and all interviews were audio recorded for transcription purposes (Richards & Morse, 2012). Each participant was informed of the recording prior to the interview, during the interview, and once again

at the conclusion of the interview. In-person, semistructured interviews took place in the participantsø meeting rooms, as the use of meeting rooms was preferable to offices in order to minimize any disruptions. After the location of the interview was established, the participant reviewed the interview process so they were comfortable and understood the safe and ethical handling of the results of the interview. During the semistructured interview process, I followed the open-ended questions in a conversational approach in an unbiased manner that focused on organizational culture (e.g., Yin, 2013). I sought the experiences about methods that corporate executives use to unify organizational culture during mergers.

Ethical Research

Prior to commencing data collection, I sought approval of the Walden University Institutional Review Board. Walden Universityøs approval number for this study is 07-16-15-0316343 and it expires July 15, 2016. Once the participants were identified, they each were presented with an introductory email (see Appendix A) describing the intent of the research, explaining their rights, and presenting them with an informed consent form (see Appendix B) to review. I then contacted each participant prior to the interview to respond to any questions he or she may have had before obtaining a signature from those willing to participate.

The informed consent document outlined the process for the interview and included the criteria to ensure the participant was eligible to be included in the study. The consent form also informed the participant that the study is voluntary and they have the right and ability to withdraw from the study at any time before, during, or after the actual

interview simply by informing the researcher in person, telephonically, or via email. Withdrawal from participation will be without consequence to the respondent.

The study did not include any incentives or compensation for participants. After the interview, participants had an opportunity to review the transcript of the interview to confirm their responses. I offered each participant an opportunity to receive a copy of the study results along with a brief summary of the research results. The interviews, notes, transcriptions, and audio recordings are stored on a flash drive. The flash drive and files will be stored in my home office fire retardant safe for 5 years. After that time, I will destroy the files by shredding the paper files and electronically swiping the flash drive.

Data Collection Instruments

This subsection details how I used an interview protocol to collect the data for this case study. I reviewed the instrument used for collecting the data for this study, and I describe the data collection techniques as well as the data organization technique. In addition to the interview protocol, I also collected documents that pertain to the success of the merger. After I collected the data, I reviewed how I analyzed the data.

Instruments for collecting data in qualitative research can include focus groups, observations, documents, and interviews (Onwuegbuzie, Leech, & Collins, 2010). An interview is a type of data collection that is conversational in nature and guided by questions for each participant (Yin, 2014). A semistructured interview contains open-ended questions that allow the use of unplanned probing questions to provide clarification of the participants'responses (Richards & Morse, 2007). I was the primary data collection instrument for this study, using semistructured interviews and open-ended questions (see Appendix C) to guide participants in providing detailed responses. The

data from these semistructured interviews enabled me to document how respondents experienced events and changes in the organizational culture during the merger.

I conducted each of the semistructured interviews in person as a convenience to the participant. During the in-person semistructured interviews, I observed the participant for any non-verbal communication they may have had, and asked probing questions when necessary. I kept interview notes to describe any facial expressions, body posture, or other movements that the participant used for emphasis that may not be captured in the transcription.

The open-ended questions permitted discussion of the concepts that the participants deem to be important for executives to consider during a future merger. Using the open-ended questions in a guided conversation, I coded the responses to determine the positive experiences of the participants as well as the negative experiences with their suggestions for improvement. I documented and highlighted any follow-up or probing questions that developed through the interviews.

In addition to the interviews, I also requested and collected any documentation available that could support the strategies discussed. As the researcher, I was the document collection instrument and reviewed all email, correspondence, company announcements, new policies, and financial documents that supported the responses to the participantsø responses. The goal of the document collection was to measure the perceptions of the respondents with regard to the strategies they had used or experienced while addressing corporate culture. Each comment and idea collected in the data was considered for relevance to the merger and creation of a unified culture.

Data Collection Technique

The data collection technique for this case study was in-person semistructured interviews through guided conversations. Semistructured interviews allow researchers to discover facts about topics related to understanding the research questions of the study using prepared questions and additional probing questions (Rubin & Rubin, 2012). The location of the interview depended on availability of the participant, their physical proximity to my location, and their preferred location for the interview. In all instances, I was able to meet with each participant in their respective offices. I requested that the participant be available for at least an hour in a location that allowed each participant to be free from distractions and interruptions. Participants understood that follow-up questioning might occur for additional probing questions or clarification. During the interview, I requested documentation to support the participantøs comments.

While it takes longer to collect data via an interview, rather than a questionnaire, the advantage of performing an interview for collecting data is that the researcher is able to converse with the research participant to understand and clarify any points communicated (Branthwaite & Patterson, 2011; Chaney, Barry, Chaney, Stellefson, & Webb, 2013). With the permission of the participant, the interviews were audio recorded, and after the interview, I transcribed the recording into a Microsoft Word document. To ensure the quality of the recorded interview, I used two audio devices in case of the devices fails. A fully charged, plugged in iPhone with a loaded app from Tapmedia titled Recorded served as the first recording device. To protect against any hardware or software failure, I used a second device to support the interview recording process. An Olympus WS-802 digital voice recorder served as the secondary recording device.

During the semistructured interview, I used a reflective journal to take notes to record any potential voice inflection, facial reactions, body posture, or any other nonverbal action that may aide to understand the participantsø responses. As any nonverbal clues presented, I asked probing questions to gain a better understanding.

After each semistructured interview, I then loaded the audio recording into software titled Transcribe and saved them in a Microsoft Word file. The participantsø name and any other individual or organizational names are not on the transcript where someone else can link the comments to the personøs name. Within the transcription, I used a pseudonym for each participant rather than his or her actual name. After I confirmed the accuracy of the transcribed recordings, I sent the written transcription to the participant to ensure I clearly understood and represented their strategies. Through this process of member checking, each of the participants had the opportunity to review the transcripts within one week for accuracy. During the interview, respondents may not have fully recalled all the events that occurred. The review period allowed the respondent to correct or clarify any information not accurately captured within the transcript (e.g., Condie, 2012). If the participants disagreed with any section of the transcript, or believed the recorded comments were not accurate, I re-interviewed the participant and continued to ask probing questions until I reached data saturation. Once the participants agreed with, and returned the transcripts via email, I began to organize the collected data including any of the changes the participants may have had.

Data Organization Techniques

During the research period, the collected data was stored on a password protected notebook computer. I also had a backup of the same data on a password protected flash

drive that is stored in a home safe. The data protected on the computer and flash drive included the interview questions, audio recordings, transcriptions, interview notes, and reflective journals.

The organization of data starts with the researcher taking the transcribed interviews and determining the best way to study the results for analysis (Moustakas, 1994). The use of software for data organization in a qualitative study improves the efficiency and accuracy of the analysis to compare to manual methods (Al-Huan, 2012; Cohen, & Mcilvried, 2011). For this study, I analyzed the transcripts of the interview, as well as all documentation collected, with NVivo10 software. There are many different types of software programs used by researchers for analyzing qualitative data. NVivo 10 is a software tool that I used to code the data, aid in reliability, and add validity of the instrument by identifying emerging themes and each variable within the study. NVivo software allowed me to detect themes to emerge, as well as pull sub themes from all the interviews (e.g., James, 2012). Using NVivo helped me to link the participant to a number code for all supporting data and documentation. The flash drive containing all of these data and files are stored in my home office fire retardant safe for 5 years. Destruction of all the data and documentation will occur after 5 years.

Data Analysis

In qualitative case study research, no predetermined methods are preferred for analyzing the data (Yin, 2013). I developed the focused, semistructured interview questions in a way to explore the primary research question. The semistructured interviews, guided by open-ended questions, allowed participants to share their

experiences and provide their recommendations and suggestions for future leaders. I also requested and collected documentation that support the strategies used during the merger.

I used methodological triangulation to check the consistency of the interview findings. I was able to read executive communication, CEO email, and the results of previously administered employee surveys to compare data collected from the semistructured interviews. I analyzed the consistency of the concepts discovered in the interviews and verified the information from within the documentation to provide the most insights on successful strategies used to address corporate culture. If there were inconsistencies found in the documentation compared to the data from the interviews, then I would have had to re-interview participants with probing questions to clarify my understanding of the differences. I found no inconsistencies within the documentation compared to the data from the interviews.

The data analysis technique that I used for this study was a strategy based on theoretical propositions. NVivo 10 is a tool that uses pattern based coding that allowed me to arrange the information to better identify themes. After transcription, and approval from the participants, I imported the interviews into NVivo and analyzed the data using the software. I also imported information found in the supporting documentation supplied by each of the participants. I input all data into NVivo and then began to organize the data and group to eliminate the repetition, cluster themes, and validate the themes to determine what is worth analyzing and how it should be analyzed (e.g., Yin, 2013). I had to analyze the results manually to develop meaningful conclusions (Yin, 2013). The data coding I used is both deductive and inductive coding. The use of deductive coding allowed me to isolate key concepts from both the interview responses as well as the

documentation. Inductive coding identifies concepts and themes that emerge from the data (Rubin & Rubin, 2012). The use of the software reduces researcher bias in influencing the emerging themes by my purpose, background, and personal experience (Bazeley, 2012; Bergin, 2011).

I designed these semistructured interview questions to relate to the changing organizational cultures management theory and its eight considerations. Through the interview process, I determined how the perceived events of the participants relate to each of these considerations. This study allowed me to determine recommendations on how private companies that plan on merging need to also consider culture as a measurement for continued success. I compared the eight considerations outlined in the conceptual framework to the findings of the research. To conclude the analysis I will answer the research question by formulating the strategies executives should use when unifying organizational culture during a merger.

<div align="center">**Reliability and Validity**</div>

Reliability and validity are better descriptors in qualitative research rather than study validity used more in quantitative research. Qualitative research studies use terminology such as credibility, transferability, dependability, and confirmability. The following describes how I address reliability and validity within the study.

Reliability

Reliability in a study is a process that is able to produce a consistent result if replicated (Street & Ward, 2012). Reliability is typically not applicable within qualitative research rather it will focus on strengths and weaknesses. The standard for measuring reliability in qualitative research is by examining dependability (Wang & Lien, 2013).

Multiple coding rounds will ensure the dependability of the coding within this qualitative study once the data was collected (Goffin, Raja, Claes, Szwejczewski, & Martinez, 2012).

The interview questions that I designed for this study, guide the exploration of the data through semistructured interviews guided by open-ended questions as outlined in the interview protocol. Using the NVivo 10 software, I captured the main ideas and responses from the interviews so that potential themes emerged. I pursued dependability in this research study by providing a thorough and detailed description of the research methods (Thomas & Magilvy, 2011). I also used member checking to ensure reliability in capturing the data from the interview and review of the documentation. In doing so, I had to re-interview one participant with additional probing questions.

Validity

The measurement of validity in qualitative research studies is through credibility, confirmability, and transferability (Wang & Lien, 2013). Internal validity is the certainty in the observed results and the ability to replicate the same results with other data (Hanson, Balmer, & Giardino, 2011). Qualitative research can have multiple researchers performing the same study and end in a different result because of interpretation of the data. Method triangulation increases the credibility of a study through confirmability of the findings and provides a better understanding of the data (Bekhet & Zauszniewski, 2012). Method triangulation, comparing the data responses from multiple people, including interviews, disclosing researcher bias, and transcript verification are ways to ensure credibility with data analysis (O'Reilly & Marx, 2011). I will leave the decision of transferability of the results to future qualitative researchers.

To ensure credibility with my study, I used member checking by re-interviewing participants with additional probing questions after reviewing data. The interview data of the participants assisted me with the analysis by identifying commonality or specific strategies that worked for merging corporate culture. My personal experiences include owning a small, managed care company and leading a team through a merger with another organization. I continually reviewed my notes to ensure responses are those of the participants and not a bias of my own. I compared the themes that emerged through the semistructured interviews to those found within the literature review. This study has three participants and data saturation occurred using probing questions and re-interviewing participants.

Transition and Summary

In Section 2, I have presented a review of the purpose to explore the importance of organizational culture and highlight areas of opportunity for executives of privately held companies planning to consolidate organizations. To collect the data, I conducted three semistructured interviews, recorded, transcribed, verified, and imported the data into NVivo 10 software for assistance with my analysis. Section 2 also includes a discussion of how performed the data analysis relying on the theoretical propositions strategy. Section 3 will include the presentation of findings, application to professional practice, implications for social change, and recommendations for action.

Section 3: Application to Professional Practice and Implications for Change

This section details the findings of the study. The section includes the overview of the study, presentation of the findings, application to professional practice, implication for social change, recommendations for actions, recommendations for further study, reflections, and the summary and conclusion of the study. I present the findings by themes, and identify how the themes relate to the conceptual framework.

Introduction

The purpose of this case study was to explore the strategies that business executives used to unify organizational cultures during an organizational merger. I conducted semistructured interviews with three CEOs that have led successful mergers within their own organizations to determine the answer to the research question: What strategies have business executives used to unify organizational cultures during mergers? I conducted the interviews in each executive's meeting room so they felt comfortable discussing the questions and were open to additional probing questions for clarification of the findings. I also reviewed company documents and memos that correlated with the data collected during each of the interviews. I was presented with company email, executive memorandum, and previously administered employee surveys for my review.

As described in Section 2 of this study, I recorded the interviews and then transcribed the results to ensure I properly captured each of the respondents' intent. I then imported the data into NVivo 10 qualitative data analysis software for coding and assistance with interpreting the results of the data collected. During my analysis of the data, I identified six themes that consisted of the following: communication, employees,

human resources, intangibles gained or lost, knowledge management, and timing for culture change.

Presentation of the Findings

I performed semistructured interviews to collect strategies that executives have used to create a positive organizational culture during an organizational merger. Along with the semistructured interviews, I was able to review hard copy email, employee handbooks, and organizational memos to triangulate and support the data collected from the interviews. All interviews occurred within the meeting room of the respective executive and did not face any interruptions. I completed each of the interviews within the 60 minutes scheduled.

Participant P1 has led six mergers over the last 10 years and has served as the CEO for that same period. Participant P2 has led 10 mergers over the last 10 years, serving as the CEO and personally overseeing each of those mergers. Participant P3 has led three mergers over the last 7 years, also serving as CEO during all three mergers.

The semistructured interviews included open-ended questions to allow participants to talk openly and reflect on their experiences (Brinia, 2012). After collecting the data through the semistructured interviews and importing the data to NVivo, I was able to able to determine six themes that emerged: communication, employees, human resources, intangibles gained or lost, knowledge management, and timing for culture change. These themes largely mirrored the themes that emerged through my initial literature review. While the themes categorized similarly to those of literature review, there were gaps in the literature review that detailed specific strategies that executives

could use. The data in this research allowed me to describe some specific strategies that may be of use to future executives when merging organizations.

All three participants suggested that preparing for cultural change during a merger needs to start during the due diligence phase. As the two potentially merging organizations are meeting, executives need to understand the organizational cultures of both parties. If an executive team does not fully understand their own organizational culture prior to entering into merger discussions, an introspective look and employee survey can assist with that understanding.

The conceptual framework for this study was the changing organizational cultures management theory (Trice & Beyer, 1993). Most of the responses from the respondents supported the changing organizational cultures management theory. This theory provided considerations that also emerged through this study such as combining caution with optimism, understanding resistance to culture change, changing many elements but maintaining some continuity, and finding and cultivating innovative leadership (Trice & Beyer, 1993). The data collected through the semistructured interviews and supporting documentation revealed several themes that linked back to the conceptual framework. The themes that I categorized in this study which directly associate to the conceptual framework are: communication with combining caution with optimism; employee concern and human resources with understanding resistance to culture change; knowledge management and timing for cultural change with changing many elements but maintaining some continuity; and intangibles gained or lost with finding and cultivating innovative leadership.

Executives from both organizations should meet with each other and spend time both inside and outside the office. Meeting with each management team will allow each side to understand the organizational culture of the other. Participants noted that the sooner the top management team can be decided, the better. One participant, P2, shared that even õa bad decision is better than indecision.ö Participant 1 stated that executives need to take the time to pick the best management team for the newly merged organization. Once the management team is decided, executives need to communicate this information with the current management teams, prepare exit strategies for those not part of the team in the future, and plan on companywide communication. Table 1 shows the themes that emerged from the data analysis as it relates to strategies executives have used to create a positive culture during a merger.

Table 1

Frequency of Themes Found when Creating an Organizational Culture During a Merger.

Theme frequency	*n*	% of occurrence
Communication	155	29.19%
Employee Concerns	105	19.77%
Human Resources	48	9.04%
Intangibles Gained or Lost	110	20.72%
Knowledge Management	59	11.11%
Timing for Cultural Change	54	10.17%

Note. n=frequency.

Communications Theme

The single largest theme that occurred throughout the data was that of communication. All three participants stated that communication with employees about a pending merger should occur as frequently as possible, and that there is no way to over-communicate with employees. P1 stated, õWhen in doubt, communicate. Give people information, do not worry about who they talk too, just make it clear to them.ö Communicate and educate clearly in everyday work behaviors so employees know what changes to expect (Eaton & Kilby, 2015). Participant 2 discussed a potential concern that the pending deal may get to employees before the deal is announced. It is important for executives to have a high-level announcement ready on stand-by for potential release (Podgorski & Sherwood, 2015). The data showed several steps to take for effective communication that range from executive memos and email, to face-to-face meetings. Participants 1 and 2 stated that email from the executive team immediately on day 1 of the merger was the preferred method for starting employee communication. This initial email should include a list of frequently asked questions that employees may ask. All participants discussed such potential questions as Why did the merger take place? Will there be a change in the business? What is the leadership structure, how my role will change? and Will my benefits change? Many of these questions will depend on the merger itself, but even the most basic question needs to be addressed as quickly as possible. In all communications, executives are encouraged to use two-way communications so feedback from employees can be received (Podgorski & Sherwood, 2015). Participants consistently reinforced the idea that communication is for the benefits of employees.

Employee Concerns Theme

Employee concerns was the third most frequent theme within the data. Participant 3 stated that õmost employees think only the worst scenarios during a mergerö. Proactive communication will help alleviate negativity and employee concerns. If the merger does create a need to eliminate employee head count, participants shared the need to be open and clearly communicate the fact with employees. Participant 1 suggested that a successful strategy was to consider a retention plan and placement service for those displaced employees. Working closely with those displaced employees will show those employees that are staying that the management team cares about its workforce and will contribute to a positive culture moving forward. Executives need to ensure there is consistency between the messages in what they say compared to what they actually do, a message that may lead to increased productivity (Cording, Harrison, Hoskisson, & Jinsen, 2014).

Participants discussed the need for face-to-face meetings. All three participants suggested that small organizations might be able to conduct simple one-on-one or one-on-few meetings with employees, while larger organizations may consider town hall style meetings. There is great importance for the executive team to appear open and approachable during these meetings, especially when it comes to creating a positive culture with employees.

Human Resources Theme

The human resources theme arose from the data as participants shared that they should not enter into communication with employees alone. Participants 1 and 2 suggested that the single most effective department within an organization to assist with a

positive organizational culture is the human resources department. While mergers may lead to consolidation and the loss of jobs, executivesøeffective use of the human resources department, will position that department in a brighter light to employees that stay with the combined organization.

Participants shared that human resources should be a department kept very close organizationally to the senior executive team. One participant, P1 assigned a dedicated chief integration officer within human resources to focus solely on the merging of the organizations and the creation of the new corporate culture. Human resources can assist with drafting a consistent message from crafting executive memos and emails, to coordinating town hall style employee meetings. The human resources integration plan should be stored centrally so that managers can use the resource to educate employees (Podgorski & Sherwood, 2015). During a merger, employees have many concerns about their own security, and the human resources department can help alleviate those concerns by executing quick executive decisions. Human resources is designed to remove or greatly reduce employee fear and panic (Byungho, Sung-gun, Joongwha, 2015).

A successful strategy that participants shared was the use of employee surveys. Participants 1 and 2 used these surveys as a tool to assist in measuring employeesølikes, dislikes, and satisfaction, and to solicit feedback. The human resources department should draft and own the surveys, but executives should use an independent third party for the administration of the surveys. Employees will be more open and honest if they feel that their responses are treated anonymously and will not relate back directly to them. Human resources can ensure that there are sufficient demographic data collected to allow for high-level categorization such as departments, level of position, rationality in a

national company, etc. After the collection of the employee surveys, the sharing of high-level results with the employees should occur and a plan put into place which allows human resources to take action on the information learned within the data collected.

Participant 1 discussed the need to administer surveys before and after the merger. The discussion with P1 revealed that these two surveys will provide a comparison in order to address any employees concerns. Employee satisfaction surveys should be conducted during the integration and then within three months after integration (Podgorski & Sherwood, 2015). Participant 2 stated that surveys should only be administered as long as the management team plans on acting on the feedback.

Intangibles Gained or Lost Theme

During a merger, it becomes easy for intangibles to be lost. Executives planning for an organizational merger need to create a detailed integration plan to share with the management team. The lack of a solid roadmap creates a potential lack of consensus orientation. One department may be addressing the merger one way and another department quite differently. This loss of consensus will create confusion and distrust amongst employees, which may lead to concerns that management is hiding a nefarious plan and not communicating. Senior team members need to align and agree on approaches in order to support and demonstrate the new culture (Eaton & Kilby, 2015).

Addressing concerns and communicating organizational plans will lead to employees understanding the reasons for the merger and having a greater chance of buying into the program sooner than later. Participant 1 shared that when õgood employees feel uncertain about the future of the company, they will begin to lose focus on company objectives or simply quitö. While side effects of mergers include intangibles

being lost, executives should create a plan to ensure organizational knowledge is not lost with any loss of employees.

Knowledge Management Theme

Slow communication and executive indecision are both contributors in the loss of knowledge management within merging organizations. Peers in merging organizations may start out with a sense of distrust and not fully share information about each organization. When determining the senior leaders and management team of the newly merged company, executives should understand the plans of these leaders. Participant 1 discussed putting emphasis on the legacy founders or management teams does not necessarily mean they are best candidates to hold those roles in the future. Executives of the merging companies should allow time to get to know managers, their backgrounds, experiences, and professional goals in order to pick the best team moving forward.

Executives should work closely with these individuals, treating them like people rather than numbers. Assist them with job placement and potential severance benefits. These strategies have a greater success in having displaced employees work with merger and not deliberately withhold key information that would lead to success. All participants agree that creating a positive organizational culture requires speed of decision-making and communication.

Timing for Culture Change Theme

Participants agreed that the best strategy as it relates to timing for a culture change is immediate. Extensive planning should occur prior to the announcement of the merger so that communication can begin with employees at the same time. Culture planning needs to occur before the merger, during the merger, and continually after the merger is

complete. Success of a merger depends on complex relationships and there are no simple solutions (Bauer & Matzler, 2014). Getting in front of employees right out the gate will also alleviate any potential concerns employees may have so they can focus on their daily tasks and begin to meet company objectives. Executives need to understand their current organizational culture before they can take actions to create a new culture to align with the integration strategy (Eaton & Kilby, 2015).

Participant 1 outlined a successful strategy that incorporated the use of new organizational position that used office decorations to support the message. The message used an independent authorøs book to focus employee energy on working toward a common goal and not complaining or suggesting solutions. The use of company symbols, slogans, ceremonies, and stories can support the newly desired culture (Eaton & Kilby, 2015).

Each of the themes categorized from the data collection align well with the themes discovered in the literature review. Participants shared successful strategies that executives planning to enter a merger could use to help create a positive organizational culture. These strategies have direct application to professional practice.

Applications to Professional Practice

This research is meaningful and applicable to business practice in various ways. The objective of this study was to identify successful strategies that executives could use to create a positive organizational culture during an organizational merger. Many times executives focus solely on the financial impacts of the pending merger that they fail to recognize the human element and the cultures within each organization facing the merger. The results of this study are relative to the changing organizational cultures

management theory and show that executives need a management plan in place to address organizational culture.

Executives planning to merge organizations should consider organizational culture within the integration plan. During the due diligence phase of the potential merger, executives should take time to fully understand the existing cultures of each respective organization. Administering employee surveys is a great way to discover how employees feel about the current structure of their organization, how they feel about the management team, and ultimately how they feel about the future of the company. The results of these surveys can help with the integration plan on areas that require greater focus versus those that may merge with little attention.

Implications for Social Change

The strategies outlined in this study have been successful for executives responsible for merging 15 organizations. These strategies might assist future executives in successfully creating a positive organizational culture during a merger. The use of these strategies may also affect social change by influencing executives to address culture as a focus during a merger to keep employees focus on the integration plan. Employees that believe they are a part of an organization will work more effectively for the company and potentially reduce the number of merger failures. The results of this study may increase the awareness of executives regarding this as well as provide strategies for successfully managing it. The findings of this study may also contribute to positive social change as employees become a part of newly combined organizations and may have a more positive and cooperative work effort to strive for organizational and individual success.

Recommendations for Action

Corporate executives planning an organizational merger may consider evaluating their organizational culture integration plans with the strategies outlined in this study. Organizational managers that are in charge of integrating departments in a merger may also benefit from the strategies outlined in this study. Employees in the process of a merger may also benefit from these strategies if the integration plan does not appear to have clear strategies within their organization. At times, it may be as simple as raising awareness of the need for addressing organizational culture early in the merger process.

Understanding the results of this study may benefit the entire organization through awareness, desire to change, and implementing a plan. I will disseminate the results of this study with the participants, and other company executives within the workersøcompensation industry. I will share the results of this research to these executives through industry conferences, business journals, industry trade periodicals, and training seminars where applicable.

Recommendations for Further Research

The results of this study may warrant additional exploration of successful merger strategies for organizational executives as technology and communication methods change. As mergers and industry consolidations continue, employees play a critical part with ensuring the success of future mergers. Researchers should conduct further studies to explore strategies developed by middle management and not just the executive team.

This study focused on organizations with operations in northern Florida, and I recommend exploring successful strategies in other geographic regions. Future researchers may also choose to explore a larger sample size or larger demographic. The

scope of this research was also limited to the workersøcompensation industry. Further study may benefit exploration of applicability in other industries.

Reflections

I have been involved in research projects in my past professional career. The amount of work and the level of detail required for this study surprised and challenged me. At times, I was overwhelmed with processing the data that resulted from the semistructured interviews and the company document review. All participants were eager to assist and share their successfully strategies that have used.

The results of this study affect me directly as a senior executive in a positive way. As I continue to lead organizations and I face the opportunity to merge organizations, I will be able to use these successful strategies in my own planning purposes. Not focusing solely on the financial aspects of the merger and recognizing the importance of developing organizational culture will ideally lead to mergers that are more successful.

Organizational leaders should understand the existing organizational cultures of both merging entities in order to evaluate proper direction or training required to merge into a single cohesive culture (Warren, Gaspar, & Laufer, 2014). The specific business problem is that some business executives lack strategies for unifying organizational culture during an organizational merger. The purpose of this qualitative case study was to explore the strategies that business executives have used to unify organizational culture during an organizational merger and answer the following research question: What strategies have business executives used to unify organizational culture during mergers? Three CEOs participated in semistructured interviews and a review of company documentation supported the interview data.

After recording, verifying, and analyzing the data, six main themes emerged from the data including communication, employees, human resources, intangibles gained or lost, knowledge management, and timing for culture change. The findings indicated successful strategies that future executives within the workersøcompensation managed care industry could use to create a positive corporate culture during an organizational merger. Executives need to ensure that organizational culture is included with financial metrics when merging organizations. The need to prepare clear and frequent communications to employees, along with ensuring the management team and human resources focus on the same message is necessary to create a positive organizational culture. Executives should continue addressing culture not only before the merger, but also during integration as well as post integration.

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Appendix A: Introductory Letter

Hello <Insert Name>,

My name is Ken Hannigan and I am a doctoral student at Walden University currently

working on my doctoral study. I am sending you this as a follow-up to your potential

interest to participate in a study to determine how corporate executives can better prepare

for a positive organizational culture during an organizational merger. Your participation

in this study is voluntary. Your responses are confidential, as I will not record your name

nor your organization's name in the study. In order to participate in this study, you must

sign an informed consent. I have attached a copy of the informed consent for you to

review and ask any questions you may have before giving consent. While there is no

compensation for your participation, I will offer you a copy of the completed study for

records and future use. If you are still interested in participating within this study, please

send me an email at <email removed> or call my mobile at <phone removed> so that we

can set-up a time for the interview. I will also follow-up with you telephonically within

the next week to answer any questions you may have.

Thank you in advance for your time and consideration.

Ken Hannigan

<email removed>

<phone removed>

Appendix B: Participant Informed Consent

This informed consent is for your invitation to participate in a research study on

how corporate executives can better prepare for a positive organizational culture during an

organizational merger. The researcher, Kenneth Hannigan, a doctoral student at Walden

University, is inviting executive individuals that held a position of CEO, have worked

within the workersøcompensation managed care industry, and have been involved with an

organizational merger within the last five years to participate in this study. The goal of this

study is to determine strategies that executives used to successfully address organizational

culture during an organizational merger. While you may have known Ken as an executive

at Universal SmartComp and Adva-Net, please note that this research is completely

separate from that role.

Participation is voluntary and you will have the option to withdraw from this

study at any time before, during, or after the actual interview simply by informing the

researcher or the university directly, telephonically, or via email with no negative

consequences to you, or with any potential relationship you may have with the

researcher.

Your identity will remain confidential as well as the company for which you have

worked. No reference to your name or your company name will be included in the final

study. If you agree to participate in this study, you will be asked to sign this consent

form, participate in a one-on-one interview in a private conference room or office with

the researcher for 45-60 minutes, asked to provide documents that can support strategies

discussed during the interview, be available for any additional follow-up questions for no

more than 30 additional minutes, consent to be audio recorded for the interview, and

review the written transcript of your interview. Types of questions asked during the interview will include õWhen merging organizational cultures, what strategies worked during your merger and why?ö and õWhat would you do differently to address organizational culture if you manage another merger?ö A copy of this consent form will be supplied to you for your records. All recordings and transcripts will remain in a locked safe for 5 years. I will destroy them at the end of the five years.

Risks and Benefits

There will be no compensation for the time you spend participating in this study. The risks of the study are minimal and only include a potential level of emotional discomfort while answering some questions. The only limit to confidentiality would be a duty to report any criminal activity or child/elder abuse revealed during the study. The benefits of your participation offer you the opportunity to share your lifeøs experiences, successful strategies, and suggestions on improving culture during an organizational merger. At the conclusion of the study, you will be offered a copy of the study results along with a brief summary of the research results.

Questions

For questions that you may have at any time, please contact the researcher directly at <email removed>. If you have questions that you want to discuss privately with the universityøs Research Participant Advocate, you may call 1-800-925-3368 ext. 3121210, or by emailing <email removed>. Walden Universityøs approval number for this study is 07-16-15-0316343 and it expires July 15, 2016.

Statement of Consent

I have read the above information; feel that I understand the expectations as my role in this research. I understand that this participation is voluntary and that I may withdraw from this study at any time.

_____

Participant Signature

_____

Printed Name of Participant

_____

Date

_____

Researcher Signature

Appendix C: Interview Protocol

The following interview questions will assist in the collection of data:

1. What were your personal experience with merging two organizationsøcultures during the last corporate merger you experienced?

2. What events took place during the time between the announcement of the merger, and when the event occurred?

3. What actions did you take for the merging of two organizational cultures that you managed?

4. When merging organizational cultures, what strategies worked during your merger and why?

5. When merging organizational cultures, what strategies did not work during your merger and why?

6. What would you do differently to address organizational culture if you manage another merger?

7. What strategies did you use to improve their communication regarding organizational culture with employees during the organizational merger?

8. What organizational departments played a key role in implementing the strategies you implemented during your merger?

9. What other ideas or information that you would like to share regarding the merging of organizational cultures?