DOI: 10.1002/hrm.21973

ORIGINAL ARTICLE

WILEY

What, when, and who: Manager involvement in predicting employee resistance to acquisition integration

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Abstract

Applying sensemaking research to acquisition integration, we outline factors that influence employee resistance to acquisitions. While integration is widely viewed as important to acquisition outcomes, there is limited systematic study of how employees react to the integration process. Using survey data from Chinese acquirers and applying partial least squares structural equation modeling, we examine *what* changes with human and task integration with the speed of *when* changes are made to explore relationships with employee resistance. Consistent with a temporal perspective of acquisition processes and sensemaking we find slower task integration may mitigate employee resistance to acquisition integration. However, employee resistance to the speed that changes are made likely varies for *who* is involved, suggesting different roles for top and middle managers. Specifically, middle management involvement with slow human integration and top management involvement with fast task integration reduces employee resistance following an acquisition.

KEYWORDS
acquisition strategy, employee relations, mergers

1 | INTRODUCTION

During acquisitions, research recognizes that human resource management (HRM) has a facilitating role for successful knowledge transfer associated and an absorptive capacity for target firms and employees that improves organizational performance (Katou, Budhwar, & Patel, 2014; Zhou, Fey, & Yildiz, 2018). Associated research recognizes that acquisitions provide an interesting context to investigate employee reactions (Edwards & Edwards, 2013, 2015). For example, changes associated with acquisition integration increase the risk of employee resistance that represents a primary reason for acquisition failure (Drori, Wrzesniewski, & Ellis, 2011; Larsson & Finkelstein, 1999; Melkonian, Monin, & Noorderhaven, 2011).

Increased recognition that integration is difficult and often harder to implement than expected (Colman & Rouzies, 2018; Rouzies, Colman, & Angwin, 2018; Vaara, 2003) has led to research on acquisition integration and an examination of what influences its outcomes (Gill, 2012; Graebner, Heimeriks, Huy, & Vaara, 2017; Pickering, 2017; Sarala, Vaara, & Junni, 2017; Teerikangas, Véry, & Pisano, 2011). While some level of integration of an acquired firm is necessary (Shrivastava, 1986; Vermeulen, 2005), integration is disruptive to employees of combining firms and it contributes to: (a) fear of job loss (Schweiger & Denisi, 1991), (b) perceptions of unfair treatment and negative career effects (Fried, Tiegs, Naughton, & Ashforth, 1996), (c) anxiety over changed social relationships (Astrachan, 1995), and (d) increased uncertainty and stress (Cartwright & Cooper, 1993; Marmenout, 2010). Although disruptions to employees from acquisition integration can contribute to employee resistance (Larsson & Finkelstein, 1999), a better understanding of what influences employee resistance is still needed (Ellis, Weber, Raveh, & Tarba, 2012; Meglio, King, & Risberg, 2015).

By examining key decisions during acquisition integration that influences employee perceptions and acquisition outcomes (e.g., Jemison & Sitkin, 1986; Shi & Prescott, 2011, 2012), we argue that considering *what* changes with *when* it changes and *who* manages integration efforts can improve our understanding of acquisition outcomes. Building on insights that employee resistance is associated with acquisition failure (e.g., Larsson & Finkelstein, 1999), we examine the pace and level of managerial intervention in predicting employee resistance to human and task integration. Our aim is to develop and test a framework that predicts employee resistance to an acquisition.

Building on the theoretical foundation of sensemaking and sensegiving (Maitlis & Christianson, 2014; Maitlis & Sonenshein, 2010; Weick, 1995), we examine differential roles by top and middle managers during acquisition integration. Although top managers are assumed to initiate and lead integration, the role of middle managers in implementing change following an acquisition remains largely unexplored (Meglio & Risberg, 2010; Meyer, 2006). While top management begins integration planning (Cullinan, Le Roux, & Weddigen, 2004), middle managers confront problems of implementing changes they did not plan and dealing with employee fears of those changes (Balogun & Johnson, 2004).

Addressing these topics offers multiple contributions. First, our study supports acquisition research on human and task integration to develop how *what* changes during acquisition integration influences employee resistance (e.g., Larsson & Finkelstein, 1999; Seo & Hill, 2005). Second, we contribute to a process view (Jemison & Sitkin, 1986), specifically responding to insights that understanding employee responses to an acquisition requires a greater focus on integration speed (Stahl et al., 2013), or *when* changes are made (Birkinshaw, Bresman, & Hakanson, 2000). Third, we increase clarity about agency in acquisitions by examining *who* is involved in setting and implementing human and task integration. By distinguishing the impact of managers at different hierarchical levels on employee resistance, we develop differences in top and middle managers sensegiving and provide insights into the role of managers during integration. In so doing, we examine unique primary data using acquirers from an emerging economy, more precisely China, complementing a bias in management research toward Western economies (c.f., Meglio & Risberg, 2011). However, this may also limit generalizability.

2 | THEORY AND HYPOTHESIS DEVELOPMENT

Following an acquisition, employees expect change (Risberg, 1997), but managing the uncertainty typically associated with substantial organizational change, such as an acquisition, requires manager sensemaking and sensegiving (Clark, Gioia, Ketchen, & Thomas, 2010; Gioia & Chittipeddi, 1991). Sensemaking involves meaning construction and reconstruction in developing frameworks to understand intended changes (Gioia & Chittipeddi, 1991; Stensaker, Falkenberg, & Grønhaug, 2008). Meanwhile, sensegiving involves the process of attempting to influence the sensemaking and meaning construction of others toward desired changes (Gioia & Chittipeddi, 1991; Stensaker et al., 2008). However, most research assumes that managers direct change without examining the processes of how change is implemented (Sonenshein, 2010; Steigenberger, 2017), or recognizing that managers are also involved in sensemaking (Monin, Noorderhaven, Vaara, & Kroon, 2013; Vaara, 2003). For both integration planning and sensegiving, either too little or too much detail is possible (e.g., Eisenhardt, Furr, & Bingham, 2010; Henneberg, Naudé, & Mouzas, 2010) with the implication that *what* changes, the speed it changes (*when*), and managerial roles, or *who* is involved at different levels of an organization likely influence employee resistance to change. As a result, the initial relationships in our framework rest on research on acquisition integration and associated changes that lead to the need for sensemaking (see Figure 1).

2.1 | What changes, or type of integration

Acquisition integration essentially involves organizational change (King, Bauer, & Schriber, 2004), and research on change suggests a consideration of "high impact" elements of change may be necessary to transform organizations (Amis, Slack, & Hinings, 2004).

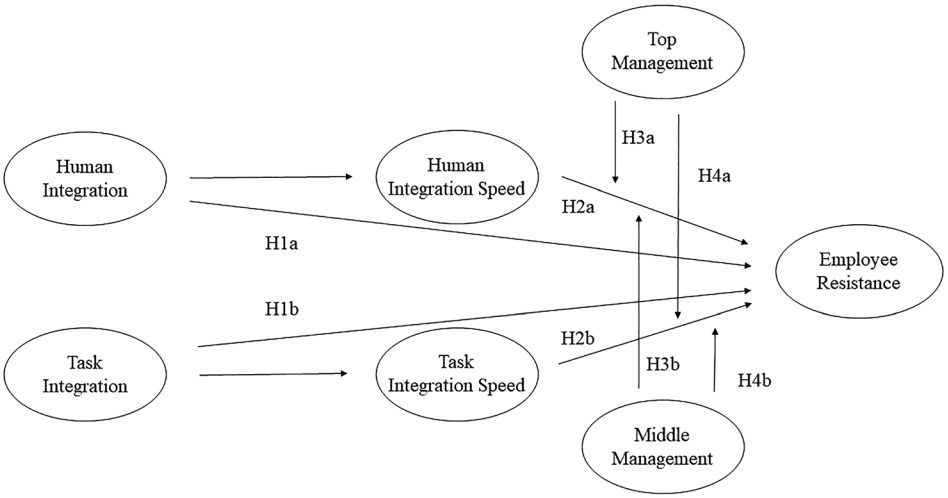

FIGURE 1 Theoretical model predicting employee resistance to an acquisition

We combine the element of pace (speed) highlighted by Amis et al. (2004) with recognized dimensions of acquisition integration. Specifically, integration involves human and task integration that are distinct, but inter-related concepts that drive acquisition success (Bauer, King, & Matzler, 2016; Bauer, Schriber, Degischer, & King, 2018; Birkinshaw et al., 2000). Human integration addresses HRM (i.e., pay and benefits) and organizational culture (Cording, Christmann, & King, 2008), and it focuses on creating positive attitudes and a shared identity (Meglio et al., 2015; Schweiger, Ivancevich, & Power, 1987). For example, Vaara (2003) finds that overlooking people issues during integration often proves detrimental. Meanwhile, the task integration focuses on operational efficiencies from combining organizational functions to improve efficiency and organizational coordination (Bauer et al., 2016; Cording et al., 2008; Meglio et al., 2015), and on transferring and sharing resources and capabilities (Birkinshaw et al., 2000).

2.1.1 | Human integration

Acquisitions disrupt employees and create uncertainty (Rafferty & Restubog, 2010), as employees are confronted by possible job losses, increased workload, and changes in reporting relationships (Ullrich & van Dick, 2007). Associated changes in employee identity contribute to employee resistance following an acquisition (Cho, Lee, & Kim, 2014; Ullrich, Wieseke, & van Dick, 2005). However, a heightened awareness of human aspects of acquisitions can reduce conflict and resistance following an acquisition (Ellis et al., 2012; Seo & Hill, 2005) by establishing mutual understanding and trust (Birkinshaw et al., 2000; Stahl, Larsson, Kremershof, & Sitkin, 2011). Trust is important to acquisition success and building it requires sensemaking of intentions (Searle & Ball, 2004). As a result, demonstrating a firm's commitment to employees with human integration (Bauer et al., 2018) can build organizational cohesion (Rouzies et al., 2018) and reduce employee resistance. For example, human integration may decrease employee career uncertainty and lessen fear of job loss. Conversely, overlooking human integration concerns can be detrimental to acquisition integration (Vaara, 2003). Therefore, we predict:

> **Hypothesis 1a:** *Human integration decreases employee resistance following an acquisition.*

2.1.2 | Task integration

Task integration creates value from updating employee work processes (Colman & Lunnan, 2011). However, coordination between combining firms on work processes disrupts prior employee routines (Bauer et al., 2016). As a result, updating work processes inevitably lowers task performance and contributes to employee resistance (Bauer et al., 2016; Cooke & Huang, 2011). For example, change in developed processes impacts the ability of teams to coordinate on interdependent tasks, as efforts become either fragmented or duplicated (Summers, Humphrey, & Ferris, 2012). As a result, task integration addresses coordination in updated processes, as well as discontinuation of prior tasks (Rouzies et al., 2018). Still, acquisitions often struggle because employees experience discontinuity in job tasks (Paruchuri, Nerkar, & Hambrick, 2006; Ullrich et al., 2005), and this may contribute to employee resistance. Therefore, we predict:

> **Hypothesis 1b:** *Task integration increases employee resistance following an acquisition.*

2.2 | When it changes, or duration of integration

An important decision for both human and task integration involves the speed under which changes are made (Bauer et al., 2016; Meglio, King, & Risberg, 2017). While managers in general prefer greater integration speed to accelerate improvements (e.g., Schlaepfer et al., 2008), employees might react either positively to reinforce improvements or negatively with resistance that unravels initial positive effects of human and task integration. This leads us to anticipate that human and task integration duration mediates the influence of human and task integration on employee resistance. Additionally, the impact of human and task integration is not free of constraints and depends on other contingencies, such as fit (Homburg & Bucerius, 2006), decision-making preferences (Uzelac, Bauer, Matzler, & Waschak, 2016), and institutions (Bauer et al., 2018). Therefore, we also argue later that the influence of integration duration is likely moderated by whether top management or middle management is responsible for the different dimensions of acquisition integration and associated sensegiving.

2.2.1 | Human integration speed

How quickly managers attempt to establish a positive environment between combining firms during integration is an important consideration. Fast human integration can minimize disruption and prevent employee resistance (Angwin, 2004; Bauer et al., 2016). Moving quickly with human integration can also take advantage of initial optimism from an acquisition (Buono & Bowditch, 2003), as employees anticipate changes following an acquisition (Risberg, 1997). Further, an early focus on collaboration can minimize conflicts and employee uncertainty (Jansen, Tempelaar, Van den Bosch, & Volberda, 2009; Ullrich & van Dick, 2007; Vaara, 2003). As a result, moving quickly with human integration can create positive momentum (Gates & Very, 2003), and speed can help to avoid problems during what otherwise can be a lengthy integration process (Haspeslagh & Jemison, 1991). Therefore, we predict:

> **Hypothesis 2a:** *Shorter duration of human integration lowers employee resistance following an acquisition.*

2.2.2 | Task integration speed

While a significant source of value generation from acquisitions comes from gains in efficiency (Siegel & Simons, 2010) or from

implementing superior acquirer processes in a target organization (Andrade, Mitchell, & Stafford, 2001; Jovanic & Rousseau, 2002), task integration interrupts coordination in organizational tasks resulting in coordination problems and conflicts (Shrivastava, 1986). There is also evidence that increased integration speed comes at the expense of necessary support to employees in adapting to new routines (Nemanich & Vera, 2009). The faster the changes in employees' task environment occur, the less likely social interactions between tasks will also be updated (Weick & Roberts, 1993) and this disrupts tacit knowledge (Nonaka, 1994). Meanwhile, slower task integration can allow for iteration in the use of routines to facilitate task performance (Bauer et al., 2016; Lavie, Stettner, & Tushman, 2010) and to deepen a common understanding that refines tacit knowledge (Levitt & March, 1988; Nonaka, 1994) that is likely associated with employee adoption of new procedures. Therefore, we predict:

> **Hypothesis 2b:** *Shorter duration of task integration increases employee resistance following an acquisition.*

2.3 | Who facilitates change, or differences in managerial roles

Drawing on the resource-based view, Lamont, King, Maslach, Schwerdtfeger, and Tienari (2018) suggest that the success of acquisitive growth rests on the quality and quantity of an acquirer's managerial talent. We anticipate that the impact of human and task integration duration is moderated by whether top or middle managers are primarily involved.

When considering top managers, they often need less time for sensemaking than other employees, because they typically initiate acquisitions or they are involved in developing change (Lehn & Zhao, 2006; Stensaker et al., 2008). However, top management involvement is also needed to initiate changes in combining organizations (Clark et al., 2010), and top managers are visible at acquisition announcement (Hayward & Hambrick, 1997). For example, top managers can communicate the need behind an acquisition and associated changes to reduce employee uncertainty (Giessner, 2011). However, while change can be directed from the top, it still requires sensegiving, or employees understanding change and its intent, as well as its implications. For example, acquisition integration planning only includes a few people at the top of organizations, but integration implementation involves middle managers and employees that require more time for sensemaking (Stensaker et al., 2008; Vaara, 2003).

Middle managers provide a conduit for employees accepting change, but they confront the dual challenge of providing sensegiving and implementing changes they did not design and may only partially understand themselves (Balogun & Johnson, 2004; Stensaker et al., 2008). Further, implementation of planned changes requires a delicate balance, as employee resistance to change occurs when they perceive change does either too little or too much (Sonenshein, 2010). The need for implementation suggests an increased importance of middle managers during integration that is largely overlooked in acquisition research (Meglio & Risberg, 2010). Not considering middle managers is an important omission, as research suggests they account for significant differences in firm performance (Mollick, 2012). We anticipate moderating and differential effects of top and middle managers are most evident in how fast human and task integration proceeds.

2.3.1 | Human integration speed

For human integration, top manager involvement with integration can improve employee retention (Steigenberger, 2017; Zhang et al., 2015). For example, top managers can quickly address concerns associated with a lack of information with a letter to employees that creates a sense of necessity for change (Giessner, 2011; Schweiger et al., 1987; Schweiger & Denisi, 1991). Still, top managers often employ ambiguity to maintain latitude while outlining common ground without the means to achieve it (Davenport & Leitch, 2005; Gioia, Nag, & Corley, 2012). However, ambiguity drives sensemaking and it can contribute to shock and perceptions of injustice (c.f., Gioia et al., 2012; Yang, Treadway, & Stepina, 2013). When human integration is completed quickly, acquiring firm managers are likely to be disproportionally represented in leadership roles (Welch & Welch, 2005). This can drive disillusionment and resistance from target firm managers and employees that can have more insight in how combined resources can create value (e.g., Chreim, 2015; Chreim & Tafaghod, 2012; Graebner, 2004). Further, top managers can facilitate faster reaction to problems and maintain momentum (Angwin, 2004). These issues confirm observations that the importance of top managers to human integration matters (Schweiger et al., 1987). Therefore, we predict:

> **Hypothesis 3a:** *For shorter duration of human integration, greater top management involvement reduces employee resistance.*

While top managers can direct reorganization, it requires employee sensemaking to implement (Crevani, Lindgren, & Packendorff, 2010) and this is facilitated by middle managers translating goals into initiatives (Stensaker et al., 2008). Middle manager sensegiving is more likely for issues involving organizational performance and operational effectiveness (Maitlis & Lawrence, 2007) that are generally degraded during integration. For example, middle managers often provide sensegiving following structural interventions and promote an understanding of change (Balogun & Johnson, 2004; Steigenberger, 2017). As a result, middle managers adapt integration based on employee concerns (Gates & Very, 2003). We anticipate middle manager sensemaking constructs meaning that enables sensegiving to employees (Sonenshein, 2010). Huy (2011) recognizes an important role of middle managers in dealing with employee emotions, and we maintain this takes time or it is most evident for longer duration of human integration. Therefore, we predict:

Hypothesis 3b: *For longer duration of human integration, greater middle manager involvement reduces employee resistance.*

2.3.2 | Task integration speed

Deciding on organizational structure relates to prescribed changes made by top management (Hinings & Greenwood, 1988), and for acquisitions identifying planned changes needs to be done early (Gates & Very, 2003). Making the best use of firm resources requires avoiding delays on resource deployment decisions (Brueller, Carmeli, & Drori, 2014) that can involve selecting the best, integrating the best of both, or maintaining separate processes (e.g., Ettenson & Knowles, 2006). Tasks and procedures separately co-evolve in separate organizations (Penrose, 1959), and recognition of coordination problems during acquisition integration represent a consistent theme in research (e.g., Graebner et al., 2017; Heimeriks, Schijven, & Gates, 2012; Penrose, 1959; Zorn, Sexton, Bhussar, & Lamont, 2018).

Task integration decisions are best made by top managers, as ambiguity on structure and processes can contribute to political behavior (Vaara, 2003) that is counterproductive for acquisition integration and employee acceptance (Larsson & Finkelstein, 1999; Monin et al., 2013). Timid integration is a greater risk than integrating too quickly, as only a one-month delay in realizing expected annual savings could reduce the net present value of an acquisition by one fifth (Chanmugam, Shill, Mann, Ficercy, & Pursche, 2005). Therefore, we predict:

Hypothesis 4a: *For shorter duration of task integration, greater top management involvement reduces employee resistance.*

Following an acquisition, ambiguity from top management can increase political behavior (Vaara, 2003). As a result, a lack of clear strategic decisions from top management on task integration can contribute to political contests (Clougherty & Duso, 2011) and conflict (Graetz & Smith, 2010). A lack of direction contributes to middle managers pursuing self-interest that does not align with firm goals (Burgelman, 1994). Political behavior during acquisition integration is often counterproductive (Meyer, 2008) in that it contributes to employee uncertainty and dissatisfaction (Ferris & Kacmar, 1992; Monin et al., 2013). For example, political behavior and associated employee uncertainty contribute to perceptions of procedural injustice (Yang et al., 2013) that can contribute to employee resistance. Over time, challenges of middle manager involvement are likely compounded if it fills a void on the strategic direction of task integration that results in multiple, conflicting efforts from increased political behavior (Clougherty & Duso, 2011). Clear direction on task integration for middle managers and employees likely mitigates this challenge, and we predict:

Hypothesis 4b: *For shorter duration of task integration, greater middle manager involvement lowers employee resistance.*

3 | METHOD

We used a cross-sectional research design using a survey administered after an acquisition occurred. Acquisitions represent a global phenomenon, but there is limited research on emerging economies (Gubbi, Aulakh, Ray, Sarkar, & Chittoor, 2010) with most research conducted in the United States (Meglio & Risberg, 2011). A gap between practice and research is highly relevant as China ranks only behind the U.S. in the number and value of acquisitions with double digit growth in merger and acquisition activity since 2000 (Gaur, Malhotra, & Zhu, 2013). For example, in 2017, firms in China completed over 13,000 deals worth over $720 billion (Bureau Van Dijk, 2018). As a result, we focused on China in developing a sample. In 2017, one of the authors contacted alumni of master degree programs from five Chinese universities describing the intent to study M&A and asking if: (a) their firm completed an acquisition in the last 3 years, (b) they were familiar with circumstances before and after the acquisition, and (c) they would participate in the study for a small reward. A total of 145 managers indicated they would participate in the study, but double-checking that potential respondents were in a company with acquisition activity in the last 3 years resulted in sending the Internet survey to 115 managers. This timeframe is consistent with other acquisition research designed to ensure recollection of events is still sufficient (Ellis, Reus, & Lamont, 2009; Krishnan, Hitt, & Park, 2007). From our eligible sample of 115 managers, we received 108 usable responses for a response rate of 93.9%. Respondents were primarily middle managers that were in a position to best respond, as they represent the interface between top managers and employees (Raes, Heijltjes, Glunk, & Roe, 2011). The use of key informants enables getting information from people knowledgeable about issues unavailable from archival data (Ellis et al., 2009).

3.1 | Research variable measurement

We relied on existing scales with minor modifications to fit our research interest. We did this for two reasons: (a) established scales have already proven reliability and validity, and (b) it makes our results comparable to previous studies (Bryman & Bell, 2011). All questionnaire items were translated from English into Mandarin and back and by two people to limit translation bias. Prior to sending out the survey, we conducted a pretest to identify unclear terms and to avoid complex and abstract questions that might trigger biases (Doty & Glick, 1998), with business professionals as well as with academics.

3.1.1 | Human integration

Human integration used three indicators borrowed from Cording et al. (2008). Participants were asked to rate the degree of integration on the three indicators ranging from 1 (*not at all*), 4 (*partially*), and 7 (*fully*) (average variance extracted [AVE] = 0.820; composite reliability [CR] = 0.932).

3.1.2 | Task integration

Task integration used four items referring to specific functions in a scale developed by Zaheer, Castaner, and Souder (2013) for an acquisition context. Again, we applied a 7-point Likert scale ranging from 1 (*not at all*) to 7 (*fully*) (AVE = 0.748; CR = 0.922).

3.1.3 | Human integration speed

Human integration speed used a single item where the three integration items were named as examples, and this resulted from pretest suggestions to reduce the length of our survey. Integration speed was assessed as duration with a 7-point scale ranging from 1 (less than 6 months) to 7 (longer than 24 months).

3.1.4 | Task integration speed

We measured task integration speed with the four items developed by Zaheer et al. (2013) using the same scaling for human integration speed (AVE = 0.860; CR = 0.961).

3.1.5 | Employee resistance

Employee resistance used five indicators developed by Giangreco and Peccei (2005). The original measure comes from assessing resistance to change was slightly modified to the acquisition context. The questions asked, whether the target firm personal strongly opposed changes following the acquisition on a scale from 1 (*not at all*) to 7 (*fully*) (AVE = 0.820; CR = 0.958).

3.1.6 | Moderators

Top and middle manager responsibility used a single item asking for the responsibility of acquisition implementation and coordination using a 7-point scale.

3.2 | Control variables

We also added several controls for variables frequently used in M&A research (Hitt et al., 2009). Please note, if not explicitly described, control variables are single item measures. *Relative size* might have a serious impact on acquisition integration, as larger relative size causes political infighting and conflict (Gomes, Angwin, Weber, & Tarba, 2013), increases coordination efforts (Cording et al., 2008), and reduces the beneficial effects of shared mental models (Dao, Strobl, Bauer, & Tarba, 2017). *Acquisition experience* provides an indicator for well-developed acquisition routines and it can influence acquisition integration (Barkema & Schijven, 2008). *Annual sales* are an indicator for firm size that leads to increased formalization (Blau, Falbe, McKinley, & Tracy, 1976) impacting acquisition behavior. *Firm growth* influences organizational behavior, as firms apply different coordination and control mechanisms in different stages of their lifecycle (e.g., Greiner, 1998). We assessed the average growth 3 years prior and following the acquisition each with a single item. Finally, an *acquirer´s structure* influences decision-making and behavior, and we applied the organizational structure scale with five indicators developed by Covin and Slevin (1988) with a 7-point Likert scale. Due to a low loading we had to delete one item (AVE = 0.705; CR = 0.904). To control for corporate forgetting, we assessed acquisitions undertaken in the last 3 years (Ellis et al., 2009).

4 | RESULTS

In Table 1, we share the descriptive statistics from our survey for firm annual sales, acquisition experience, the type of transaction, and the average industry growth. Our data reflects the objective information on Chinese acquirers. Thus, we assume that sampling bias is not a serious issue for our data. For example, the overall growth rate of China's economy in 2017 was 6.9% (Wildau & Hornby, 2018) and this falls within the highest category of surveyed firms with 32.4% of firms reporting industry growth between 6% and 10%.

For assessing our hypotheses, we used Smart PLS 3 (Ringle, Wende, & Becker, 2015) that is suitable for prediction-oriented research, as it maximizes the explained variance of dependent variables (Hair, Ringle, & Sarstedt, 2012; Hair, Sarstedt, Ringle, & Mena,

TABLE 1 Sample descriptive statistics

	%		%
Annual sales (in million)		Acquisition experience	
<25	15.7	None	2.8
25–49	7.4	1–2	60.2
50–99	1.9	3–4	22.2
100–249	5.6	5–6	7.4
250–499	18.5	7–8	0.9
500–1.000	14.8	>8	6.5
>1.000	36.1	Industry growth (%)	
Transaction type		<−15	2.8
Horizontal	45.4	−15 to −5	5.6
Vertical	23.1	−4 to +/−0	5.6
Conglomerate	31.5	1 to 5	22.2
		6 to 10	32.4
		11 to 20	19.4
		21 to 30	6.5
		>30	5.6

2012). We examine integration related decisions and their effects on employee resistance with the contingency of management involvement. Thus, we do not concentrate on an overall model fit that is the focus of covariance based SEM (Barroso, Cepeda, & Roldán, 2010). Instead, we focus on the variance explained of the dependent variable by our independent variables. Additionally, PLS SEM performs well with smaller sample sizes (Hair, Ringle, & Sarstedt, 2012; Hair, Sarstedt, et al., 2012). For assessing the significance of the proposed relationships, we used the bootstrapping approach with 5,000 runs with the individual-level sign changes option (Henseler, Ringle, & Sinkovics, 2009). For calculating the moderators, we first, standardized the variables and second, chose the product indicator option using all possible pair combinations of the indicators (Chin, Marcolin, & Newsted, 2003).

4.1 | Common method bias

Having collected independent and dependent variables at a single point in time from a single respondent, common method bias raises concerns for internal validity (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; Podsakoff, MacKenzie, & Podsakoff, 2012). In considering potential impacts of common method bias, we took a priori steps to mitigate it and then performed post hoc analysis to detect its presence.

A priori we took multiple measures to mitigate or minimize the potential for common method bias. First, while the tendency to agree (Baumgartner & Steenkamp, 2001) and the likelihood of non-differentiated answers (Krosnick, 1999) can lead to problems if the task exceeds the cognitive abilities of the respondents, we assume that our respondents are well-educated specialists and able to answer the questions accurately. Second, our respondents are managers with limited time resources, but they were still willing to fill out the questionnaire. Consistent with informal feedback, we also assume that the respondent interest in the survey avoided problems from satisfying and stylistic responses (Krosnick, 1999). Third, as acquisition failure is quite common (King, Dalton, Daily, & Covin, 2004), we assume that social desirability is not a serious issue for our data (Podsakoff et al., 2012). We also avoided complex and ambiguous questions from feedback on a pretest (Doty & Glick, 1998), used latent variable measures (Harrison, McLaughlin, & Coalter, 1996), and changed the scale direction (e.g., for speed of integration) to minimize response patterns. Still, the sources of method variance might differ from measure to measure (Spector, Rosen, Richardson, Williams, & Johnson, 2018).

Post hoc we followed advice of Podsakoff et al. (2003) and used the guidelines developed by Liang, Saraf, Hu, and Xue (2007) to introduce a common method factor in our PLS model to assess the relationship between the substantive factor and the method factor. The ratio between method factor loadings and substantive factor loadings is 1 to 127. As a result, we conclude that common method bias is not a serious concern for our data, see Appendix A.

4.2 | Measurement models

In assessing our model, we followed the two steps recommended by Hulland (1999), involving: (a) the assessment of our measurement models, and (b) the assessment of the relationships among the constructs. In a first step, we assessed our measurement models according to factor loadings (that should exceed a value of 0.7), AVE with a minimum threshold of 0.5, and CR (that should exceed 0.7). Based on the analysis, we conclude that construct reliability and validity is apparent as all values apart from one item of the structure scale exceed the required thresholds, see Appendix B. In a second step, we assessed the discriminant validity of our variables with indicator cross-loadings (Henseler et al., 2009; Hulland, 1999) and on construct level with the Fornell–Larcker criterion (Fornell & Larcker, 1981). The analyses reveal no serious issues (see Appendices C and D), and we hold that discriminant validity is established.

4.3 | Hypothesis testing

Figure 2 shows our results. Hypothesis 1a predicts that human integration reduces employee resistance following an acquisition, and our results suggest the path is significant and negative (β = −.306; p = .063). For Hypothesis 1b, we find statistical support that task integration triggers employee resistance (β = .261; p = .093). The relationship between human integration decisions and duration of human integration is not significant (β = −.216; p = .136), but the negative sign indicates that firms try to pursue human integration quickly. Additionally, shorter duration of human integration does not influence employee resistance, as suggested in Hypothesis 2a (β = −.180; p = .144). However, we find that greater task integration is associated with faster task integration (β = −.356; p = .024), but slower task integration speed triggers employee resistance (β = .301; p = .047). This result suggests partial mediation, as the direct effect of task integration remains partially significant (p < .10). For assessing partial mediation, we estimate direct, indirect, and total effects simultaneously to mitigate potential biases occurring in traditional step-wise approaches (MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002; Nitzl, Roldan, & Cepeda, 2016). To avoid the necessity of distributional assumptions (Preacher & Hayes, 2004, 2008), we analyzed the bias corrected confidence intervals (Zhao, Lynch, & Chen, 2010) that are more robust than pseudo t values (MacKinnon, Lockwood, & Williams, 2004). We find that 0 is not included in the bias corrected confidence intervals of the indirect effect (lower bound = −.382; upper bound = −.006), and the results suggest a partial mediation. We also find that human integration decisions and task integration speed, as well as task integration decisions and human integration speed, are not related to each other suggesting that managers consider them distinct.

Figure 3 helps to interpret the results for Hypotheses 3a and 3b. Hypothesis 3a argues that greater top management involvement is beneficial in cases of faster human integration, and it is partially supported (β = .150; p = .095). A graph of the interaction shows low top management involvement with shorter duration (faster) human integration is associated with greater employee resistance. By

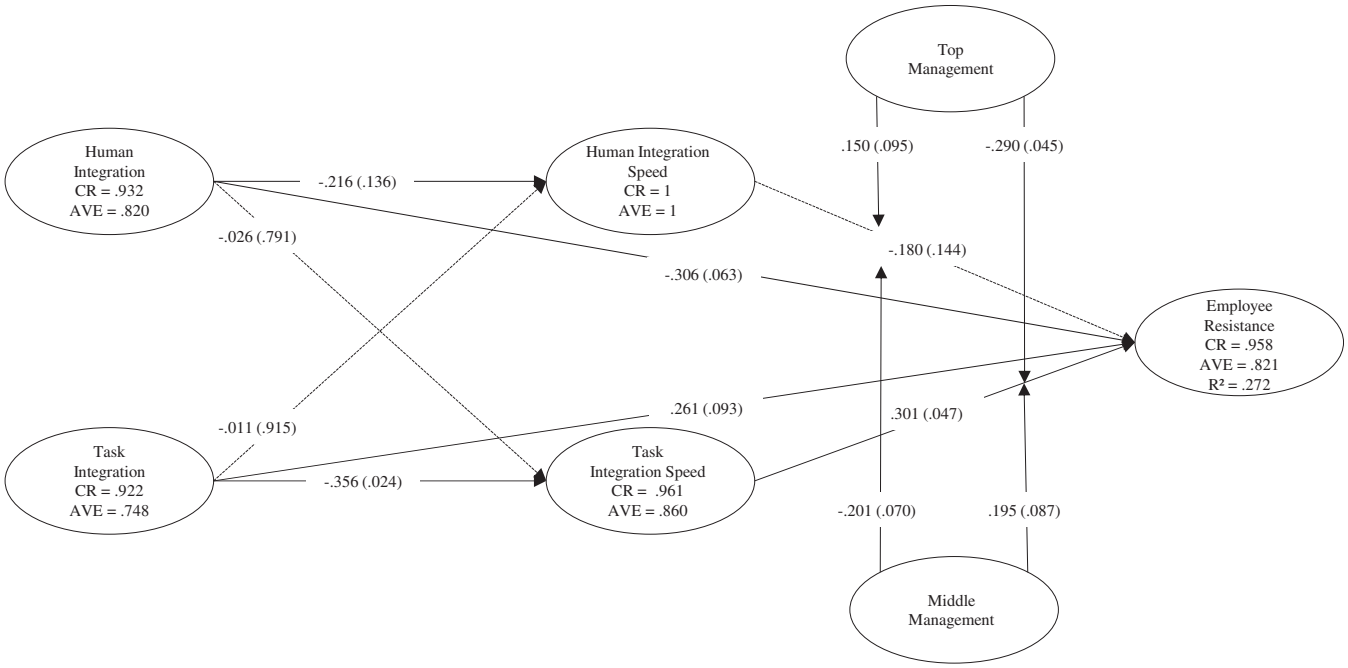

FIGURE 2 Partial least squares results

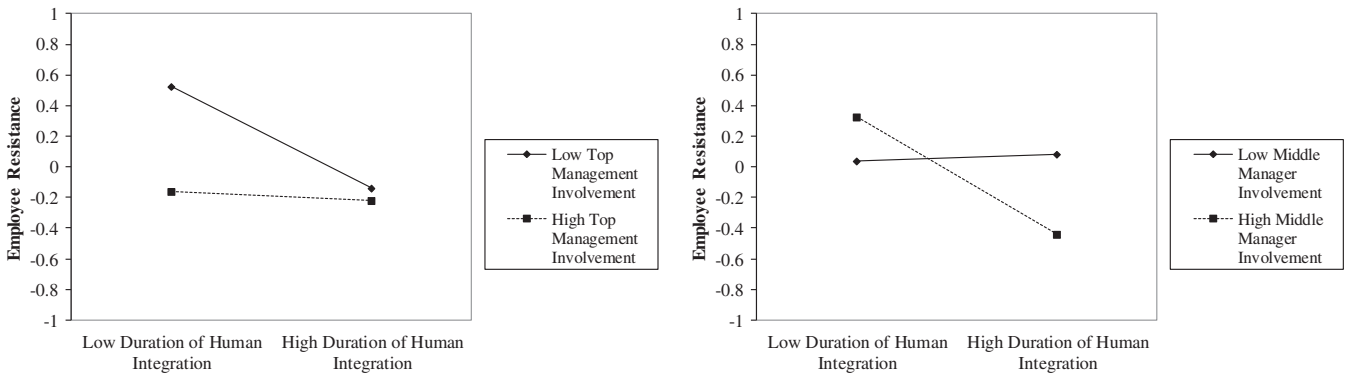

FIGURE 3 Human integration speed and management level interaction on employee resistance

comparison, high middle manager involvement for longer duration (slower) human integration is associated with significantly lower employee resistance (β = –.201; p = .045), supporting Hypothesis 3b. Both results support our premise of differential effects for manager involvement for human integration speed.

Figure 4 helps to interpret the results for Hypotheses 4a and 4b. While task integration speed increases employee resistance (β = .301; p = .047), we find that top and middle manager involvement have different moderating effects. While the effects of greater top management involvement largely do not differ for changes in duration of task integration, low top management involvement is associated with greater employee resistance for longer duration (slower) task integration (β = –.290; p = .045). This finding contradicts expectations for Hypothesis 4a, as employee resistance is largely constrained to cases of longer duration (slower) task integration and low top manager involvement. For Hypothesis 4b, we find partial support for a moderating impact of middle management involvement on the relationship between task integration duration and employee resistance. While middle manager involvement reduces employee resistance in cases of shorter duration (faster) task integration, middle manager involvement increases employee resistance for high duration (slower) task integration (β = .195; p = .087). While not matching all our expectations, these results do support our premise of differential effects for top and middle manager involvement for task integration duration.

Some of our controls also have significant impacts on our research model. While increasing annual sales (β = .178; p = .075) and flexible acquirer structures (β = .185; p = .048) slow down task integration, rapid firm growth (β = –.179; p = .096) and increased relative size (acquisition of larger target) lead to faster task integration (β = –.147; p = .076). The latter result suggests faster implementation to reduce redundancy, and the combined significance of these controls is consistent with firms experiencing formalization (Blau et al., 1976) and pursuing task integration quickly to realize synergies at the expense of employee resistance.

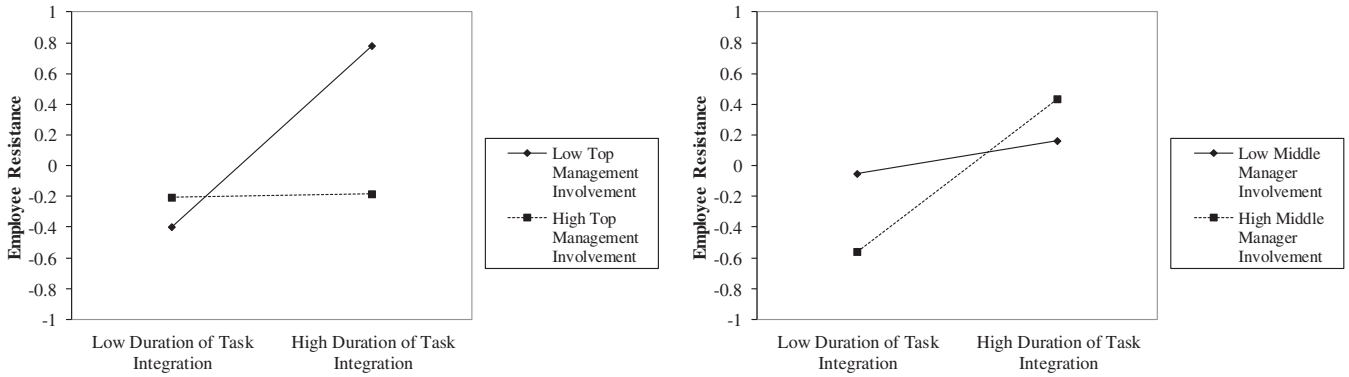

FIGURE 4 Task integration speed and management level interaction on employee resistance

5 | DISCUSSION

Research on acquisitions has long been concerned about a short-sighted focus on functional integration without considering its effects on employees (Cartwright & Cooper, 1993), even though it is known to contribute to acquisition failure (Larsson & Finkelstein, 1999). The result has been an increased focus on integration decisions, or questioning *what* to integrate. In contrast, *when* or the speed integration decisions are implemented and *who* leads integration has received surprisingly little attention (Meglio et al., 2015). We develop how considering *when* integration takes place with agency in the integration process (*who*) provides a better understanding of employee resistance to acquisition integration. Our study supports and expands theory on sensemaking (Weick, 1995) to outline when human and task integration happens and who leads associated efforts matters, or it begins to explain employee resistance to acquisition integration. Beyond demonstrating different roles for top and middle management, our findings elaborate theory on integration speed or a temporal perspective in acquisitions (Angwin, 2004) and sensemaking (Weick, 1995).

5.1 | Research implications

At a general level, our findings support established research that integration can stir negative sentiments and even employee resistance to acquisition integration (e.g., Fried et al., 1996; Larsson & Finkelstein, 1999). For instance, we find task integration increases employee resistance while the opposite is true for human integration. We also demonstrate increases in resistance can be mitigated by considering human integration. This supports prior research demonstrating active efforts, such as increasing organizational identification, can mediate unwanted effects following acquisitions (Cho et al., 2014; Seo & Hill, 2005).

Further, attending to what changes and to the sequence of change (when) matters in an acquisition (e.g., Haspeslagh & Jemison, 1991), as well as who is involved, can enlighten theoretical expectations derived from insights in applying sensemaking to acquisition research. For instance, Pickering (2017) finds forceful and fast integration by top managers may lead to reduced client focus among employees, and our findings elaborate and provide nuance to this insight. For example, top manager involvement reduces employee resistance to task integration, especially when conducted slowly. However, low top manager involvement increases employee resistance during low duration (faster) human integration. By comparison, high middle manager involvement reduces employee resistance for low duration (faster) task integration but increases employee resistance for low duration (faster) human integration. This matches expectations that managers are responsible for acquisition integration (e.g., Larsson & Finkelstein, 1999), but our results demonstrate differential impacts for who is involved and when. Meanwhile, our focus on temporal considerations does not reveal a significant relationship between speed of human integration and employee resistance. One potential explanation is that task integration "trumps" efforts on the "human" or soft side of integration (Cartwright & Cooper, 1995) in predicting employee resistance. Resistance can go beyond a lack of enthusiasm or indifference for the integration, and it is possible early managerial interventions can avoid more serious employee resistance.

Additionally, our results have theoretical implications for sensemaking research. Our findings suggest greater middle management involvement with slow human integration and fast task integration can reduce employee resistance. While not specifically examined by us, this suggests that middle managers play a role in sensegiving during human integration. While our results are consistent with sensemaking explaining acquisition outcomes (e.g., Vaara, 2003), we also extend current knowledge of sensemaking and acquisition integration. Specifically, our findings suggest that sensemaking is not a passive process, or our results support that managers influence employee reactions to change (e.g., Gioia & Chittipeddi, 1991; Monin et al., 2013; Steigenberger, 2017). Further, we underscore the need for managerial sensemaking and sensegiving in examining organizational change (Gioia & Chittipeddi, 1991), such as an acquisition (Clark et al., 2010), by outlining how top and middle managers play different roles toward human and task integration. Overall, our research suggests that acquisitions are an important area for sensemaking research.

5.2 | Managerial implications

We confirm that acquisitions represent a means for developing economies to gain access to resources and compete on a global stage; however, the success of meeting acquisition goals requires avoiding active employee resistance. Thus, for top managers that face conflict

with a target firm and its managers and employees, our results confirm the importance of organizational justice and behavior consistent with implicit contracts (Cording, Harrison, Hoskisson, & Jonsen, 2014). Further, top managers need to consider middle managers and enable them to help address employee resistance during the acquisition process by involving them in planning longer human integration and giving them clear direction in executing task integration quickly.

While acquisition research has extensively examined potential sources of failure and success, only a handful of acquisition studies have paid explicit attention to unraveling the underlying microfoundations of acquisition outcomes (e.g., Angwin, Paroutis, & Connell, 2015; Friedman, Carmeli, Tishler, & Shimizu, 2016). Further, as noted by Brueller, Carmeli, and Markman (2018), existing knowledge tends to leave processes underlying acquisitions and postacquisition integration unexplored. For example, human resource (HR) concerns are often overlooked to the detriment of acquisition integration (Meglio et al., 2015; Vaara, 2003). Similarly, Bagdadli, Hayton, and Perfido (2014), as well as Weber and Tarba (2010), suggest that acquirers need appropriate HR practices for postmerger integration. Additionally, Graebner et al. (2017) highlight the need of better understanding of postacquisition integration with research opportunities on temporality, decision-making, and practices.

Our study probes agency in acquisition integration and presents an opportunity for acquisition research to examine separate roles at different managerial layers. For example, Teerikangas et al. (2011) demonstrate middle managers contribute to acquisition performance by reducing value leakage and increasing value added. We clarify this insight and demonstrate that fast task integration managed by middle managers reduces employee resistance, while the opposite is true for human integration. We attribute this to political behavior emerging during slower task integration (i.e., Clougherty & Duso, 2011). A similar effect does not appear with greater top management involvement in task integration, making us conclude involvement of top managers is associated with procedural justice (Yang et al., 2013).

5.3 | Limitations and future research

While we balance a heavy Western bias in acquisition research with a sample of managers at Chinese firms, context may influence our results. For example, observations suggest acquirers in developed nations apply a long-term perspective and a more deliberate approach to integration (Kumar, 2009). Still, Khan, Wood, Tarba, Rao-Nicholson, and He (2018) suggest that Chinese expatriate managers tend to view local regulations in a target country as an obstacle to efficiency. The Chinese government also influences acquisitions with through state ownership (Chen & Young, 2010). While government influence likely exists across our sample, we do not control for the level of state ownership. Further, the effects might be different for countries with strong labor protection, as employees do not need to fear dramatic changes (Bauer et al., 2018; Homburg & Bucerius, 2006). The combined implication of limitations associated with our sample is that additional research examining identified relationships needs to test the generalizability of our findings to other contextual or institutional settings.

Research also needs to examine relationships between employee resistance and acquisition performance. It is likely that avoiding active employee resistance is necessary, but active employee support may not be needed for acquisition success, especially if integration is not an acquirer's goal. Improving temporal impacts in acquisitions also requires a better appreciation of processes and an understanding of the extent that tasks can be performed in parallel.

Another opportunity is more closely aligning acquisition research with organizational change (King et al., 2004). For example, Amis et al. (2004) outline a consideration of the pace, sequence and linearity of change can help transform organizations. While we examine the duration (speed) of human and task integration, this stops short of other relevant considerations that are just beginning to be considered by acquisition research. For example, the degree of change also needs to be considered with the time to implement it, and the precedence of human and task integration (Bauer et al., 2016). Additionally, most acquisition research considers an acquisition in isolation, and the pace of acquisitions and other changes in combining organizations is just beginning to be considered (Zorn et al., 2018). Further, our research design is cross-sectional and our analysis stops short of examining the linearity of change and causation. As a result, reciprocal relationships among our study variables are possible (Latack, Kinicki, & Prussia, 1995), or our findings depend on statistical conclusion validity (Sussman & Robertson, 1986). Each of these considerations represents clear opportunities for additional research. In closing, we hope that our ideas lead to additional research on manager effects on employee resistance during acquisition integration.

ACKNOWLEDGMENTS

The authors thank Hui Feng for her help with the double translation of our research survey.

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How to cite this article: King DR, Bauer F, Weng Q, Schriber S, Tarba S. What, when, and who: Manager involvement in predicting employee resistance to acquisition integration. *Hum Resour Manage*. 2020;59:63–81. https://doi.org/10.1002/hrm.21973

APPENDIX A

COMMON METHOD BIAS ANALYSIS

		Substantive factor		Method factor loading	
Construct	Indicator	R1	R^2	R2	$R2^2$
Human integration	HI1	0.849	0.721	0.096	0.009
	HI2	0.868	0.753	0.046	0.002
	HI3	0.892	0.796	–0.149	0.022
Functional integration	FI1	0.731	0.534	0.14	0.020
	FI2	0.971	0.943	–0,18	0.032
	FI3	0.916	0.839	–0.11	0.012
	FI4	0.857	0.734	0.043	0.002
Human integration speed	HID1	1	1.000	0	0.000
Functional integration speed	FID1	0.845	0.714	–0.106	0.011
	FID2	0.98	0.960	0.091	0.008
	FID3	0.926	0.857	–0.033	0.001
	FID4	0.96	0.922	0.05	0.003
Resistance	R1	0.895	0.801	–0.06	0.004
	R2	0.869	0.755	0.048	0.002
	R3	0.916	0.839	0.021	0.000
	R4	0.928	0.861	0.03	0.001
	R5	0.922	0.850	0	0.000
Top management	TM1	1	1.000	0	0.000
Middle management	MM1	1	1.000	0	0.000
Relative size	RS1	1	1.000	0	0.000
Experience	E1	1	1.000	0	0.000
Structure	St1	0.846	0.716	–0.135	0.018
	St2	0.883	0.780	–0.092	0.008
	St3	0.819	0.671	0.158	0.025
	St4	0.873	0.762	0.074	0.005
Decentralized	DD1	1	1.000	0	0.000
Growth post	GP	1	1.000	0	0.000
Growth prior	GPR	1	1.000	0	0.000
Sum			23.809		0.187
Ratio			127		1

APPENDIX B

PSYCHOMETRIC PROPERTIES OF THE SCALES

Construct	Indicators	Loading	Composite reliability/ Cronbach's alpha	Average variance extracted
Human integration	Please indicate the degree to which the following items or areas were integrated (1 [*not at all*]; 7 [*completely*]).		0.932/0.893	0.82
	Organizational structure	0.937		
	Organizational culture	0.918		
	Personnel management practices (human resources)	0.859		
Task integration	Please indicate the degree to which the following items or areas were integrated (1 [*not at all*]; 7 [*completely*]).		0.922/0.890	0.748
	Marketing	0.872		
	Research and Development	0.78		
	Operations	0.913		
	Strategic planning	0.887		
Human integration speed	Please indicate the duration of integration (1 [less than 6 months]; 4 [14–17 months]; 7 [more than 24 months]).			
	Human integration (organizational structure, culture, and human resource)	1	NA	NA
Task integration speed	Please indicate the duration of integration (1 [less than 6 months]; 4 [14–17 months]; 7 [more than 24 months]).		0.961/0.946	0.86
	Marketing	0.922		
	Research and Development	0.911		
	Operations	0.951		
	Strategic planning	0.924		
Resistance	Employees of the target firm		0.958/0.945	0.82
	…were critical about the change	0.915		
	…were critical about the acquirer managers	0.899		
	…supported union activities against the change	0.891		
	…supported actions of colleagues against the change	0.916		
	…complained about the change to superiors	0.908		
Top management	Who was responsible for the execution and coordination of the merger and acquisition (M&A) process?	1	NA	NA
Middle management	Who was responsible for the execution and coordination of the M&A process?	1	NA	NA
Annual sales	Please indicate the annual sales after the acquisition	1	NA	NA
Growth prior	Please indicate the average firm growth in 3 years prior to the acquisition	1	NA	NA
Growth post	Please indicate the average firm growth following the acquisition	1	NA	NA
Decentralized decisions	Decisions were made decentral	1	NA	NA
Relative size	Please compare the annual sales of the target with the acquirer in the last year prior the acquisition	1	NA	NA
Acquisition experience	How many acquisitions has your firm conducted in the last 5 years	1	NA	NA
Organizational structure	The operating management philosophy of the top management is…		0.905/0.877	0.705
	Tight formal control of most operations by means of sophisticated control and information systems versus loose, informal control, heavy dependence on informal relations and norm of co-operation for getting work done	0.914		

Construct	Indicators	Loading	Composite reliability/ Cronbach's alpha	Average variance extracted
	Strong emphasis on always getting personnel to follow the formally laid down procedures versus strong emphasis in getting things done even if this means disregarding formal procedures	0.925		
	Strong insistence on a uniform managerial style throughout the business unit versus managers' operating styles allowed to range freely from the very formal to the very informal	0.705		
	Strong emphasis on getting line and staff personnel to adhere closely to formal job descriptions versus strong tendency to let the requirements of the situation and the individual's personality define proper on-job behavior	0.796		

APPENDIX C

CROSS-LOADINGS

		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Annual sales	*1*	0.0334	0.0446	0.1820	0.2645	0.0347	0.2223	0.1414	0.2988	0.0697	0.2276	−0.1286	0.0920	0.2246
2	Human integration speed	0.0334	*1*	0.7016	0.0024	−0.1056	0.0471	−0.0481	−0.0468	−0.1469	0.1289	−0.1333	0.0612	0.0639	0.1906
3	Functional integration speed 1	0.0144	0.6140	*0.9216*	0.1668	−0.3490	−0.0030	−0.1723	−0.0150	−0.2816	0.1775	−0.2242	0.2188	−0.0577	0.0005
3	Functional integration speed 2	0.0371	0.6976	*0.9114*	0.1022	−0.2086	0.0558	−0.1473	−0.0814	−0.1706	0.1330	−0.1383	0.1847	0.0709	0.1301
3	Functional integration speed 3	0.0400	0.5984	*0.9505*	0.1272	−0.3071	0.0351	−0.2296	−0.0665	−0.2273	0.1941	−0.1386	0.2332	−0.0409	0.0481
3	Functional integration speed 4	0.0777	0.7151	*0.9244*	0.1086	−0.2668	0.0486	−0.1987	−0.0861	−0.2075	0.1731	−0.2138	0.1179	−0.0795	0.1045
4	Experience	0.1820	0.0024	0.1388	*1*	−0.0934	−0.0273	0.1530	0.1066	−0.0525	−0.0435	0.0662	0.1020	−0.0277	0.0973
5	Functional integration 1	0.1808	−0.1261	−0.3173	−0.0911	*0.8725*	0.3032	0.1493	0.1901	0.7094	0.0996	0.1236	−0.0588	0.1683	0.3477
5	Functional integration 2	0.2847	0.0613	−0.1672	−0.0400	*0.7798*	0.2055	−0.0164	0.0485	0.5670	0.2763	0.0601	−0.1123	0.1761	0.2262
5	Functional integration 3	0.2508	−0.1495	−0.2945	−0.0593	*0.9130*	0.1993	0.1335	0.1516	0.7151	0.1532	0.1103	−0.0152	0.2267	0.2667
5	Functional integration 4	0.2401	−0.0745	−0.2534	−0.1189	*0.8874*	0.2015	0.0729	0.1379	0.7220	0.1143	0.0774	−0.1282	0.2190	0.2304
6	Decentralized decisions	0.0347	0.0471	0.0343	−0.0273	0.2663	*1*	0.0654	0.0917	0.2746	0.2368	0.1411	0.1181	0.1880	0.0951
7	Growth post	0.2223	−0.0481	−0.2039	0.1530	0.1156	0.0654	*1*	0.3874	0.1462	−0.0567	0.3014	−0.0388	0.2074	0.1217
8	Growth prior	0.1414	−0.0468	−0.0644	0.1066	0.1658	0.0917	0.3874	*1*	0.1205	0.0367	0.0811	−0.0395	0.0731	0.1134
9	Human integration 1	0.3173	−0.1638	−0.2501	−0.0453	0.7696	0.2782	0.1151	0.1527	*0.9373*	0.1539	0.0719	−0.1815	0.1432	0.3354
9	Human integration 2	0.2618	−0.1622	−0.2462	−0.0477	0.7318	0.1980	0.1306	0.0825	*0.9176*	0.0870	0.0616	−0.1462	0.1933	0.3332
9	Human integration 3	0.2128	−0.0378	−0.1367	−0.0523	0.6303	0.2866	0.1686	0.0806	*0.8594*	0.0278	0.1032	−0.1662	0.1499	0.4006
10	Structure 1	0.0699	0.1953	0.2755	−0.0501	0.0951	0.1983	−0.1243	−0.0424	0.0735	*0.9143*	−0.1283	0.2522	−0.0156	0.0144
10	Structure 2	0.0727	0.1050	0.1524	−0.0348	0.1256	0.2077	−0.0092	0.0273	0.0639	*0.9248*	−0.0710	0.3266	−0.0041	0.0021
10	Structure 3	0.0310	−0.0615	−0.0328	−0.1158	0.2953	0.2552	−0.0320	0.1424	0.2129	*0.7049*	−0.1187	0.1649	−0.0851	0.1202
10	Structure 4	0.0337	0.0366	0.0321	0.0218	0.2212	0.2073	0.0250	0.1536	0.1540	*0.7960*	−0.0392	0.1896	−0.0552	0.1496
11	Relative size	0.2276	−0.1333	−0.1950	0.0662	0.1128	0.1411	0.3014	0.0811	0.0827	−0.1045	*1*	−0.0343	0.1341	−0.0022
12	Resistance 1	−0.1144	0.0566	0.2116	0.1186	−0.1006	0.0680	−0.0175	−0.0022	−0.1993	0.2228	−0.0491	*0.9147*	−0.1457	−0.0826
12	Resistance 2	−0.1042	0.0538	0.1779	0.1277	−0.1458	0.0769	−0.0198	−0.0251	−0.2089	0.2179	−0.0403	*0.8986*	−0.2207	−0.1620
12	Resistance 3	−0.0965	0.0961	0.2406	0.0389	−0.0091	0.1683	−0.0638	−0.0388	−0.0826	0.3420	−0.0529	*0.8910*	−0.0764	0.0142
12	Resistance 4	−0.1010	0.0453	0.1926	0.0602	−0.0689	0.0874	−0.0641	−0.0580	−0.1304	0.2950	−0.0312	*0.9159*	−0.1382	−0.0730
12	Resistance 5	−0.1641	0.0255	0.1128	0.1143	−0.0491	0.1327	−0.0124	−0.0555	−0.1951	0.2633	0.0170	*0.9084*	−0.1219	−0.1964
13	Responsibilities_1	0.0920	0.0639	−0.0349	−0.0277	0.2279	0.1880	0.2074	0.0731	0.1791	−0.0279	0.1341	−0.1548	*1*	0.2084
14	Responsibilities_2	0.2246	0.1906	0.0700	0.0973	0.3162	0.0951	0.1217	0.1134	0.3835	0.0484	−0.0022	−0.1110	0.2084	*1*

Note: By looking at the cross-loading, the factor loading indicators on the assigned construct have to be higher than all loading of other constructs with condition that the cut-off value of factor loading is higher than 0.70 (Ab Hamid, Sami, & Sidek, 2017).

APPENDIX D

FORNELL–LARCKER CRITERIA

		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Human integration speed	*1*													
2	Functional integration speed	0.7016	*0.9271*												
3	Human integration	−0.1469	−0.2438	*0.9053*											
4	Middle managers	0.1906	0.0700	0.3835	*1*										
5	Resistance	0.0612	0.2061	−0.1807	−0.1110	*0.9058*									
6	Functional integration	−0.1056	−0.3116	0.7931	0.3162	−0.0822	*0.8646*								
7	Top management	0.0639	−0.0349	0.1791	0.2084	−0.1548	0.2279	*1*							
8	Annual sales	0.0334	0.0446	0.2988	0.2246	−0.1286	0.2645	0.0920	*1*						
9	Decentralized decisions	0.0471	0.0343	0.2746	0.0951	0.1181	0.2663	0.1880	0.0347	*1*					
10	Experience	0.0024	0.1388	−0.0525	0.0973	0.1020	−0.0934	−0.0277	0.1820	−0.0273	*1*				
11	Growth post	−0.0481	−0.2039	0.1462	0.1217	−0.0388	0.1156	0.2074	0.2223	0.0654	0.1530	*1*			
12	Growth prior	−0.0468	−0.0644	0.1205	0.1134	−0.0395	0.1658	0.0731	0.1414	0.0917	0.1066	0.3874	*1*		
13	Relative size	−0.1333	−0.1950	0.0827	−0.0022	−0.0343	0.1128	0.1341	0.2276	0.1411	0.0662	0.3014	0.0811	*1*	
14	Structure	0.1289	0.1853	0.1095	0.0484	0.2958	0.1652	−0.0279	0.0697	0.2368	−0.0435	−0.0567	0.0367	−0.1045	*0.8399*

Note: This method compares the square root of the average variance extracted (AVE) with the correlation of latent constructs. A latent construct should explain better the variance of its own indicator rather than the variance of other latent constructs. Therefore, the square root of each construct's AVE should have a greater value than the correlations with other latent construct" (Ab Hamid et al., 2017).