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MASTER THESIS

POKYČIŲ VALDYMO DINAMIKA SUJUNGIMO IR ĮSIGIJIMO PROCESŲ METU	THE DYNAMICS OF CHANGE MANAGEMENT DURING MERGER AND ACQUISITION PROCESSES

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INTRODUCTION

Mergers and acquisitions (M&As) are a cornerstone of modern organizational strategy, driving growth, market expansion, and innovation. Some integration challenges in mergers and acquisitions are of considerable magnitude, mostly at the point of integration regarding leadership communication, employee engagement, and cultural integration that otherwise could result in failure. There is an enhanced need to comprehend and resolve these issues as mergers and acquisitions become unavoidable occurrences within the contemporary highly globalized and competitive environments. This explanation is based on research concerning change management dynamics during M&A concerning what types of leadership styles, communication strategies, and level of employee involvement led to success or failure in the process of organizational integration. It is impossible to speak of success and sustainability without bringing M&A integration into the picture of an organization. Many mergers do not realize their strategic intentions because of challenges tied to integration, such as clashing cultures or poorly aligned decisions from the leadership. Therefore, there is a necessity for both managers and workers to understand the things that have success rates in M&As, as these provide actionable insights into how they may improve the process of integration. **This research aims to bridge this gap** by examining how leadership and communication affect employee engagement and resistance and, by that, the process of integration. **This research also examines how leadership and communication strategies foster trust and alignment during the process of cultural integration.**

The level of exploration of the topic reveals that, from a theoretical perspective, merging two separate organizations through an acquisition poses a complicated challenge that has been researched intensively. Even though much has been said about the financial dimensions of M&As in terms of profitability, and cost reductions, there still exists a **gap as to how leadership communication, and the cultural aspects** of an organization merger during the real process of organizational change. Past research explored individual variables like leadership styles or communication and paid limited attention to interaction between these components and their collective impact on M&A outcomes. This research takes the mandate to attempt to bridge this gap by exploring **how intertwining leadership communication strategies, and employee engagement can mold the outcomes of an M&A process.**

The novelty of the master thesis lies in its originality due to its empirical nature. Although there is quite a substantial theoretical base in the related literature, this one has to offer first-hand obtained pieces of information, gathered by conducting **qualitative research** through **interviewing** senior leaders and employees of two companies in the process of merging. By combining **primary and secondary data**, the study was able to provide a practical view of M&A integration challenges and dynamics. The **results supported the theory** related to organizational change during mergers and added some practical advice on how to improve leadership and communication strategies during the process of integration.

The central problem of this thesis is: How do leadership styles and communication strategies influence employee engagement, resistance, and the success of cultural integration during M&As? The research seeks to answer the questions: How do leadership styles impact employee engagement and resistance during M&As? How do communication strategies affect employee engagement and the success of cultural integration during M&As? How does the integration of organizational cultures impact overall success in M&As? In so doing, this study answers the problem questions in the interests of building a bridge between theory and practice, giving actionable insights to managers, and contributing to the academic literature on M&A integration.

The aim of this thesis is to investigate and demonstrate how leadership styles, communication strategies collectively shape the success of M&A cultural integration, to establish which factors are most influential with regard to employee engagement and resistance and to recommend to managers how engagement levels can be enhanced and resistance mitigated during organizational change. This aim is achieved through a systematic investigation of real-world case studies, enabling the development of evidence-based recommendations for improving integration practices.

To attain the stated aim, the thesis has the **following objectives**. These include firstly systematizing and analyzing existing literature on leadership, communication, and cultural integration in M&As. Secondly, developing a theoretical framework to understand the dynamics of leadership and communication during integration. Thirdly, collecting and analyzing qualitative data from case studies using thematic analysis. Lastly, formulating practical recommendations based on the findings to provide actionable insights for managers and policymakers.

The methods deployed by the master thesis involve a **qualitative methodology approach** with the focus on case studies of two organizations undergoing M&A integration processes. Data was collected through semi-structured interviews with senior leaders and employees to tap their experiences and views on the challenges of integration. **The data** from these interviews will be analyzed through

thematic analysis to unveil common patterns and themes concerning leadership, communication, employee engagement, and cultural integration. The use of qualitative methods is appropriate because it enables detailed insight into complex human and organizational behaviors, perspectives typically missed in studies based on quantitative research.

The structure of the thesis is organized in a coherent and clear manner. The introduction outlines the study's relevance, problem statement, objectives, and methodology. Subsequent chapters systematically address theoretical foundations, research methods, empirical findings, and their implications. The methodology chapter covers how the research was done, embracing the case study approach, along with data collection methods and application of thematic analysis. The empirical results chapter deals with the findings of the case study, elaborating on what was learned about leadership and communication strategies during integration. The data are then discussed in relation to existing literature and the theoretical and practical implications. The final paragraph includes summarizing the contributions of the study, its limitations, and a few suggestions for future research and practice.

By focusing on qualitative case studies and thematic analysis, this thesis provides a comprehensive examination of the human and cultural dynamics critical to successful M&A integration. It offers a valuable contribution to both academia and practice, advancing the understanding of leadership and communication strategies in one of the most challenging phases of organizational change.

1. THEORETICAL BACKGROUND OF MERGERS AND ACQUISITIONS

1.1. Overview of mergers and acquisitions

Mergers and acquisitions (M&As) stand out as big-league players in the worldwide business stage- events that bring about significant changes for the participating entities. Not only do these strategic ballets redefine who leads what market, but they also act as signposts of the wider economic, technological, and regulatory dynamics shifts underway. At their heart, M&As seek to boost competitiveness and streamline operations- a place where two corporate culturesmeet, both as rivals and partners, teeming with opportunities yet riddled with challenges fit for a labyrinth. The quest in this subchapter is to untangle this rich tapestry surrounding M&As, from a historical antecedence down to why organizations even dare take this path. This subchapter will note how these decisions send shockwaves through shareholders before even hitting the competitive dynamics of the landscape.

The landscape of international business is frequently changing by the tactical moves of mergers and acquisitions (M&As), scenes that serve as crucial milestones in the financial and advancing dynamics of companies (González-Torres et al., 2020). M&As are not only transactions, but they are also notable events that can reinvent markets, create giants, and indicate economic dynamics (Ray, K. G., 2023). Bread in the bone of corporate development, the idea of M&As has its own transformation, which was influenced by various regulatory conditions, advancement of technology, and strategic management patterns (González-Torres et al., 2020). In order to analyse dynamics of M&As, it is of great importance to understand the basic constructs of it. A merger typically talks about the combination of two companies to create a new organizational dynamic (Teerikangas and Colman, 2020). While doing it companies often target extended market penetration, improved combined operational efficiency and increased economy of scales. On the other hand, an acquisition mostly entails one company's possessionof another organization. It can be seen when the purchaser takes over control of the obtained firm leading to increased value for shareholders and broadening the portfolio (Teerikangas and Colman, 2020).

The roots of M&As can be dated back to the late 19th and early 20th centuries, characterized by the Great Merger Movement in the United States of America (Cabral, 2021). From that point forward, M&As have developed through different phases, each defined by unique dynamics, including post-war economic circumstances, regulatory relaxation measures, technological innovations, and globalizations.

These phases of M&As have formed and been formed by various social, economic and political dynamic, showing the complex interaction between business tactics and outside conditions (Feldman and Hernandez, 2022).

In today's world, M&As persist to be impacted by changing variables such as technological inventions, changes in consumer behaviour, and political instabilities. The tactical reasoning behind M&As today is diverse, incorporating ambitions for growth, competitive positioning, acquiring various capabilities, and diversification goals (Top-Oweh, 2019). In addition, the worldwide nature of modern business resulted in an increase in cross- border mergers and acquisitions, displaying distinctive challenges and opportunities for companies who seek to grow their geographic presence and tactical competencies (Borodin et al., 2020). Before starting the investigation of mergers and acquisitions, it is of great importance to acknowledge that M&As is not just economic transactions, it is a revolutionary force that bear the potential to modify the competitive landscape of business, adjust the definition of dominance within the market, and create additional value for stakeholders (Johanna et al., 2021).

Mergers and acquisitions date back to the late 19th century. As shown in Table1, the First Wave (1897-1904) witnessed the birth of monopolies and oligopolies in what is now known as the Great Merger Movement. America was swept into a wave where major giants like Standard Oil and U.S. Steel came into being by swallowing smaller companies, leading to an era dominated by large monopolistic corporations (Alexandridis et al., 2019). The dynamics of this period showcased the creation of corporate giants and market consolidation. The Second Wave (1916-1929) ushered in conglomerates seeking diversification rather than size through acquisitions (Gaughan, 2015), reflecting shifting dynamics in corporate strategy. The Third Wave (1965-1989) saw conglomerates aiming at diversified management and financial issues due to deregulation from industries including antitrust laws. This gave birth to leverage buyouts plus hostile takeovers as a result of growth in those specific areas because they were not under much control after deregulation had occurred, subsequently leading to evolving dynamics (Alexandridis et al., 2019). The global scenario of mergers and acquisitions have been significantly shaped by the rise of the internet along with deregulation in telecommunications and banking sectors, which brought about M&A booms globally (Yang and Hyland, 2018). The Fourth Wave (1981-2000) was an era of colossal and mega mergers that swept across all sectors, sparked by the flames of globalization and competition for dominion over markets. It witnessed the birth of cross-border mergers and acquisitions as companies endeavoured to make their reach international in a quest for expansion introduced globally, shaping new dynamics (Martynova and Renneboog, 2008). Today's era, known as Fifth and Subsequent Waves (from 2001 onwards), witnesses mega-mergers happening like private equity transactions, coupled with strategic M&A, driven by factors such as technological advancements or shifts in economic power like fallout from new markets borne post 2008 financial crisis, drive these deals further (Kengelbach et al., 2020).

Table 1

M&A waves

	Wave	Years	Characteristics	Key factors
1.	First Wave	1897-1904	Birth of monopolies and oligopolies.	Monopolistic corporations dominate the era.
2.	Second Wave	1916-1929	Rise of conglomerates. Seeking diversification through acquisitions.	Diversification rather than size.
3.	Third Wave	1965-1989	Conglomerates focused on diversified management and financial issues. Emergence of leverage buyouts and hostile takeovers.	Deregulation, leverage buyouts, and hostile takeovers.
4.	Fourth Wave	1981-2000	Large and mega mergers across industriesdriven by globalization and pursuit of market share. Emergence of cross-border mergers and acquisitions.	Globalization and expansion of operations internationally.
5.	Fifth Wave	2001 onwards	Mega-mergers as private equity transactions and strategic M&A driven by technological advancements and economicshifts post-2008 financial crisis.	Technological advancements, economic shifts, and fallout from new markets post-2008 financial crisis.

Source: This table was created by the author using information from Alexandridis et al. (2019), Gaughan (2015) and Yang and Hyland (2018).

Throughout the years, the evolution of mergers and acquisitions strategies has been driven by changes in technology, regulations, and economy which is a clear reflection of howthese practices have metamorphosed over history (Cartwright and Schoenberg, 2020). Such an evolution underscores the strategic value and adaptability of M&As, capable of fostering competitive advantage and sustaining growth amidst dynamic business terrains that require innovation in their own right.

1.1.1. Importance of change management in M&A

Change management within the context of mergers and acquisitions is pivotal for smoothing the transition process. It builds ground to ensuring operational continuity, and maximizing the value generated from the M&A (Stahl and Voigt, 2005). The complexities involved in M&As require meticulous planning and robust change management strategies to address the multifaceted challenges that arise during and after the integration.

Navigating through the convergence of corporate cultures is just one element in mergers and acquisitions, which already are very intricate landscapes that have different stakeholder expectations (King et al., 2020). There is also a need to merge operational components between two different entities. M&As typically bring together two organizations' systems, processes, and technologies. This convergence frequently results in inefficiencies (an indication of the drastic operational changes) that underscore why effective change management is critically essential (Zollo and Meier, 2020).

Organizations can ensure their workflow is not only tied to the systems but also effective by ensuring it responds to any upcoming or ongoing changes within the organization. This way, they do not work against the current and instead capitalize on what could be beneficial (Risberg et al., 2021). Business continuity strategies play a key role as well. Driving through complexities calls for collaboration between different departments, addressing resistance towards new changes with open arms and being ready to adapt to a new culture where everyone feels accommodated (Weber et al., 2020).

In addition, proper communication and stakeholder involvement play a major role in bringing confidence among staff, clients and shareholders during the integration process (Kavanagh and Ashkanasy, 2021). It is essential to establish trustful communication channels, which will create changes tailored towards eliciting trust as well as allaying fears and creatinga sense of collective purpose.

Ultimately, the realization of synergies (the primary motivation behind many M&As) hinges on meticulous planning, execution, and follow-up. Change management serves as the catalyst for unlocking the full potential of synergistic benefits, ensuring that operational integration initiatives align with strategic objectives and drive sustained value creation in the post-merger landscape (Graebner et al., 2021).

It is essential to grasp and skillfully utilize well-known management theories if one intends to uplift the success likelihood of mergers and acquisitions (M&A). These frameworks serve as organized pathways to deal with the diverse challenges that surface from changes on a human, cultural, and operational level, an inherent part of M&A deals.

Table 2

Adaptation of change management models in M&A

Aspect	Lewin's Model	Kotter's Model	McKinsey 7-S Framework
Strengths	Structured process: unfreeze, change, refreeze.	Detailed steps focusingon strategy and people.	Aligns seven key elementsof organization.
Limitations in M&A	Too linear for dynamic M&A needs.	Can be too hierarchicalfor complex M&As.	Initially static, needs more flexibility.
Adaptations needed	Add continuous feedback and adaptability.	Promote inclusive decision-making, emotional intelligence.	Implement continuous improvement, use digital tools.
Application in M&A	Identify and manage change forces.	Involve all employees, unify teams.	Use real-time data and analytics.
Key focus	Flexibility and responsiveness.	Empowerment and motivation.	Ongoing alignment and efficiency.

Source: This table was created by the author using information from Lewin (1951), Kotter (1995) and Al-Ali, N. (2017).

Kurt Lewin's model is famous for its simplicity, but it has a big impact on change management. As depicted in Table 2 above, it involves three stages: unfreezing, change, and refreezing (Lewin, 1951). This progression highlights the dynamics of organizational adaptation during the process of transformation. Unfreezing is where the organization is prepared for change- awareness of the need for change is created and old mindsets are thawed out. Change introduces new ideas plus new ways of doing things, these changes need to be solidified in the final stage, refreezing, to ensure lasting transformation (Cummings et al., 2016). Although developed in the 1940s, Lewin's model has continued to be influential among many other modern theories. The reason for that is that it underscores the importance of addressing transitions holistically (Levasseur, 2001). However, critics argue that Lewin's model assumesstability and is only suitable for small-scale changes (Burnes, 2004). On the other hand, Lewin's comprehensive approach, constituting "Field Theory", "Group Dynamics", and "Action Research", offers a more holistic basis of understanding change at several levels and describes change as very iterative and complex (Burnes, 2004).

Leading change according to John Kotter provides some of the additional details regarding navigating complex scenarios of change. This is of extreme usefulness, particularly in M&A contexts. It starts with creating a sense of urgency and moves on to forming a powerful coalition that can guide this effort. The development of the vision and the communication of this vision ensure that the change is understood and embraced within the organization. Kotter strongly focuses on empowering broad-based action and then generating short-term wins which will lead to the consolidation of gains for more change (Kotter, 1995). Finally, to anchor new changes into the culture would make the change look permanent and stable. This model, introduced in the late 1990s, extends Lewin's three-stage concept by adding layers that address leadership engagement and the sustainability of change dynamics (Pollack and Pollack, 2015). Kotter’s model has been praised for its focus on strategic and human elements of change but criticized for being too linear and hierarchical. To adapt this model for M&As, organizations could foster a culture of inclusive decision-making and decentralized leadership to enhance employee buy-in and reduce resistance (Appelbaum et al., 2015).

The McKinsey 7-S framework, which came into existence during the 1980s, provides a holistic way of looking at organizational effectiveness and changing dynamics management. It brings out the interrelationships between seven different elements: strategy, structure, systems, shared values, skills, style and staff (Waterman et al., 1980). In M&As this model holds special value because it makes sure all aspects of an organization are aligned - a necessary condition when bringing together two distinct entities (Singh, 2013). The 7-S model helps in identifying issues within the organizations and being able to ensure that organizations are structured well for proper functionality makes it indeed an invaluable approach for dealing with the intricacies involved during M&A integration (Ravanfar, 2015). However, the McKinsey 7-S framework has been criticized for its static conception. The reason behind it lies as it limits its applicability in dynamic environments. To enhance the effectiveness of McKinsey’s model in M&As, it should incorporate continuous evaluations and adjustments, while ensuring it remains adaptable and responsive to ongoing changes (Al-Ali, 2017).

These theoretical frameworks play a dual role. They help to make the change management process clearer, and consequently more possible to be practiced effectively by organizations in their business setups, particularly during M&As (Appelbaum et al., 2015). The wide use of these models across different business situations and their success has shown that they are adaptable and workable models. For instance, Lewin’s model has demonstrated its applicability in small operational changes through simple adjustments as well as large strategic shifts involving rebranding of the organization, while Kotter's model is effective fortechnology adoption alongside corporate restructuring efforts, on the other hand, 7-S Framework guides international mergers with specifics around organizational culture after which redesigns can be made (Mitchell, 2013).

The contribution of these theories to academic and practical realms of change management is substantial. They have provided structured methodologies that have been empirically tested and widely adopted in diverse industries across the globe. Furthermore, these frameworks have spurred numerous scholarly debates and research endeavours aimed at refining strategies to better fit modern organizational needs, including those presented byM&As (Mitchell, 2013).

To sum up, grasping the roles of these change management theories and adopting their methodical approaches have a major impact on M&A success rates. Not only do they provide a theoretical basis for academic discussions, but they also offer practical frameworks that help organizations navigate through the complexities of mergers and acquisitions (Cameron and Green, 2019). This ensures the achievement of effective integration in M&A, stakeholder satisfaction, and realization of intended synergies. Moreover, this firm footing on theory paves way for a deeper exploration into specific change management models to be later discussed in subsequent subchapters, particularly how they find application within dynamic business environments arising out of M&A.

1.1.2. Adaptation of change management models in dynamic M&A environments

Change management during mergers and acquisitions presents unique complexities, requiring the adaptation of traditional change management models to suit the dynamic nature of M&A environments. This section focuses on how foundational models can be modified tobetter address the real-world challenges of merging distinct organizational cultures andoperational systems.

Lewin's model presents a good structural guide for the change that is to take place within an organization (Burnes, 2004). But it does not meet the requirements of modern M&A processes since these are not always direct and definite due to their linear progression- unfreezing, change, and refreezing. In today's M&A environment where adaptability and responsiveness rank highest among success factors, this model should be supplemented by continuous feedback introduced at each stage (Harding and Rovit, 2020). As an example, during the change process, the feedback before moving to the refreezing stage can inform adjustments. This phase ensures that the changes are resilient and relevant, hence reflecting the ongoing insights that were gained during the process of integration (Cummings et al., 2016). In addition, Lewin's "Field Theory" emphasizes understanding the totality and complexity of the environment where change occurs. By integrating it can provide deeper insights into the forces impacting M&A processes. This approach helps in mapping out the driving and restraining forces within the organizational field, allowing for more targeted and effective interventions (Burnes, 2004).

Kotter's model is a highly strategic and human approach, thus it has significant applicability to M&A (Kotter, 2014). Yet straightforward implementation may not be enough due to the intricate nature of M&As. Therefore, it might be beneficial for the further development of this model that would help promote even more a culture where everyone is involved in decision-making and create a decentralized organization. When every employee is empowered irrespective of their position to take part in the change process, it allows the modelto make greater buy-in and weaker resistance (Appelbaum et al., 2015). Moreover, going beyond Kotter's hierarchical steps by bringing together teams from different parts of both organizations, with varying corporate cultures, towards a common goal could otherwise be unifying their approach post integration for synergy realization (Hiatt, 2006). Kotter's model can be refined even further. While incorporating elements of emotional intelligence and transformational leadership human aspects can be addressed more comprehensively. This involves training leaders to recognize and manage emotions, build trust, and inspire and motivate employees, thus facilitating smoother transitions during M&As (Goleman, 1998).

The McKinsey 7-S framework is critical in ensuring that different parts of an organization work together (Ravanfar, 2015). On the other hand, its original model was conceived statically, which sometimes narrows its applicability when operating within a dynamic M&A environment. But what is needed to make this model work is a revision done more freely without being bound by any prescribed procedures (Al-Ali, 2017). By promptly addressing new signals or alterations McKinsey’s approach ensures compatibility and efficiency (Thompson and Strickland, 2018). Furthermore, to keep the 7-S framework dynamic and responsive it is of great importance to integrate continuous improvement principles. Regular feedback loops and iterative adjustments that are based on real-time data and employee input can significantly enhance alignment and effectiveness throughout the M&A process. In order to get real-time insights into various organizational elements it is important to incorporate modern digital tools and analytics. It helps to identify misalignments early and allows for proactive adjustments. Leveraging big data and AI-driven analytics can improve decision-making, predict potential integration challenges, and finally enhance overall strategic alignment (Davenport & Harris, 2017).

Practical literature pertains to Hiatt's (2006) ADKAR model as an in-depth look at the actual forces surrounding change in mergers and acquisitions. It highlights actionable strategies toward managing resistance and increasing employee engagement through the integration process. Unlike purely theoretical models, practical approaches more closely engage with the kinds of complexities organizations face in this time of rapid change and provide hands-on methods toward achieving successful transitions. The five stages of the ADKAR model- awareness, desire, knowledge, ability, and reinforcement. This model emphasizes the critical aspects of human change at each point. In this way, for example, building awareness about the need for change and creating a desire for collaboration can align employee motivations with the strategic goals of a merger. Long-term success is supported by more specific elements such as knowledge-sharing platforms and on-the-job training that facilitate quick adaptation, while continuous reinforcement mechanisms are put in place. A blend of this kind is illustrated here in this research through both academic as well as practical perspectives on the dynamics of M&As.

It is through a critical evaluation plus adjustment of these typical models of change management that organizations are able to deal better with the inherent complexities in M&As (Marks and Mirvis 2011). The modifications take care not only of the integration of technologies and processes but also place a significant emphasis on cultural compatibility and involvement of employees. These active strategies in change management play an essential role in ensuring success during the integration of merged entities which should eventually benefit from the desired outcomes of M&As (Weber and Tarba 2012).

In order for change management strategies to be effective they should be based on the theoretical frameworks in the success of M&A activities. Kurt Lewin's model is simple yet suggests an adaptable framework for managing change. John Kotter's model focuses on strategic and human components while presenting a detailed path for leading intricate changes. Last but not least, the McKinsey 7-S framework comes with a seven-step formula to show holistic organizational alignment. The inadequacies of traditional models seem to require some sort of revision in the context of the highly dynamic and complicated organizational settings within which mergers and acquisitions usually take place. This would mean sensitivity to continuously integrated feedback mechanisms, enabling inclusivity in decision-making, applying emotional intelligence together with transformational leadership, and adoption of advanced digital tools and analytics. This would make the organization better placed to help their clients navigate the complexities of an M&A, ensuring integration and realignment of synergies.

From the author’s perspective, while Lewin’s model provides the base level of structure for managing change, its progression is too linear to be flexible in fast-moving M&A contexts. Likewise, Kotter’s model may place too much emphasis on strategic steps and might need an overview that better integrates the intricacies of cultural integration. Practical models like Hiatt’s ADKAR, which concentrate on individual-level change, bring relevant knowledge into the conversation. These newer approaches add to the traditional frameworks to make up a complete toolkit in meeting the manifold challenges of M&A integration.

1.1.3. Organizational culture, change and communication during integration

Cultural integration presents formidable challenges in M&As and is often cited as aprimary reason for the failure to realize anticipated synergies. The merging of disparate organizational cultures can lead to significant conflicts, employee dissatisfaction, and even derail the entire integration effort. In addition, effective strategies for cultural alignment often involve conducting detailed cultural diagnostics (Weber et al., 2014). These approaches allowfor the proactive planning of communication and integration strategies that respect and mergethe unique values and practices of both entities. Therefore, leadership plays vital role in thisprocess. It sets the tone for integration and ensures a commitment to fostering a unified culture. Although there is an abundance of articles about the significance of cultural assimilation, the lack of appropriate systems for monitoring and measuring this aspect in the course of M&A is a good indicator. This research opens up additional areas to delve into, which can be targeted towards developing more advanced and innovative metrics and tools onthe go. Being able to evaluate real-time cultural alignment, these findings can arm firms with

valuable takeaways allowing them to adjust their integration strategies on the fly (Teerikangas and Very, 2020).

The task of merging two or more organizations into one entity is a very complicated process and therefore, integration models can be used as detailed maps to help navigate the complexity of this operation. As shown in Table 3, these models vary in structure from those that are highly structured, providing details on every step of the integration process, to adaptive models capable of responding to any unexpected challenges or opportunities (Finkelstein and Haleblian 2020). Prescriptive models take a phased approach to due diligence and integration planning with an eye toward strategic alignment between what each party brings and what they can do. However, the lack of flexibility may not be suitable for dynamic M&A situations. On the other hand, agile integration models promote flexibility and responsiveness by making adjustments throughout the course based on feedback obtained in real-time under changing conditions, an approach better suited for today's rapidly evolving business environment (Tarba et al., 2021).

Table 3

Prescriptive and agile integration models

Feature	**Prescriptive integration models**	**Agile integration models**
Structure	Highly structured, detailed steps	Flexible and adaptive
Approach	Systematic approach to duediligence and integration	Continuous adjustments based onreal-time feedback
Flexibility	Low flexibility	High flexibility
Real-time adjustments	Limited	Extensive
Strategic alignment	Focus on strategic alignmentbetween different entities	Adaptability to changing conditions
Application	Suitable for stable environments	Suitable for dynamic and rapidly evolving environments
Application	Provides strategic alignment and clear roadmap	Promotes flexibility and responsiveness
Drawbacks	Promotes flexibility and responsiveness	Can be less predictable and more complex to manage

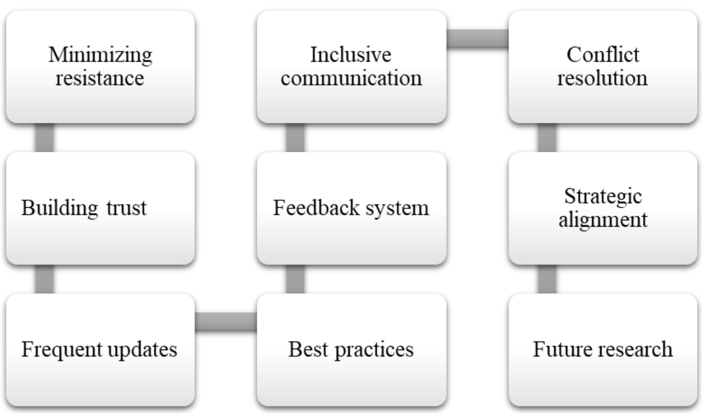
Source: This table was created by the author using information from Finkelstein and Haleblian (2020) and Tarba et al. (2021)

The achievement of M&A integrations is based on a number of critical issues among which strategic alignment stands at the forefront, ensuring that the merged entities have goalsaligned to market positioning, and growth strategies. The integration will be effective when a proactive cultural assessment is taken and when strategies that promote the common culture are implemented as well as resources allocated properly, such as capital, technology, human resources (Stahl and Voigt, 2020). Moreover, including structured change managementpractices throughout the integration process fosters transition without breaking down any disruption.

Communication is said to be as good as gold in M&A success. As Figure 1 showcases,there are various aspects of effective communication in M&A integration. It plays the pivotal part of helping the resistance to be minimized and all the parties informed, involved and supported of what is going on through the integration process. Trust among employees and other stakeholders who take part in or are affected by integration can be built by hearing about what they stand to benefit or lose through knowing the goals, processes, and expected outcomes of the integration (Schweizer and Patzelt, 2020). Also, the frequent updates during this period would help control demand while, on one hand, getting rid of unknowns (which might lead to resistance) (Tarba et al., 2021).

Figure 1

Key aspects of effective communication in M&A integration



Source: This figure was created by the author using information from Schweizer and Patzelt (2020) and Bijlsma et al. (2021).

An important aspect that can enhance the effectiveness of M&A integrations is developing and implementing best practices in communication (Bijlsma et al., 2021). Utilization of a variety of communication channels such as newsletters, meetings, intranet updates make sure that messages reach all parts of the organization. In addition, it is vital to establish a system for feedback as it allows employees and other stakeholders to express various concerns and suggestions (Stahl and Mendenhall, 2022). The response can be invaluable for addressing issues before they escalate any further. Therefore, to reach a more cooperative atmosphere it is important to tailor communication in a way it is inclusive and considerate of the diverse perspectives within the merged entities (Meyer and Altenborg, 2021).

In addition to the above description, let's delve into another element of effective integration: communication. Its impact on every part of the process cannot be understated. It starts with the very announcement of a merger or acquisition, transitions through what might be a turbulent period during integration and extends into the stabilization of the new entity in the long run (Jemison and Sitkin, 2021). Effective communication doesn't just disseminate information but acts as a force for unity and motivation, it can address differences in corporatecultures, realign operational practices and even paint a shared picture of tomorrow's vision.

On another note, communication itself can be used strategically as a conflict resolution tool especially when we expect conflicts between different teams coming together as one entity due to mergers (Bijlsma-Frankema et al., 2021). With their differing opinions on various issues that need to be addressed post-merger, using negotiation plus mediation, and facilitated discussions (among other consensus-building strategies) is instrumental in helping resolve these impasses amicably.

Despite the vast coverage on the significance of strategic alignment and communication in M&A integration, there still exists an unaddressed void in literature that should have tackled the comparison effectiveness of different integration models under differing situational contexts. The future research could center upon creating a situation framework that would direct the choice of integration models with respect to specific features of the merger like industry type, size of entities and market conditions among others (Hoebarth and Kaske, 2021). Additionally, in order to reach a deeper insight into the dynamics of successful integration it is of great importance to explore the long-term impacts of communication strategies on employee morale and retention post M&A process.

1.2. Leadership and human aspects in M&A

Much of the responsibility for success in mergers and acquisitions lies with the top leader, who must, above all, guide the complicated and often chaotic changes that typically ensue following any such deal. While M&A processes will always remain somewhat uncertain, leadership in M&A will be required to take their organizations towards the desired end state. Emotive leaders are those who will shape and drive change by provoking follower commitment toward the necessary new behaviors. They needed to make integration happen by instilling a sense of urgency within the organization, as well as goad employees to understand the need for the change and meaningfully participate in the integration process. By describing a picture of the future, leaders provide a source of belief and a feeling of bonding in a future state (Kotter, 1995). Transformational, transactional, supportive, collaborative, decentralized, and innovative leadership has a significant influence on M&A outcomes. Each has its own merits in terms of style- combining different dimensions of the M&A process (Appelbaum et al., 2015).

Transformational leaders are very effective in making M&As an energizing and exciting scenario. Sternly looking into vision and change, this type can rally employees around a common purpose and facilitate the cultural and organizational shifts that often accompany M&A. Transformational leadership brings in excitement and a feeling of possibilities, hence, the employees are tempted to see how such an uncertain situation of M&A can benefit the company (Cartwright and Cooper, 2009). These leaders will be good at pinning the shared long-term vision of the merged entity and all individual goals that directly align with organizational aims in moving forward with acceleration.

On the contrary, transactional leaders typically excel at very early stages in M&A by stabilizing the organization. Their ability to maintain day-to-day operations with clear structures and defined roles is critical during periods of high uncertainty. Employee expectations can be communicated well and good outcomes related to specific results made available to them to drive some semblance of order and reduce stress as companies are being integrated. While transactional leadership may not be such an effective driver of long-term cultural change, it is critical to have the organization function well in the interim period of change (Jemison & Sitkin, 2021).

Another leadership style that works well in M&A contexts is called supportive leadership. Supportive leaders are more concerned with giving emotional and concrete support to employees to help them manage the stress and anxiety often brought about by any form of organizational change (Luthans, 2002). When there is disruption, they can help provide a structure of safety where the employees feel heard and valued, and this can go a long way to boost morale and engagement. Their capacity to instill trust and offer reassurance is what is needed to get work done in times of change.

Highly significant collaboration leadership proves M&A success. It is a style of leadership that entails working together in decision-making, sharing information, and consultation. Hence, leadership will have to collaborate between themselves, teams, and departments while dealing with such a diverse and immense set of challenges in the environment of a merger-acquisition more than ever. Collaborative leaders would have an open conversation with cross-functional cooperation that would eventually align all stakeholders and their efforts toward common objectives (Huxham and Vangen, 2005). This could break down the silos and help in reducing the resistance, leading to the change with a sense of ownership and accountability across the organization.

Decentralized leadership is one that permits decision-making to some of the lowest levels within an establishment, would prove particularly valuable during the process of integration. Decentralized leaders in times of uncertainty can provide complete freedom to the workforce at any other level for decision making and taking up certain assigned responsibilities. This may again make the organization more agile and adaptive (Harris and Moran, 1996). At the level of operation where real-time decisions are involved, since employees have to wait for approval from higher authorities, decentralization can bring full-fledged trust and empowerment. Decentralized leadership would also make people feel trusted and granted power, thus increasing general morale and cooperation during an integration process.

Last but not least, proactive leadership will always be a force multiplier for success in M&A. Leaders with the ability to lead from the front, embrace innovation, and promote a culture of creative problem-solving would later be sensitized to see newer opportunities and further are in a better position to drive value in a merged/ acquired entity. Leaders with an eye on innovation promote a workplace where they can continuously develop their potential by working outside the boundaries of conventions and therefore can later make sure the change is institutionalized and not only brought in M&A integration to survive but to lead in its sector (Bass and Riggio, 2006).

The mergers and acquisitions process has a lot of uncertainty. The leadership has to be adaptive and resilient. This will mean that a leader, working without complete data under many unknown moving variables, can still infuse confidence and a sense of clear direction that is needed to lead an organization through transformation. Effective decision-making during M&A requires emotional intelligence (Björkdahl and Holmén, 2022). Leader must have the ability to manage one's own emotions and understand the emotional responses of others. This, in turn, helps foster a positive culture within the organization by reducing stress-induced conflict cases. High-pressure settings really test the self-awareness of organizational leaders, and a few critical conflicts arise in such settings.

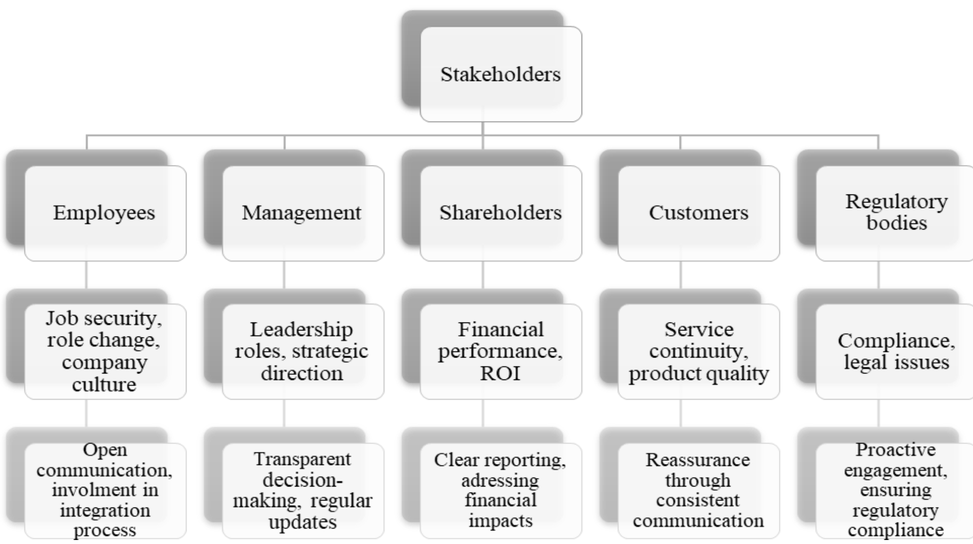
In conclusion, the ability to apply a range of various leadership styles such as transactional, transformational, supportive, collaborative, decentralized, and innovative improves the odds of success within M&A. Where every style of leadership has its own positives, effective M&A leadership often involves a blend of these approaches. It allows leaders to adapt to the changing dynamics of the integration process and lead their organizations toward long-term success.

1.2.1. Managing stakeholder expectations, employee resistance and engagement

Managing stakeholder expectations is another crucial element of successful M&A. Figure 2 below shows the stakeholder engagement process during M&A, followed by keyconcerns/interests and engagement strategies. Stakeholders such as employees, management, shareholders, customers, regulatory bodies, each have their own concerns and interests. These factors need to be addressed to ensure their support for the merger. Building trust through stakeholder engagement entails open communication on issues identified by diverse stakeholders as important to them, which in turn requires a supportive integration effort (Kummer and Steger, 2020). In order to build trust, address various stakeholders concerns and keep them informed about the situation, effective communication strategies are essential. Transparent and frequent communication helps mitigate resistance and fosters a sense of inclusion among stakeholders (Kavanagh & Ashkanasy, 2021).

Figure 2

Key elements of managing stakeholder expectations in M&A



Source: This figure was created by the author using information from Kavanagh & Ashkanasy, (2021) and Teerikangas & Very (2020).

An effective leader should be able to address the different expectations and interests of the stakeholders in mergers and acquisitions. This is not an easy task. However, while someissues might call for a trade-off between what different stakeholders want, others should not be sidelined completely as every group has its own needs which they consider important (Teerikangas and Very, 2020). Finding common ground among these divergent interests typically entails compromise, negotiation, and a sustained effort on the part of all concerned parties to ensure that their actions are supportive of the anticipated outcomes.

The link between leadership behaviours and stakeholder engagement in M&A is an area where research has yet to be conducted despite a rich body of literature on how leadership styles, alongside stakeholder management, influence the outcome of these scenarios (Maak and Pless, 2006). Future studies could look at how different leadership styles impact stakeholder satisfaction and involvement during M&A. This would help in understanding which style works best for the situation. There is also much to be learned about the post-merger phase: an investigation into how the long-term effects of leadership styles (after M&A) can be seen through post-merger integration, with particular emphasis placed on those that contribute towards maintaining morale and productivity within the new entity (Yukl, 2012).

Resistance among employees during a merger and acquisition is frequently a normal reaction due to the uncertainty and fear triggered by significant changes. Fear of losing their job, changes in the corporate culture, loss of identity, or what they consider decreases in job security or working conditions can trigger this resistance from different angles. Understanding the origins of these concerns is key to dealing with them effectively and developing interventions that are suited to addressing these particular areas (Birkinshaw et al., 2020).

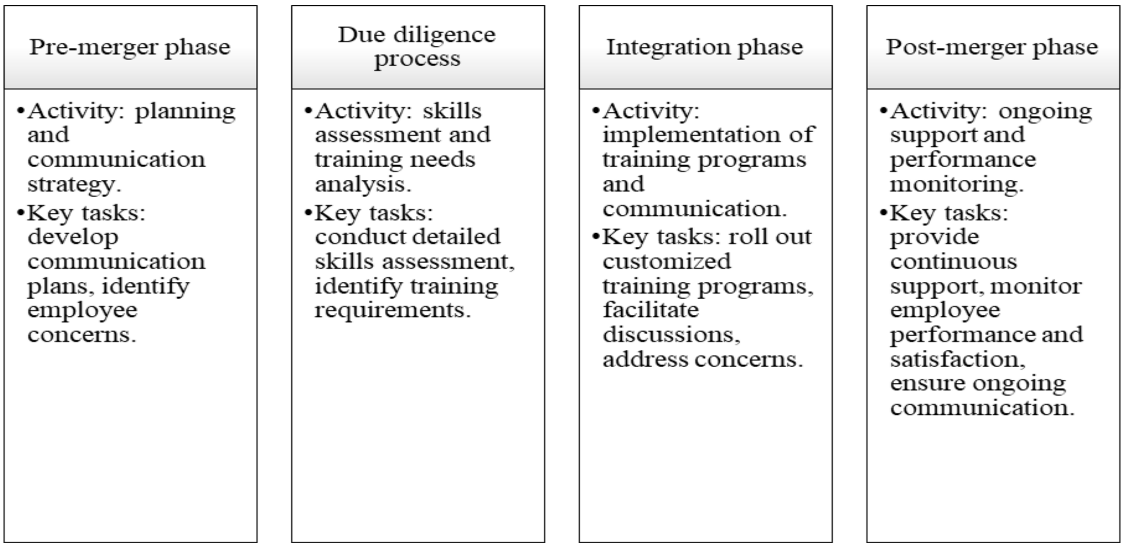
Enhancing engagement during M&As isn't just about strategies but should be an art of proactively identifying and merging employee goals and values with the new organizational principles. This can only happen through an open, frank, consistent, unambiguous communication where employees are informed why the merger is happening, what changes are expected and what benefits these changes aim to bring to them (Angwin and Meadows, 2021). When employees feel that they are part of the merger process and decisions affecting them, it significantly reduces their resistance as they feel more in control.

Recognition and reward systems that appreciate the works of employees during the transition period further give motivation and engagement. The establishment of support services, such as counseling, open feedback forums, and periodic updates, enables employees to make a more comfortable accommodation to the change and reduces its emotional and psychological impact in cases of a M&A processes (Sarala et al., 2021).

The HR department is one of the most important sectors that plays a crucial role in supporting employees throughout the M&A process. The support from this division encompasses managing the communication related to the merger process. HR department addresses employee concerns and questions, facilitates discussions between staff and management and ensures that the rights of the employees are protected during the whole transition period (Stahl and Mendenhall, 2022). HR involvement is vital in order to maintain foundational elements for successful integration such as transparency and trust. Figure 3 below depicts the HR involvement process during the M&A transition, while also highlighting key activities and stages.

Figure 3

HR involvement process in M&A transition



Source: This figure was created by the author using information from Stahl & Mendenhall (2022) and Angwin & Meadows (2021).

In an M&A context, training and development surface as pivotal realms in which HR can inject notable value. When organizations converge, there arises a demand for new skills and knowledge that facilitate optimal operation within the fresh structure. Hence, HR is required to carry out a detailed skills assessment that unveils the lacunae in an organization post-M&A and consequently inform what specific training should be delivered (Marks and Mirvis, 2011). The design and implementation of training programs must then be customized to the peculiar needs of the new entity, these programs ought to encompass training on the latest technologies, processes, and even corporate cult. Not forgetting leaders, they should be trained on how to manage teams efficiently during transitions which includes acquiring conflict resolution and change management skills (Angwin and Meadows, 2021).

The importance of HR in M&A is acknowledged widely, but more empirical studies are needed to document the specific strategies through which HR can ensure that disruption is minimized, and employee performance and satisfaction is maximized during M&As. A possible future research void can also be seen in efforts towards understanding the lasting impacts of HR actions on retaining employees' performances after M&As. The two areas could help us appreciate further (based on long-term implications) the strategic value of HRinterventions in mergers and acquisitions.

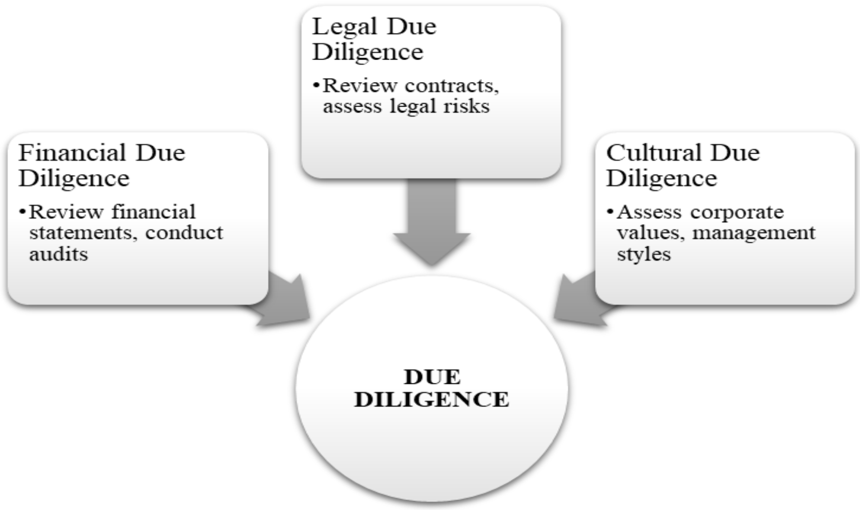
To conclude, while reviewing these findings, the current subchapter brings into clear focus the significant value that lies within managing M&A with strategies thoughtful enough to ensure productivity of employees and their wellness. It outlines the importance that people play in ensuring success for any merger or acquisition- an idea meant to be elaborated furtherin upcoming case studies through detailed human resource strategies that meet practical concerns. An insight into this paper is a recognition of how organizational strategy plays out against human psychology during M&A, both need alignment if success is desired from reorganization efforts. This should not just be an overlay but given due weightage as it forms part not only of integration risk management but also post-integration risk management, whichinvolves efforts to ensure thriving after consolidation.

1.3. Due diligence and risk management in M&A

While analysing the area of mergers and acquisitions, due diligence is one thing that stands above all others. The most important form of due diligence that plays an integral role alongside this evaluation is effective risk management. This shape of due diligence not only act as guardians for the investments made but it also ensures that the strategic objectives behind any merger or acquisition can be realistically attained. This section delves deep into the world of due diligence, looking at it from different angles such as financial, legal, and cultural components as depicted in figure 4 below, while also peering into strategies. These strategies help in identifying and later managing risks typically associated with M&A, it takes note of common pitfalls and discusses pre-emptive actions to be taken against them.

Figure 4

Due diligence in M&A



Source: This figure was created by the author using information from Deloitte (2015) and Teerikangas & Very (2020).

In M&A the process of due diligence is a comprehensive assessment that is crucial to the process of decision-making. It allows acquirers to verify important information about the target company, helping to ensure there are no hidden surprises post-transacting (McKinsey and Company, 2022). This due diligence is typically categorized into three primary areas financial, legal and cultural due diligence.

Financial due diligence field deals with the confirmation of the target company's financial well-being. It includes a detailed examination of financial statements, audits, and future financial forecasts. The primary objective is to confirm the truthfulness of the financial information provided and any hidden financial risks that may not be obvious from the primary data. This specific operation allows an understanding on the sustainability of earnings, also reliability of cash flows and integrity from the management system (Deloitte, 2015). Financial due diligence, apart from verifying the correctness of historical financial data, involves evaluating the company's tax compliance situations and its possible future tax liabilities thus no unexpected tax loads for the investment (Deloitte, 2015).

Legal due diligence assesses the compliance and legal framework of the target company. This practice takes into account reviewing of various contracts, employment agreements, intellectual property rights, litigation risks, and regulatory burdens. The main purpose of legal due diligence is to identify any legal entanglements that could pose risks to the transaction or impose unforeseen liabilities on the buyer (Motiva Law, 2024). The thorough legal examination often helps to ensure that the acquiring company is aware of all legal obligations. These legal duties include potential lawsuits, regulatory penalties, orcompliance issues that could affect the future operations of the combined entity (Motiva Law,2024).

Cultural due diligence, perhaps the most nuanced, evaluates the cultural compatibility of the merging organizations. It looks at corporate values, management styles, employee engagement, and organizational behaviours (Teerikangas and Very, 2020). Cultural mismatches are a primary reason for the failure of many mergers as they can lead to significantintegration challenges, disrupting workflows and causing key talent to depart. Understandingthese cultural dynamics is crucial for planning effective integration strategies that respect andblend the diverse cultures of the combined workforce (Stahl and Mendenhall, 2022).

Risks play a major role in the success of M&A and identifying them involves being able to see what could go wrong. This is where companies have to be proactive, come up with strategies that will deal with these issues even before they happen. Some of the most commonchallenges are not taking due diligence seriously, underestimating how complex integration can be, ignoring key people who should take part in decision-making early enough, and stopping the operation of one company before another is ready to take over (Baird et al., 2020).These mistakes could lead to big losses in terms of money or even business reputation if not properly addressed. For instance, failure to do proper due diligence might lead business into paying more than what the target company is worth or even inheriting debts that it did not know about.

A transition that signals change is not easily facilitated without strategies that will significantly address the potential risks identified. For instance, the integration plan should clearly articulate the specific steps that will be taken towards a successful merging ofoperations, cultures and systems (Björkdahl and Holmén, 2022). It is vital to establish teams that are specifically mandated to oversee the integration process and at the same time ensure business operations continuity without disruptions calls for keen risk assessment points throughout the merger journey (HORNE Capital, 2024). This process is essential in order to keep track of new risks and realign the strategy as appropriate. In addition, continuous communication with all stakeholders that is transparent and sincere, helps to reduce resistanceto change and assists in managing expectations.

In conclusion, due diligence and risk management stand out as essential components for the achievement of successful mergers and acquisitions. They form a basis upon which detailed scrutiny of the target company is done. This helps in coming up with strategies that will address challenges that come with M&A. Companies need to take a careful look at financial, legal, and cultural aspects post-M&A and ensure risks are well taken care of. In that way they have a better chance not only at integration but also at realizing synergies. This subchapter thus does not seek to delve deeper into these already complex processes, rather it seeks only to create awareness on what they entail. In doing so, it sets a platform for looking into post-merger integration strategies in other subsequent subchapters, an approach aimed atgetting practical insights towards managing such business transitions successfully.

1.3.1 Post-merger integration (PMI) and evaluation

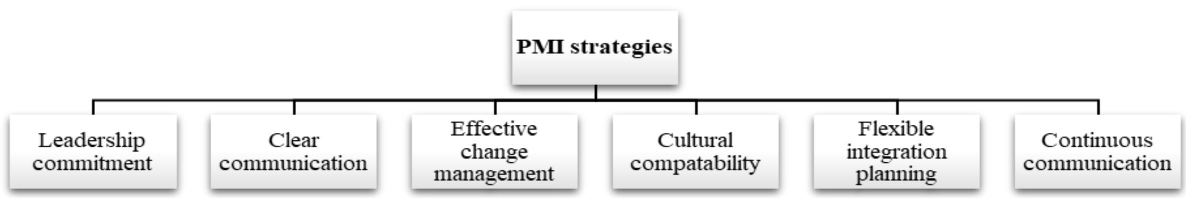
The integration of the post-merger is, without a doubt, among the most crucial part ofthe merger process itself as it is where visions that are strategic are put into operation so that they can result into tangible outcomes. The phase called PMI is an effort to bring two separate things together and make them a single unit. It involves addressing both the operational side and the technological integration, which are crucial for the new entity to work smoothly (Graebner et al., 2021). Operational integration involves coming up with one system that encompasses all business processes and systems, from finance, HR down to marketing and sales operations, among others. This should be planned carefully so that these processes can be aligned properly. This alignment aims at achieving operational efficiency in such a way that all parties involved are able to play their role effectively, thus contributing towards the expected synergies that would result from this consolidation (Ellis et al., 2020).

The other method of merging is technological integration, which involves the joining of different IT systems and infrastructure components. This is not an easy task as it requires that data consistency be established while system compatibility and uninterrupted IT servicesare provided during transition despite complexities associated with various technology platforms (Birkinshaw et al., 2020). The goal is to create a homogeneous technology landscapethat meets current operational needs but also has capacity for future growth, thus, realizing the challenges. In addition, it is not uncommon that disruptions follow if these challenges are notwell managed (Weber and Fried, 2021). Such assessment typically involves tracking various KPIs like cost savings, revenue synergies or even staff retention rates and client satisfaction levels with an aim of providing quantitative evaluation outcome while also pinpointing focusareas for remedial action if needed (Ellis et al., 2020).

Factors that lead to success or failure are key pointers in effective PMI strategies, meaning understanding why mergers succeed or fail is important. This assessment usually entails a study of merger case studies, both those that were successful and unsuccessful, to draw out some insights and learn some lessons. For example, there are usually common features, showcased in figure 6, evident in successful integrations- strong leadership commitment, clear communication strategies, and effective change management practices (Birkinshaw et a., 2020). These elements contribute technically to the success of the integration but also help make it supported within the organization.

Figure 5

Key elements of PMI strategies



Source: This figure was created by the author using information from Birkinshaw et.al., (2020).

However, failures teach us just as much about mergers and acquisitions as successes do, maybe even more. When companies decide to tie the knot without first finding out if they are compatible, it usually ends in separation. Common reasons for this include lack of a proper due diligence which would have highlighted such a misalignment, cultural clashes because two organizations can be radically different in their ways although on the surface they look alike and not having a clear strategic fit between the merging entities (Weber and Fried, 2021).But that's not all, many failures arise also due to no clear planning for how integration will happen or not enough focus during integration on managing 'the human side', like addressingissues related to uncertainty on employees.

From these real-world stories this paper outlines another important lesson, not to underestimate the importance of cultural compatibility when bringing two organizations together. There is a reason why cultural misalignments often feature as key contributors towards failure, blending cultures effectively requires delving deep beyond just official norms into understanding informal practices and dynamics at play within each organization (Graebner et al., 2021).

The need for flexible integration planning is equally important as having a well- defined plan. In some cases, the ability to pivot and iterate on integration strategies can be more crucial than sticking to the pre-designed structure. This can help address unexpected challenges or even harness unanticipated opportunities in real-time (Ellis et al., 2020). The flow of continuous communication throughout PMI assumes utmost significance finally. The involvement of all stakeholders ensures that fears are mitigated, resistance is reduced and inclusion plus commitment are fostered to bring out a new sense among employees and leadersat different levels within the two merging entities.

1.4. Global trends and future directions in M&A

To encapsulate the essence, the subchapter that discusses post-merger integration andevaluation illustrates the intricacy and importance of this particular phase within the realm of M&A. When companies are able to manage operational and technological integrationeffectively, when they measure success in integration prudently, when they take learning lessons from both successes and failures belonging to mergers past. All these efforts work towards not only supporting the immediate success of the merger but also establishing a strong foundation for long-term competitiveness and healthy growth of their newly formed entity (Vaara and Monin, 2021). With the above information not communicated to practitioners, it means they do not have this critical guidance during one of the most complicated but important stages in a merger and acquisition. This will impede their capacity to learn by making informed decisions and acquiring necessary skills through knowledge-sharing platforms.

The role of globalization in mergers and acquisitions cannot be underestimated. With globalization, companies are now more compelled to extend their businesses outside their national territories and reach out to newer markets and different bases of customers. This, in turn, has led to an increase in cross-border M&As which in turn have different prospects and challenges (Vaara and Monin, 2021). Though such deals enable quick broadening and diversification of the company's operations and portfolio, they also lead to complications related to differing regulatory environments (cultural disparities) as well as economic volatility.

The global M&A scene has seen quite a bit of action due to a few trends. The first among these is the tilt towards what were once considered emerging markets, now hot spots for growth (Tienari et al., 2020). This is due to the fact that their middle classes are on the rise,and the regulatory frameworks are looking better than ever before. Companies from mature markets are wading into M&As in regions like Asia, Africa, and Latin America, they’re doing it to take advantage of these expanding consumer bases, as well as to stay ahead of competitionthrough other means.

In technology, healthcare, and consumer goods, among others, waves of M&A have been crashing down due to different drivers specific to each industry. Tech firms often seek M&As for quick access to new innovations, healthcare mergers help both companies solidify their places in the market and expand research capabilities (especially biotech), consumer goods giants merge their way towards economies of scale while circling around the globe ontheir expanded footprints (Meyer and Altenborg, 2021).

Cross-border M&As, while laden with the promise of significant growth opportunities, also present challenges that are not for the faint of heart. Regulatory disparities between countries alone can amount to insurmountable roadblocks. For example, a situation where approval of a merger in one country is stalled due to anti-competitive issues or considerationsof national interest, this single point of contention has the power to topple down an entire cascade of efforts towards finalizing the deal (Öberg et al., 2021). Additionally, the financial planning of deals and the final costs of transactions can be affected by the fluctuations in currency values.

The cultural disparities create yet another major obstacle. Bringing together organizations from distinct cultural spheres can lead to misinterpretations and clashes, a poison that eats away at the vigour and efficiency of the staff members (Kummer and Steger,2020). A successful cultural fusion demands a mindfully crafted change management approach that acknowledges, respects, and intertwines the diverse tapestries of cultures withinone workforce entity.

When traversing cross-border transactions, legal entanglements only serve to grow further. Diving into the legal frameworks of multiple jurisdictions calls for more than just skimming, it necessitates an all-encompassing due diligence effort, often involving a multitude of legal squads (Hakanson et al., 2021). However, treading compliance with international laws and regulations, including but not limited to data protection statutes and even peculiar employment laws, acts as yet another intricate layer added onto this already convoluted integration process. An integration which is anything but straightforward or simple, especially when viewed through the prism of legality (Kavanagh and Ashkanasy, 2021).

Technology has a significant impact on M&A, the role is evolutionary. When companies are involved in M&As, one of their common goals today is digital transformation. They use digital technology such as computing systems and other technologies on all aspectsof business to improve the way they operate and add value to customers. Companies are usingnot only technology assets but also introduce digital capabilities that help innovate offerings plus drive efficiencies (Hess et al., 2016).

Yet technology integration has challenges of its own. Merging IT systems can be described as a complex, if not risky venture, especially dealing with legacies. Issues concerning data compatibility may be raised and that is also the source where breaches couldoriginate which might have far-reaching legal and reputational consequences (Cenamor et al.,2016). Also, the integration of digital technologies needs a thoughtful organization plan that will guarantee this technology matches the business objectives of the new entity and that staffare trained to use these technologies properly (Vial, 2019).

M&A's global trends and where it is headed tomorrow are a fusion that is double-fold and driven by globalisation and technology as dual forces. Companies that operate in these two highly intricate landscapes have to come up with unique challenges, which in turn require sophisticated strategies or solutions (Proença and Borbinha, 2020). It's therefore important for companies to seek success in international mergers and acquisitions toget a hold on these global trends and technological aspects. This awareness plays a significantrole, not only does it help in addressing current challenges but also ensures anticipation of future developments, making certain that companies stay competitive and resilient, able to bounce back, in an ever-dynamic market globally evolving at an alarming rate.

Research on M&As highlights the fact that successful integration results depend on proper change management processes. This paper has reviewed several theoretical models, such as Lewin's change model, Kotter's 8-step process, and McKinsey's 7-S framework, and their suitability in processes of M&A within dynamic and complex environments. All models have some utility in managing change, but several inadequacies, or an inability to handle the special issues of contemporary M&As concerning cultural integration, employee engagement, and leadership dynamics, emphasize their need for customization and supplementation with practical approaches like Hiatt's ADKAR model.

The discussion has also highlighted that these factors play a central role in mitigating resistance and building engagement in an integration through cultural alignment, communication effectiveness, and leadership styles. While the lenses of prescription in these frameworks do apply, the highly dynamic state of contemporary business environments truly requires more adaptability with timely and iterative feedback mechanisms that also incorporate the infusion of digital tools to realize insights in real time.

Despite much research, there remains large gaps in the understanding of the interaction of leadership, communication strategies, and cultural integration in M&As. Most of the studies to date have considered single variables and left untouched the combined effects of these factors on employee engagement and organizational synergy.

As such, this review sets the major thesis question: **How do leadership styles and communication strategies influence employee engagement, resistance, and the success of cultural**

integration during M&As? The question is valuable in light of effectively filling the breach between theory and implementation, giving imminently usable insight into how to enhance M&A performance. The results promise an added value not only for scientific debate but also for management-related actions by affording an orientation to the complexities of organizational integration.

2. METHODOLOGY FOR RESEARCHING THE ROLE OF LEADERSHIP AND COMMUNICATION IN ENGAGEMENT, RESISTANCE, AND CULTURAL INTEGRATION SUCCESS IN M&AS

2.1. Research design and approach

The current empirical study will attempt to unveil the dynamics concerning leadership, communication, and employee commitment at the workplace of two merged organizations. **The areas of leadership, communication, and employee engagement** will reflect the manner of implementation of the merger and the final outcomes that came into being through the viewpoints of top management and employees. The study will try to identify what actually happened within the process of mergers with respect to leadership and communication and how employees reacted toward them. This, therefore, will seek to unveil the reality behind the human and organizational sides in mergers and acquisitions, specifically with leadership and cultural integration as well as employee morale.

The study is of **a qualitative nature** and takes the form of a **case study**. The case-study approach is particularly appropriate when carefully examining complex processes within a real-world setting, especially the dynamics of organizational change during a merger. The study is intended to gather information on the lived experiences of those involved in the process of merger, providing in-depth context specifics on the influence of leadership, communication, and culture on overall integration.

The research addresses the **central problem**: **"How do leadership styles and communication strategies influence employee engagement, resistance, and the success of cultural integration during M&As?".** This problem is investigated through the following refined research questions:

1. How do leadership styles impact employee engagement and resistance during M&As?
2. How do communication strategies affect employee engagement and the success of cultural integration during M&As?
3. How does the integration of organizational cultures impact overall success in M&As?

These research questions directly support the overarching aim outlined in the introduction: to investigate the interplay of leadership, communication, and cultural integration during M&As. **The purpose of this study therefore is to investigate how leadership, communication and employee engagement interact with each other during a merger process.** The main focus is on how employees perceive the effect of these dimensions on themselves and also on determining whether the merger will succeed or fail. These questions, therefore, directly relate to the core theoretical frameworks previously discussed regarding leadership styles and communication strategies, and in shaping cultural integration. Thus, in answering such questions, the current research will provide an in-depth understanding of reactions from employees, morale and the final effect of the merger.

This study adopts a **qualitative case study approach**. An application of the case study methodology allows for a detailed analysis of how leadership, communication, and cultural integration work in practice within a merger. Two recently merged companies will be at the center of this study, which will be a close exploration of lived experiences regarding the process of integration of key stakeholder members. The **research geographical boundaries** include two firms that operate in Europe.

The research design focuses on the following key themes or variables**. The first one is the leadership approach.** The themes together make the **research model**, offering the conceptual structure in viewing how leadership styles and communication strategies influence cultural integration and employee commitment in M&A processes. These variable studies the type of leadership styles practiced by the senior management during a merger. The paper critically examines the type of leadership styles based on their argument in the literature with relation to employee engagement and the capacity of leading the organization through complicated changes. Leadership is regarded as a process of continuous interaction which does not only cover decisions taken at the top management level but also how they would be formulated and accepted by the employees. **Secondly, communication strategies.** Communication strategies are at the heart of the study as they directly shape the experiences of the employees during integration. In this study, the inquiry focuses on how communication about the merger is delivered in terms of its frequency, transparency, and the formats preferred by employees. The study investigates how these strategies supports or prevents trust, alignment, or engagement during the merger. **Third, employee engagement and resistance.** This category is related to how employees perceive the resultant change after the merger. Engagement is considered an aspect that speaks of how driven and involved employees were in the entire process of integration. Employee morale is explored as a component of engagement, reflecting how driven and involved employees are in the integration process. Likewise, resistance being described in terms of the reaction set up by employees toward any change initiated by the merger. This was based on the material gathered from the interviews to demonstrate the part the employees played through their feedback on leadership and communication in the whole process of integration. **Fourth cultural integration.** Corporate culture is very central when it comes to mergers of any kind of company. This factor will investigate how the two companies under the merger were working through the differences in their cultures. The case study approach was selected due to its capacity to provide deep insights into real-life, contextualized phenomena.

This study adopts an interpretive approach, delving into the subjective experiences and meanings ascribed by individuals to the merger context. The qualitative approach befits the requirement to investigate nuanced human experiences that form the crux of leadership, communication, and cultural dynamics in mergers. **Qualitative case study research design** was chosen for this study as a viable option within the ambit of the arguments given by Yin (2014) regarding the utility of case studies in investigating complex real-life organizational phenomena. In this manner, thesis capture rich details regarding the people and cultural nuances of mergers and acquisitions.

It specifically examines how trust-building and employee morale are influenced by the application of transformational, transactional, and collaborative leadership styles in the merger process. Communication strategies are examined from the perspective of how frequently and transparently they can be drivers of alignment between merging organizational cultures.

2.2. Data collection methods

The main method of data collection is through the use of **semi-structured interviews**, which relates to getting the freedom to investigate individual experiences but maintaining the uniformity of questioning. It would have semi-structured interviews, whereby the respondents could reflect considerably on their personal experiences but again, some themes on leadership, communication, and cultural integration had to be explicitly explored. This flexibility of the approach would elicit information from the respondents' views freely, though again it ensured that specific research areas were covered in all interviews. Moreover, **secondary data** was in the form of internal newsletters. Multiple data sources enable an in-depth view of what is happening in a merger. Secondary data was used to track how communication efforts evolved throughout the merger process. This helped in triangulation and strengthened the reliability of findings. Reliability of secondary data was ensured by checking consistency with interview responses. This ensures that the newsletters reflect what was actually happening with communication strategies and organizational values during the merger process.

They provided valuable context to the interviews, offering a view of the formal communication strategies, and organizational values that ushered the merger process.

The questions were designed to capture all major topics outlined in the theoretical framework. For instance, leadership questions probed descriptions of the levels of senior management's leadership in the merger by asking, "Provide a description of the leadership approach during the merger" and "How did the leadership make the changes known to the employees?". Communication strategy questions then probed how information on the merger was passed on to employees, questioning the frequency and transparency of such communication in expressing its effectiveness toward engagement and reduction of resistance. Questions on cultural integration shifted to center stage issues that were in leadership and communication strategies used to build a bridge over the cultural differences between the organizations.

It integrates the view between top management and employees on the basis of both primary and secondary data. Therefore, the research tries to fill the void in literature by exploring how leadership interactions and communication during a merger influence cultural integration and, in turn, employee engagement during a merger.

The two companies provided the **respondents from the senior management and employee levels**. In the study, there were in total **16 respondents: 2 top leaders** (CEOs in thesis), **8 middle-level managers** (Senior managers in thesis), **and 8 employees** (Employees in thesis) working at the lowermost level of the two organizations. The criterion used for this selection was the direct interaction of these individuals with mergers, which is categorized as an element able to provide insights into their leadership practices, communication strategies, and experiences during the process of integration. It was considered adequate because, as Guest, Bunce, and Johnson (2006) note, saturation is ultimately determined more by the nature of the concepts than by the number of interviews. Respondents from various organizational levels give a complete picture of issues related to mergers and acquisitions in organizations. The top leaders from the higher management are included for their strategic and decision-making role in mergers so that, from a top-down approach, leadership and communication views could be captured in the research. Middle-level managers are added to understand the translation and perceptibility of strategic decisions at their level of management. Finally, last-tier employees are added to get granular feedback on how leadership and communication efforts were filtering down to even those more directly involved in the coalface in day-to-day operations and execution of the merger. Choice of participants from different organizational levels ensures a balanced view of things from the lower, middle, and higher tiers within a given company. In this way, it speaks to a more thorough overview of how leadership, communication, and cultural integration impacted employees at varying degrees within the hierarchy.

2.3. Data analysis and reliability

The data analysis would follow a theme that can accommodate **qualitative data through case studies** very well. The responses, after the interviews have been **transcribed**, would be **coded** under respective thematic categories for all the research variables (e.g., leadership styles, communication strategies, cultural integration, employee engagement) pertinent to the research. **Thematic analysis** helps in identifying the surface patterns that are grouped into meaningfully relevant themes. Thematic analysis was carried out using the six-phase framework of Braun and Clarke (2006). Coding of data was done manually along with cross verification for consistency. This approach was adopted to achieve maximum accuracy and reliability in the analysis, as cross verification minimize errors and ensure consistency in the dataset. Key themes were identified on the basis of the frequency of occurrence and relevance to the research questions. Other than that, the **secondary data** would help in providing background information to support the findings of the interview data. By looking at the information from more than one source, **triangulation** helps in increasing the strength of the conclusions and thereby enhances the validity of the results.

It depicted how the different styles of leadership were implemented and how communication was managed in the merger process. **Responses managing leadership were categorized** into transformational leadership, transactional leadership, and collaborative leadership. Similarly, communication responses were categorized into communication transparency, employee involvement, and information sharing. **The thematic coding** helps in identifying several significant patterns on effectiveness of leadership, communication strategy, and impact on employee engagement and resistance.

It strictly abided by the ethical considerations of obtaining informed consent, ensuring confidentiality, and voluntary participation of the respondents. **Credibility-** member checks were used for credibility to some extent. That establishes the truth by ensuring the words of the participants are corroborated by the transcripts made during the data collection process. **Dependability** backed up by an audit trail of data collection and analysis processes. **Transferability-** thick descriptions of the merger context and organizational dynamics provided for transferability.

The study adhered to the Belmont Report (1979) principles of respect for persons, beneficence, and justice as, all the participants gave their informed consent, and the data were strictly anonymized and confidential.

The choice of this methodology derives from its consistency with the research objectives and the theoretical orientation toward qualitative methods of studying human factors in mergers. Other research works, for example, that of Cartwright & Cooper (1996), stress the significance of qualitative research methods in studying the human side of mergers, and in this way support the current research too.

The reason for the choice of a qualitative case study approach lies in the attainment of rich, contextual details about the complicated processes of organizational change in mergers and acquisitions. Because M&A processes are so complex, they impinge on such things as leadership, communication, and cultural integration, all of which are best appreciated through qualitative research. In turn, **case study** is an approach that allows one to look deeply into such dynamics and be able to produce some understanding that might not be easily gleaned through the use of quantitative methods alone.

Prior research concerning M&As has focused on qualitative data as the human face of mergers in leadership practices, communication, and employee attitudes (Cartwright & Cooper, 1996). Being part of this greater sum of literature on the practical implications of real-world M&A's in change management theories, this paper features a contextual-rich contribution concerning how leadership, communication and culture bear upon employee engagement and the successful integration process.

2.4. Introduction to the companies

The names of the respondents and companies involved are kept confidential and, for the purposes of this discussion, are hereby adopted as **Company X** and **Company Y**. **Company X** runs as a key player in the market for both cloud computing and enterprise solutions, with spread operations over a few sites in Europe, employing over 300 employees. Their approach is very rigid, and decision-making processes are centralized on control and efficiency with a very formal organizational design that fosters **control and efficiency** but at the same time **minimizes the input of employees at an extreme level of collaboration**. For example, **Company Y** is a small, flexible 30-employed software development business. It **epitomizes agility along with decentralization to foster innovation** as well as **team self-governance**, but then struggles with decision coherence on a much larger scale.

These companies are vastly contrasted in their organizational setup and leadership style. Nonetheless, this stark contrast can serve to establish a granular context with delineation to the complexities of cultural integration and employee engagement. For mergers and acquisitions, this is important because both M&A activities heavily depend on such integration. There is therefore much greater wealth expected for the outcomes that will be developed within the processes of preparing for and undertaking M&A activities. This will bring forth a lot of clarity, which can also provide more granularity and relevance to the understanding of the study findings.

The differences in leadership style and organizational culture between the two companies created significant challenges during the merger process. **Company X's formal, top-down approach to management** clashed with **Company Y's informal and flexible leadership style.** These dissimilarities highlighted potential pitfalls in aligning the companies' organizational cultures and operational strategies. This setting proved to be a useful case in which to explore how flexibility of leadership and communication strategies impact cultural integration and workforce engagement during mergers.

2.5. Phases of integration

The 18-month integration process was divided into three primary phases: **leadership alignment, cultural integration, and operational alignment**. Each phase had distinct objectives and challenges:

Phase 1: Leadership alignment (first six months). The initial phase focused on aligning leadership approaches through workshops and meetings involving top management from both companies. The workshops were a place where employees worked on developing shared leadership principles to close the gap **between Company X's hierarchical model and Company Y's decentralized practices.** For instance, after that, while the employees at Company Y shared doubts about losing their autonomy, the ones from Company X wondered about implementing collaborative decision-making processes. Middle-level managers played a critical role in this phase, acting as intermediaries to convey unified vision to employees.

Phase 2: Cultural integration (second six months). The second phase focused on **building relationships and addressing cultural differences** via team-building activities, cross-company workshops, and leadership coaching. Initially, the employees from **Company X were resisting** and not keen to embrace the flexible work practices that **Company Y** employees had initiated. These

interventions built trust and confidence gradually with a pace that nudged employees to embrace the emerging hybrid culture. Town halls and Q&A sessions on communication were implemented to address employee concerns and increase transparency.

Phase 3: Operational alignment (final six months). The last phase emphasized the **integration of systems, processes, and teams to ensure operational cohesion**. Mechanisms for employee feedback, including surveys, focus groups, and town halls, were used extensively to monitor sentiment and engagement levels. Learning from this **feedback** made the fine-tuning in the communication channels and engaging the employees in decision-making to reduce the resistance and build alignment.

2.6. Challenges and key outcomes

Feedback from employees collected through **semi-structured interviews** indicated critical resistance at every phase. In the phase of leadership alignment, employees of **Company X aired dissatisfaction with what they termed as a lack of participatory decision-making.** Equally working at this phase, **employees of Company Y were fearing losing their agile practices.** This was also marked by the **negative attitude from Company X employees in the cultural integration phase** since they were beginning to show some hesitance in embracing collaborative efforts, which were so central to their acquired organization, **Company Y**. At the operational alignment stage, comments from the employees pointed out that as managers showed more openness, employees were already beginning to align more readily.

Throughout the merger, handling leadership and communication strategies was critical to overcoming resistance and fostering workforce alignment. Regular **town halls, internal newsletters, and executive messages provided transparency and trust,** while overly formal or vague communication created detachment and uncertainty. Efforts for culture management slowly brought the members of the organization together with a hybrid culture that eventually leveraged the best of both organizations. **Three major themes** that emerged from the qualitative analysis were **leadership flexibility, open communication, and hybrid culture.** These involved **leaders being flexible** to bridge their differences in leading the organizations, which served to reduce resistance and drive alignment. **Open communication** created trust and buy-in with openness through an inclusive channel that addressed the concerns of employees. **Hybrid culture development- g**radual unification of organizational culture through focused interventions targeting collaboration and mutual understanding.

Through the merger process, it was demonstrated that overcoming cultural and organizational barriers requires flexible leadership and transparent communication.

In the initial period, there was significant resistance because of stylistic and organizational differences. However, such interventions as leadership workshops, team-building activities, and employee feedback mechanisms proved highly effective. By the time 18 months expired, the companies not only worked toward establishing a hybrid culture and operational framework but also laid the foundation for long-term collaboration and success.

3. EMPIRICAL RESEARCH ON THE ROLE OF LEADERSHIP AND COMMUNICATION IN ENGAGEMENT, RESISTANCE, AND CULTURAL INTEGRATION SUCCESS IN M&AS

This section discusses the **major empirical findings** obtained from the case study of two merging companies. The research narrows down the influence of leadership styles, communication strategies, employee engagement, and cultural integration on the success of the integration process. Primary data was supplemented by semi-structured interviews with CEOs, senior managers, and employees, and secondary sources- newsletters (which provided more context to the primary data) were helpful in this regard. This chapter attempts to address these question s by examining the insights provided by senior leaders and employees into the approaches used to manage change and resulting levels of employee engagement. **The results are reported using 10 tables**, each representing one of the key areas of empirical research. These tables will describe the challenges and successes that were experienced in both companies throughout the integration process from a high-level perspective of leadership actions, communication, the response of employees, and specific cultural integration issues.

3.1. Leadership dynamics during M&A

During the integration process, it was obvious that **Company X** and **Company Y** had led with vastly different leadership styles. While **Company X** had taken much more of a top-down, hierarchical approach, **Company Y** had preferred decentralized, team-driven leadership. Insights from **Company X** newsletters revealed that, when communicating updates, **Company X** preferred using formal messages, which reflected the typical top-down manner of leadership, whereas **Company Y** tended to focus on employee achievements and team collaboration in its communications.

Table 4

Leadership styles in Company X and Company Y

Company	Leadership style	Interviewee type	Description
Company X	Transactional	CEO	Leadership focused on operational efficiency.
Company X	Transformational	Senior manager	Leadership aimed at inspiring innovation and aligning strategic goals.
Company X	Supportive	Employee	Employee noted lack of clear direction, more emphasis on vision.
Company Y	Collaborative	CEO	Leadership focused on maintaining agility and employee involvement.
Company Y	Decentralized	Senior manager	Decision-making was decentralized, encouraging autonomy.
Company Y	Innovative	Employee	Employee highlighted strong autonomy in work but felt lost post-merger.

Source: compiled by the author based on the conducted research.

The **Table 4 data** outline the leadership style adopted by **Company X** and **Company Y**. The **transactional leadership** style in **Company X**'s first instance emphasized much on-operational efficiency wherein it followed the old school approach characteristic of big established companies. However, as the merger developed, it tended towards the **transformational type** of leadership. The CEO and senior managers began to notice the need to adopt new thinking and at the same time align the workforce with the image of the future company. This change in the style of leadership was a must because, during the merger, simple transactional leadership was not capable of steering through intricate changes.

However, the employees in **Company X** felt that this was not well-communicated at all, thus confusion and disengagement resulted. An employee noted that there was no direction, senior leadership was being focused on innovation, and the practical implications of these changes were not fully explained. The statement could be linked to the statement as a theory that innovates and engages employees in fostering innovation provided that the application is clear and that the directions are exactly those wanted by the employees (Bass, 1985).

In **Company Y**, the leadership style was more of a **collaborative** and decentralized organization, which fitted perfectly with the company's culture of autonomy and freedom. This approach allowed employees to feel more empowered by and, as a result, engaged with the process. However, the problem came later during the merger when **Company X** was overpowering with a far more formal and hierarchical organizational culture over **Company Y** where there is a culture of 'autonomy'. Employees expressed that they felt 'lost' when their freedom was taken away under the new hierarchical leadership.

It is reflective of the dynamic nature of **leadership to shift from transactional to transformational leadership in Company X** and to adopt a **collaborative leadership style** in the case of **Company Y** during M&As at first place aligning the needs of leadership with the strategy of the organization and later aligning the leadership needs with the cultural settings of the merger. Indeed, the findings suggest that successful leadership during mergers is contingent on the shift of not only leadership style but also cultural alignment between merging organizations (Pablo, 1994).

In Company X, the leadership shifted to the transformational approach to increase worker engagement and resonate with the goals of the merger. This led to low communication and hence the disengagement of employees in fear of being overburdened. In Company Y, the leadership style of consensus was not appropriate for merger implementation because Company Y has an informal, free culture and Company X has a more high-level (hierarchical) structure.

These findings are in support of the **theoretical framework**, stated that effective leadership in mergers demands flexibility plus cultural sensitivity. The leadership has to drive the strategic vision behind the merger and, at the same time, look into the cultural differences of the organizations. In other words, for the success of transformational leadership in motivating employees and uniting them in the achievement of organizational aims, clear lineaments by communication and sensitivity to the culture are necessary.

The leadership shift in **Company X** from transactional to transformational is set with the literature on leadership during M&As. There is a significant emphasis on the adaptability of leadership toward change in organizational integration dynamics (Kotter, 1996). As would be theorized from Stahl et al. (2013), the decentralized cultural problems of **Company Y** being accommodated within the hierarchical structure of **Company X** proved that cultural integration is the most difficult part of any M&A activity. M&A leaders should understand that there is a need for leadership adaptability as well as sensitivity to organizational culture when maneuvering the organization through integration. One-size-fits-all leadership approach must be changed with the dynamics of mergers, sensitivity is a critical necessity towards assimilating organizations from a cultural perspective.

Leadership adaptation is a necessary component supporting any organizational change, especially during mergers and acquisitions. Leadership must therefore drive the flexible agenda and respond to emerging challenges arising from the integrative processes. **Transformational theories** of leadership argue that the leader should inspire and align employees around a new organizational vision. **Transactional leadership** might pay more attention to keeping stability and just operate on a day-to-day basis. **Table 5** looks at how leadership in **Company X** and **Company Y** changed during the merger process, shedding light on the leadership strategies used and their effect on integration.

Table 5

Leadership adaptation during the merger process

Company	**Adaptation type**	**Interviewee type**	**Description**
Company X	Visionary leadership	Senior manager	Leadership shift to inspire and align employees with new vision.
Company X	Supportive leadership	Employee	Appreciated leadership efforts to be more supportive despite initial uncertainty.
Company Y	Collaborative leadership	Senior manager	Noted effort to maintain company culture by engaging employees in decision-making.
Company Y	Transformational leadership	Employee	Praised leadership for their transformational approach during the merger.

Source: compiled by the author based on the conducted research.

In **Company X**, leadership developed through the merger process to what we describe as more visionary leadership. A senior manager in **Company X** said this: "Initially, leadership was more about maintenance of the status quo. But in any case, it was quickly not good enough, and we needed to inspire the employees towards a new vision of the merged company." The shift was necessary to embrace **transformational leadership** to guide employees through the uncertainties of the merger.

However, employees also indicated that while the level of leadership support improved with time, there was still a sense of **uncertainty** at the commencement of integration. One of the employees stated, "At the beginning, there was too much uncertainty, but later the leadership became more supportive and transparent, which made us feel more secure." According to this view, which reflects the theory, leadership in M&A has to **shift from a more directive and transactional style** to a more **supportive approach** that focuses on the well-being of employees (Kotter, 1996). The transformation into a more supportive leadership style allowed **Company X** to address both the emotional and practical worries of its employees and raise the overall spirit and engagement.

In **Company Y**, leadership adapted by adopting more of a collaborative style. The leaders at **Company Y** made conscious efforts to keep the open and collaborative culture of the company by taking employees' opinions on major decisions related to integrations. As one of the top managers related, "We were making major efforts to keep our company culture, getting the employees' opinions, and making sure that they felt engaged." This is consistent with the view that a more participative style of leadership may engender ownership and commitment, particularly valuable in times of change (Kotter, 1996).

Employees within Company Y appreciated the transformational leadership approach during the merger. In one view, "The leadership was very inspiring and genuinely looking to help us understand the direction of the merger. Gave me more confidence in the future." Being more of a people person and using a transformational leadership style allowed the employees to feel more linked with the strategic aims of the merger, therefore, they were more willing to support the M&A. This resonates with the argument that transformational leadership is quite acceptable in M&As insofar as it gets the employees aligned with the organization's vision and thus inspired to pitch in for the company's success (Bass, 1985).

Table 5 also shows that leadership played a very significant role in the adaptation of the merger process. Particularly in **Company X**, leadership had changed its style from being more transactional to visionary, transformational and inspired as well as aligned employees with the broader goals around integration. However, this shift took some time, and the employees developed feelings of uncertainty at first about their roles in the new structure. Eventually, a **supportive approach** of leadership by focusing more on providing clarity and quelling concerns related to employees contributed toward better engagement and morale.

In a merger like **Company Y**, the leadership would keep things **collaborative**, hence, **preserving** the acquired company's **culture** around employee engagement. The leadership at **Company Y** went an extra mile to involve employees in decision-making processes to instill ownership and reduce resistance toward the merger Transformational leadership from top managers helped motivate employees and assured them about the future of the merged company.

These findings are supported by the **theoretical model**, which presents the importance of adaptive leadership in M& As. Styles of leadership should be changed by leaders as per the varied requirements of the organization and the amount of emotional and practical concern related to the employees. Especially, high levels of visionary, inspirational, and **employee-related transformational leadership turned into the best results for both firms.**

The use of **transactional leadership** can be relied on for sureness, but then bolstered by using **transformational leadership** to excite the employees and get them bought into the vision of the merged firm. Secondly, **maintain cultural sensitivity** by integrating the best elements of both companies' cultures. Minor leaders or resistors would then have less encouragement and more discouragement in the process of merger. Third, **ensure leaders take charge**, especially under uncertainty by making everything clear to employees on what is to be expected from them.

The **Table 5** findings underscore the **adaptive leadership** that should be taking place during M&As. The leaders in both firms acknowledged that their leadership styles needed to change to bring about employee participation, alignment with the new vision, and sustain morale. This adds strong support to the theoretical argument that merger leadership needs to be flexible, culturally sensitive, and focused on the attainment of strategic goals while simultaneously tending to employee well-being.

3.2. Communication strategies

Communication plays a vital role in the success of M&A process. The way a company communicates with its employees during a merger can significantly influence employee engagement, reduce resistance, and help facilitate a smooth integration process. Good corporate communication has to take the form of clarity, frequency, and honesty as illustrated in the theoretical framework. Table **6** below analyzes communication strategies employed by **Company X** and **Company Y** during their merger, from the impacts these have on the employees and the process of integrating the two companies. Newsletters also served as another channel to disseminate information during the merger, with **Company X's** updates focusing on strategic goals and **Company Y's** newsletters on inclusiveness, including participation from employees.

Table 6

Communication strategies in Company X and Company Y

Company	**Strategy type**	**Interviewee type**	**Description**
Company X	Top-down	CEO	Communication through regular emails and town halls.
Company X	Transparent	Senior manager	Effort to communicate openly, but some felt it lacked clarity.
Company X	Frequent	Employee	Emails were too general and not directly relevant to their work.
Company Y	Inclusive	CEO	Open forums are held to address employee concerns.
Company Y	Open forums	Senior manager	Tried to maintain transparency, but gaps in communication were noted.
Company Y	Frequent updates	Employee	Wanted more detailed, relevant updates on practical integration changes.

Source: compiled by the author based on the conducted research.

Table 6 data also indicates the differences in communication strategies adopted by the two organizations during the merger. While both organizations made efforts to communicate with their employees about the merger, the efforts were viewed quite differently by the employees (i.e., in terms of orientation, direction, openness, adequacy).

In **Company X**, the communication strategy was top-down. The leadership used emails and town halls for merger progress. The CEO referred to this as an approach to ensure all employees received the same information and consistency. Several senior managers in **Company X** mentioned, however, that the communications, though frequent, did not have enough clarity about the practical implications of the merger. One of them said, "We were trying to make sure the information was clear. But mostly employees felt that the communication is at a high level and does not address the particular questions they have about how the merger will change things for them on a day-to-day basis."

It was no different for the employees of **Company X**, who were equally frustrated with the dearth of specifics. One among them stated, "There were a lot of emails, but they didn’t really explain how things were changing for us on the ground. We felt like we were missing the bigger picture." This is consistent with the **theoretical framework**, which argues that while frequent communication is a necessity during M&As, it has also to be clear and related to the roles of employees. Otherwise, frequent communication tends to become a mere box-ticking exercise that does little to address the real issues at hand (Kotter, 1996).

This is wherein the leadership of **Company X**, for example, tried to communicate often, but still **specificity** and **clarity** were missing. Communication bred more confusion and disengagement among the employees. The communication strategy did not link with the day-to-day experiences and needs of employees, which is one of the most critical things to execute for effective employee engagement during organizational changes.

In **Company Y**, the communication strategy was more two-way and inclusive. Leadership held open forums, in other words, employees could walk in and voice concerns and ask questions. The CEO used to propagate that such forums were to make the employees feel included in the process and bring in transparency. An employee would then say, "We had the chance to speak directly to the leadership, which made me feel like my concerns were being heard. It was a big relief during such an uncertain time." This does correspond to the perspective above that inclusive communication, with employees actually engaged in discussion, fosters trust and reduces resistance (Jablin, 2001).

However, the senior management at **Company Y** were of the view that communication still had gaps. As one of the senior managers expressed, "While the forums were good, sometimes there was a disconnect between what we said and what employees understood. We needed more clarity on certain aspects of the merger." This could be a limitation of the approach of inclusive communication at the implementation level- great at making employees involved and trusting them, but not great in ensuring clarity on actions unless supported by general, specific communication in detail.

Likewise, **Company Y** employees liked the high frequency of updates provided during the merger, though some felt they were not quite specific enough to be helpful in navigating the changes. As one commented, "We were kept in the loop, but often too vaguely. I wanted to know how my day-to-day responsibilities would change." The frequency aspect of communication in M&As was underlined with feedback that employees have to feel and know not only what is going to happen to the overall vision of the merger but also how it will change their work and roles in the organization.

Data from **Table 6** highlights the importance of communication frequency and clarity are during M&A. Even when both companies were trying to reach out to their employees, the strategies used were perceived by employees. In **Company X**, for instance, the top-down communication was not clear and relevant in the way employees needed to feel fully informed and engaged in the merger process. This provoked daze and disengagement. In contrast, **Company Y** resorted to a relatively more inclusive approach, whereby open forums and updates were made more frequently.

It would appear that good communication in mergers and acquisitions is a case of the provision of frequent, relevant, and actionable information that meets the specific concerns of employees, and not a case of frequent communication.

Organizations need to be open, inclusive, and clear in their communication about all M&A activity, as a means of managing employee expectations, reducing resistance, and encouraging engagement (Kotter, 1996). The results also mean that companies should make prioritization on employee involvement while having communication frequently and pertinent to the immediate needs of the employees.

Analysis of communication strategies at the level of theory articulates that **effective communication is a key element in any M&A integration process**. The findings significantly prove that **two-way communication and the involvement of employees** are very **critical factors** for fostering trust and engagement in organizational changes. **Inclusive communication**, whereby employees feel heard and involved, is a powerful tool in minimizing resistance for managers, however, it needs to be complemented with clear, detailed communication that addresses the immediate concerns and questions of employees.

For practical purposes, a merging company should balance frequent and transparent communications that are specific and relevant to the roles and concerns of employees. M&A leaders also need to be very sensitive to cultural differences in communication styles, especially when merging organizations where communication practices are notably different.

Effective communication is critical to the success and performance of mergers and acquisitions. It plays a key role in managing resistance, reducing uncertainties, and creating alignment with the merger's goals. Leading perspectives emphasize that M&A communication should be clear, frequent, transparent, and inclusive. Table **7** highlights the major aspects influencing communication effectiveness in **Company X** and **Company Y**, including transparency, frequency, and clarity.

Table 7

Key factors of communication effectiveness in M&A

Company	**Engagement level**	**Impact**	**Description**
Company X	Transparency	High	Transparency in communication- high. Lacked sufficient detail on implementation.
Company X	Frequency	Moderate	Communication- frequent. Not always relevant to employees' day-to-day tasks.
Company Y	Inclusiveness	High	Inclusiveness through open forums helped in building trust.
Company X	Clarity	Low	Clarity of communication was lacking. Leading to confusion among employees.
Both	Feedback channels	Moderate	Feedback channels were essential for improving communication and addressing concerns.

Source: compiled by the author based on the conducted research.

Company X had high communication transparency, with CEO and top management providing clear strategic goals. One senior manager remarked, "While we communicated the vision for the merger, employees were left wondering how that vision would affect their day-to-day responsibilities." It was this lack of clarification on ways such a vision would be practically implemented that left room for some confusion and frustration, a frequent pain in M&A communications (Kotter, 1996). Employees did appreciate being told the larger strategic objectives of them, but they required specific, actionable information to help them be ready for the changes.

Company X communication was moderate in frequency, it consisted of regular emails and town hall meetings. The employees still believed it did not address the issues at hand, although it was frequent. One respondent noted, "There were emails every week, but they didn't really answer the questions we had about how our roles would change." This comment directly corresponds to the theoretical framework, asserting that although communication is high, it has to relate to issues that are top-of-mind for employees in their workday activities, otherwise, it may be perceived to reflect a lack of consultation (Schweiger & DeNisi, 1991).

Clarity was rated low for communications within **Company X**. This created an overwhelming level of uncertainty and discomfort among employees due to the absence of practical implications resulting from the merger that had been communicated with. As indicated in the theoretical framework, vague communication might accentuate resistance on the parts of employees because they do not understand or cannot align with their cognitive changes as well as emotional patterns (Kotter, 1996).

Feedback channels were available in **Company X** and, according to employees, who felt these were still not fully utilized, questions could be put. Opportunities to ask questions were available, but often what was received seemed to be intentionally vague and therefore served to create more confusion. This underscores the value of two-way communication, in which information is communicated to employees, as well as their feelings, concerns, and action ability to act upon it, are responded to.

Apart from this, **Company Y** held inclusiveness by way of open forums which proved it was major to increase the effectiveness of communication. The leadership in **Company Y** made an effort to include employees in the discussion of mergers' progress, where employees were then encouraged to table their concerns and questions. An employee from **Company Y** said, "We were able to talk to the management directly, which made me feel heard. It brought in trust and made us feel easy about the changes." This approach of inclusiveness fits the theoretical view that inclusiveness in communication builds trust and alignment in goal attainment, reducing resistance while enhancing agreement of goals of the organization (Jablin, 2001).

Communications are regular but, if gauged by the feedback from employees, it was still in respect of clarity and specificity. For instance, one employee expressed, "We were informed about the 'what' of the information, but not always about its personal impact on 'us'." In terms of the feedback channels, **Company Y** could get employees involved but then, there were loop-holes to ensure that the feedback was implemented. One manager reported, "Yes, we encourage feedback, although sometimes it feels that we do not do much to address some of the issues." Such comments underline the requirement for feedback channels where actions based on employees' inputs are initiated by the leadership themselves.

Table 7 emphasizes the **key factors that influence the effectiveness of communication** during M&As, including **transparency**, **frequency**, **inclusiveness**, **clarity**, and **feedback channels**. In **Company X**, the communication strategy was both transparent and frequent. However, it lacked clarity and, hence, made no sense to many employees while causing fear in others and anxiety among the rest. Communication has been frequent, but one employee ensured that it really did not capture his urgent matters. Contrary to this, **Company Y** put in huge efforts to ensure that communication was inclusive through open forums, which built some trust and engagement among employees. Nonetheless, lack of clarity on changes in roles persisted.

The results in **Table 7** support the communication theory in mergers and acquisitions, which agrees that to reduce uncertainty, information should be timely, clear, relevant, and specific, addressing the actual concerns of the moment. The possibility of two-way communication, which entails feedback from the employees and response in terms of taking action is a critical factor in the reduction of uncertainty and winning back some level of engagement.

The results in **Table 7** prove that communication for M&A should, indeed, balance the three elements of clarity along with being transparent and frequent plus having feedback channels that are truly responsive to concerns about employees. **The theoretical framework** on M&A communication emphasizes that one-way communication, which entails only delivering information, is not enough. Inclusive communication, where the employees have a say and feel their concerns are addressed in the process, is essential in resistance reduction and engagement increase.

For all practical purposes, the merging firms must triple their efforts in ensuring that communication is clear and specific regarding immediate concerns and the role of employees, with open forums, or regular Q&A sessions where employees can pose their questions and get them answered, responsive feedback channels- to make sure employees feel heard and feel like their concerns are acted upon.

Communication effectiveness in M&As is one of the most powerful determinants of success in the integration process. The results from **Table 7** relate that frequent communication is key, however, clarity, transparency, and inclusiveness need to be run in parallel for the communication to be effective. The two levels of management, from **Company X** and **Company Y**, were unable to support the provision of clear actionable information. However, since **Company Y** was more inclusive, its increased openness created more trust and engagement. With improved clarity and responsiveness in communication, both companies would have further improved employee engagement and lessened resistance during the merger.

3.3.1. Resistance to change

This research will move one and further explore **employee resistance**, to set the record straight one of the most common and major challenges in any M&A. Types of resistance to change include a fear of change, cultural loss, or being worried about job security. These are natural reactions, based on uncertainty and the perceived threat to staff roles, work processes, and organizational culture. This section focuses on the analysis of the different types of employee resistance observed by **Company X** and **Company Y** during the merger based on

Table 8

Employee resistance in Company X and Company Y

Company	Resistance type	Interviewee type	Description
Company X	Fear of change	Employee	Feared losing control.
Company X	Job security	Employee	Concerned about potential layoffs.
Company Y	Cultural loss	Employee	Feared that the merger would dilute their collaborative culture.
Company Y	Loss of autonomy	Employee	Felt the integration would limit their freedom to innovate.

Source: compiled by the author based on the conducted research.

In **Company X**, two major forms of employee resistance have emerged: fear of change and concerns about job security. In **Company X** newsletters, updates were given about the progress of the merger, but the fears of the employees were not directly spoken to, which could have accounted for the resistance observed in the interviews. Anxiety about change was explicitly described by employees in **Company X**. One stated, "We feared losing control over how we worked day-to-day. The new direction felt uncertain, and we had no idea how we would fit into the new structure." This statement corresponds to the theoretical aspect of fear of change, which is to be expected with any kind of organizational turbulence by employees (Kotter, 1996).

Another source of resistance in **Company X** lay in job insecurity. One of employee said: "There was constant worry about layoffs. We weren't sure whether our jobs were safe, and that uncertainty made it hard to stay motivated." This corresponds to the theory that job insecurity is the most frequent source of resistance in M&As (Schweiger & DeNisi, 1991).

In **Company Y**, employee resistance was focused on **loss of organizational culture and loss of autonomy**. One big fear for **Company Y** would be that their collaborative culture was going to be hurt through a merger with **Company X**. One employee hailing from **Company Y** said, "We were used to a very open, flexible environment, and withal, decisions were made very rapidly. Now, we are part of a much more rigid structure, and it feels like our culture is being swallowed up." Loss of cultural identity breeds resistance, as employees feel their values and ways of working are being undermined or lost.

A major source of resistance in **Company Y** pertains to **loss of independence**. Earlier, **Company Y** followed a decentralized pattern of organizational design, wherein employees were motivated to think out of the box and make decisions. As the merger was pinned to centralization, perception among employees was rife that their powers of decision making would be curtailed. As one employee put it, 'Before the merger, we could think freely and creatively. But now, it looks like only some routine work. No change is being led by us.' Fear of reduced autonomy can largely stifle employee engagement and commitment, as generally employees in decentralized organizations feel more empowered and involved in company success (Pablo, 1994).

The data in **Table 8** show that employee resistance manifested in varied forms of fear concerning change and job security in **Company X** and with regard to cultural loss and loss of autonomy in **Company Y** on the other. This is in support of the theoretical framework pointing out that resistance to change is a very common reaction during M&As when employees feel their role, work processes, or organizational culture is under threat (Kotter, 1996; Schweiger & DeNisi, 1991).

Typical of responses to M&As, employees often feel uncertain about their future within the firm, as is the case with **Company X**, and thus the fear of change plus job insecurity. This form of resistance can somewhat be reduced by effective communication, employees' involvement, and efforts to address job security concerns at an early stage of integration process.

In **Company Y**, resistance was more concerned with losing the 'old' culture and autonomy, underpinning the cultural integration difficulties in M&As. Usually, if two companies with different cultures merge, then obvious planning tension emanates from keeping the values of each company. The findings, therefore, are in line with the **theoretical framework** posed that explains cultural integration to be one of the dimensions less probable of producing successful M&A due to the need to relate varied organizational norms, values, and work practices.

Findings in **Table 8** underscore what a critical issue is for employee resistance in M&As. In the two theoretical reviews of organizational change and employee resistance, clear, consistent communication about job roles, expectations, and security came up as a key element to reduce resistance to change. When a merger occurs between two companies of disparate cultures, leadership must take up the complete mantle of integrating the cultures.

As a practice, it indicates that firms involved in mergers should, as a matter of top priority, enhance employee commitment and pre-emptively manage the resistance to change. Firms will be able to avoid such resistance if they make their employees feel secure in their roles, involve them in making decisions, and align them with the cultural vision of the company. This will enhance general integration success.

To sum up, employee resistance plays a huge role in determining whether the merger or acquisition will succeed or fail. **Table 8** specifically unveiled that change, job insecurity, and cultural loss from merging are common sources of resistance. The employees might feel better engaged if firms attempt to address their concerns through informing, involving, and making efforts for cultural integration.

Communication is brought to the limelight wherein effective communication **is pivotal to controlling employee resistance** during M&A. Organizational change theories stress that clear, open, and inclusive communication can reduce resistance and enhance employees' engagement by addressing concerns, managing uncertainty, and building trust. **Table 9** looks at how various communication strategies relate to the level of employee resistance in **Company X** compared with their resistance in **Company Y** based on what the interviewees expressed.

Table 9

Impact of communication on employee resistance

Company	**Communication type**	**Impact on resistance**	**Description**
Company X	Frequent, formal	Moderate	Frequent, formal communication helped reduce employee anxiety but didn't address all concerns.
Company Y	Inclusive, open forums	High	Inclusive communication through open forums helped employees voice concerns and reduce resistance.
Company X	Top-down emails	Low	Top-down communication did not address employee concerns effectively, increasing resistance.
Company Y	Frequent updates	Moderate	Frequent updates helped reduce uncertainty but lacked detailed implementation plans.

Source: compiled by the author based on the conducted research.

Frequently, formal communication was used by the leader in **Company X** to reduce employee anxiety and keep them posted about what was going on with the merger. One of the senior managers stated: "We were using e-mails, town halls, communication channels, all those things, that's how the process was happening," and another one added, "It was the frequency of information that we were providing." Communication was frequent, but formal, generalized communication, as might be expected to elicit only a moderate level of resistance. One respondent said: "The information was being bombarded on us, but it was not answering the particular questions we had in our minds. We were still unsure as to what form would have on our day-to-day jobs."

While leadership in **Company X** maintained regular communication through top-down emails, the concerns of the employees were not appropriately addressed. According to one employee, "The mails were all very general no one addressed the real concerns about how our jobs would change." Here lies the challenge of communication during M&As, the communication of top management fails to involve the employees and may thus further increase resistance since individuals feel that their personal concerns are not being addressed (Schweiger & DeNisi, 1991).

During open forums, inclusive communication that allows the employees to share their concerns in **Company Y** had a close to 100% impact. An employee from **Company Y** said, "We were told to ask questions and say what we found wrong, and the leaders actually were open for our feedback. This greatly impacted how we perceived the merger".

Although inclusive communication had benefits, the numerous updates on **Company Y** still faced some opposition. The workers were glad they were kept in the loop but vented their annoyance at not receiving concrete, actionable information on the practical applications of the merger. One of them said, "The updates were nice but didn't really say how our jobs would be different once the merger went through." This emphasizes the importance of clarity in communication since even much communication may be insufficient if it is not specific and relates to roles.

Table 9 indicates that **communication strategies** have a marked effect on employee resistance during a combination. It reduced the apprehension level in **Company X** through more formal and regular communication, although this didn't really speak to their concerns which were described by moderate resistance. The leadership used **top-down emails**, and their results show how people reacted negatively to the change between the two companies. Communication at **Company Y** was completely different, it was more inclusive and involved open forums as well as regular updates, hence more effective in reducing the resistance to change by providing an opportunity for the employees to share their feelings.

The results from **Table 9** highlight the need for not just frequent but clear, specific, and two-way communication when managing employee resistance during M&As. Inclusive communication is helpful not to let resistance grow, however, it has to be clear and relevant with the roles of the employees in order to become really effective.

As said in the theoretical framework, bottom-up communication that is necessary often proves insufficient in addressing the concerns and uncertainties that employees have regarding organizational change. Two-way communication systems such as through open forums or feedback should be included to enhance trust, reduce resistance, and man organizational members get into line with organizational goals (Jablin, 2001).

For practical reasons, companies would do well to follow the below strategies to minimize resistance and this through communicating effectively such as initially by **inclusive communication** wherein leaders encourage open lines of communication wherein employees can put forth their concerns and questions that need to be asked. This will make employees feel more involved and less uncertain about the changes in place. Secondly, communication should not only be frequent but also **clear and specific,** especially regarding role changes and practical implications for employees. Employees need action information to make sense of their place in the newly integrated organization. Lastly, companies must **institute feedback channels** that allow leadership to channel their censoring employee concerns in a direct and transparent manner. This will help make employees feel listened to as well as reengage them.

As seen from **Table 9**, **communication strategies play a critical role in reducing employee resistance** during the implementation of M&As. Inclusive communication and regular updates have reduced resistance in **Company Y.** However, in **Company X,** formal, top-down communication failed to assuage issues of concern among the employees and ended up increasing resistance. The analysis further supports that clarity along with two-way communication is crucial in reducing resistance, enhancing engagement, and aligning employees with organizational goals at the time of integration.

3.3.2. Engagement

Employee engagement is another crucial factor that is generally set next to the M&A success metrics. In general, engaged employees are more likely to show commitment to organizational goals, have better productivity, and are reluctant towards change. On the contrary, disengaged employees might make the organizational integration ineffective and deteriorate overall performance. The following **Table 10** reviews the perceived levels of employee engagement during the merger process in **Company X** and **Company Y** and what factors contributed to those levels.

Table 10

Employee engagement in Company X and Company Y

Company	Engagement level	Interviewee type	Description
Company X	Low	Employee	Employee felt disengaged due to unclear leadership communication.
Company X	Moderate	Senior manager	Employee felt disengaged due to unclear leadership communication.
Company Y	High	Employee	Employee felt highly engaged due to inclusiveness in decision-making.
Company Y	Moderate	Employee	Employee noted moderate engagement, but still uncertain about how the merger would impact their role.

Source: compiled by the author based on the conducted research.

At **Company X**, low initial levels of employee engagement resulted in **communication from leadership** being of no clear quality. As shown by the employee in the first column of **Table 10**, the lack of clear directions made employees feel disengaged. One employee commented, "There was a lot of talk about what was happening in the merger, but I never really understood how it would affect my daily work. It felt like the information was all very general." According to the **theoretical framework**, this low engagement level is predicted to occur with change, employee engagement is contingent on usual satisfaction with leadership communication during organizational change (Saks, 2006). In their role within the new organization, employees may become lost without a sense of clear direction and, in turn, feel disconnected and insecure.

On the other hand, after senior management took steps toward more detailed communication about the vision for the company and strategic goals, engagement levels in **Company X** began to improve. A senior manager said, "Leadership had just communicated the vision of the place, and the employees began to get more engaged. There was a more substantial alignment with the goals of the company." This shift to clearer communication is likely to be supported by the theoretical underpinning of transformational leadership, where the articulation of an inspirational vision and the alignment of employees with organizational goals is of prime importance (Bass, 1985).

In contrast to **Company X**, employee engagement in **Company Y** was high due to the supportive, participative style of leadership. The newsletters of **Company Y** strengthened engagement by, as a constant, featuring employees' visibility in integration decisions and acknowledging their contributions. As one employee from **Company Y** put it, "I felt really engaged because we were involved in discussions about how things were going to change. We had a say in the direction." Within

Company Y, the participative leadership style implemented resonates well with the theoretical view that involving employees in decision-making increases engagement and reduces resistance (Kotter, 1996).

There was, however, a low level of engagement from a few who were unsure of the exact implications of the merger. One such employee from **Company Y** commented, "I was engaged in the process, but still didn't know exactly what my role would be going forward." Although participative leadership and inclusive communication strategies were helpful, employees wanted more details about role clarity and the hands-on parts of integration.

Table 10 demonstrates the communication and leadership style that could influence engaged employees during M&A. In the case of **Company X**, engagement levels were low at first due to vague communications. However, they began to rise after leadership began to deliver clearer messages about vision and strategic goals for the company. This finding is consistent with the theoretical argument that high levels of employee engagement during periods of change can be developed through good transformational leadership that creates clear communications and shares vision, which is delineated in theory (Bass, 1985).

In **Company Y**, engagement was high, due to the inclusive leadership style, and the strong encouragement of employee participation in decision-making. This supports the notion that, when employees are involved in organizational change, subsequent engagement will be superior and resistance lessened (Kotter, 1996). Yet even in **Company Y**, a few doubts relating to the impact of the merger on their roles were expressed by the employees, which pointed again to the not lesser importance of role clarity together with an inclusive communication strategy.

These results support the fact that companies can manage effective engagement in mergers and acquisitions by involving their employees in decision-making, providing detailed role-specific information, consulting different sources of information, not only acting but also thinking, first on being clear in communication and second on aligning with the vision of the organization. **Motivating involvement** in decision-making and **information specificity** to the role interacts negatively with uncertainty at the role level but positively at the organizational level. Top management must interact openly and frequently with employees so that they comprehend not only the strategic direction leading to, for instance, a merger, but also its concrete implications.

Table 10 results provide further theoretical framework support for dimensions of employee engagement and communication. Specifically, results underline that clear and consistent communication and employee involvement are imperative to support and promote engagement and reduce resistance in M&As (Saks, 2006; Kotter, 1996). The approach of transformational leadership that **Company X** followed proved worthy in gaining more engagement, aligning the employees with the strategic vision of the company.

For **Company Y,** the participative leadership style contributed immensely to high engagement. Best practices, therefore, demand that companies combine communication of vision by leadership with detailed, role-specific information communicated to employees to prevent uncertainty leading to disengagement.

Practical recommendations for M&As include communication. In such cases, the leaders have to ensure that communication during mergers is clear, frequent, and in line with strategic goals. What mergers mean for the roles and functions of the employees should be communicated transparently to drive down speculation and get more commitment. With all that, **inclusive leadership** could be another thing to add. **Implementing shared leadership**, where the employees participate actively in decisions, could do the wonder of enhancing commitment. **It is vital to address role clarity**. Clear, detailed information concerning changes in employees' roles during and after the merger speaks to engaged employees' reduced resistance. The lack of role clarity can have employees lose confidence and commitment, even if everything else is done well in communication.

3.4. Cultural integration

Moving on to the next issue, which may be the most considerable challenge in mergers and acquisitions- **cultural integration**. When two companies with distinct organizational cultures merge, there can be tensions between **values**, **work practices**, and **management styles**. This holds back the process of **integration**. In **Table 11**, the perceived employee and manager's views of the challenges of cultural integration between **Company X** and **Company Y** are presented.

In any merger between two organizations, organizational culture is one of the clearest areas where values, workplace behaviors, and managerial attitudes clash. While newsletters from **Company X** spoke of keeping operational efficiency, those from **Company Y** brought out the fact of keeping collaboration and innovation, thus showing the cultural contrasts the employees felt. The differences in the cultures set the grounds through which resistance filters into the integration process. As indicated in the theory section of this thesis, **cultural fitness** and the **match of organizational values** are key elements in determining whether integration will succeed or not. **Table 11** presents the perceptions of employees and managers on the challenges of cultural integration between **Company X** and **Company Y**.

Table 11

Cultural integration challenges in Company X and Company Y

Company	Challenge	Interviewee type	Description
Company X	Cultural clash	Employee	Employee noted a difficulty in adjusting to the informal culture at Company Y.
Company X	Loss of agility	Senior manager	Manager stressed the gap that existed between speed and maintaining agility at Company X.
Company Y	Resistance to change	Senior manager	Senior manager indicated that employees at both companies did struggle to take on new roles.
Company Y	Loss of collaboration	Employee	Employee from Company Y felt that the merger slowed their ability to innovate.

Source: compiled by the author based on the conducted research.

With the merger of **Company Y** into **Company X**, one of the biggest cultural challenges came in the form of having to integrate a more relaxed culture with the initially more formal and hierarchical setup present in **Company X**. There were stiff lines of authority present, and it usually took a structured procedure in placing decisions within the organization for employees in **Company X** to accomplish various tasks. It was a radical shift for a **Company X** employee, saying, “We were used to clear directives and processes, but **Company Y** had a much more relaxed, open style. It was hard to adjust to that difference.” This experience finds resonance with the theoretical underpinning arguing for the complexities often centered on integrating formal and informal cultures into M&A activities (Stahl et al., 2013).

There was also **resistance** from the employees of **Company X** to change their roles and responsibilities post-merger. For instance, one of the senior managers stated, “It was hard for employees from both companies to shift to new roles. They were not ready to take new tasks, especially when they didn’t see the whole puzzle.” This is in line with the theoretical contention that **role ambiguity and cultural differences can result in employee resistance during M&As**, as the employees may feel clueless as to where they stand in the new firm (Kotter, 1996).

Difficulty in agility and collaboration faced by employees after the merger was felt by **Company Y**. Being a dynamic and innovative work culture, **Company Y** was known to allow its employees to be decision makers, experiment with new ideas and innovations. However, after the merger, it was incubated within rigid structures and formal processes of **Company X**, agility and innovation slowed down. One of them averred: “We were able to innovate quickly before the merger but now there are more layers of approval that make it hard to move quickly." This corresponds to the theoretical discussion and potential havoc on coordination which mergers impose through the slowing down of responsiveness and flexibility in decision making (Pablo, 1994).

In addition, they were also concerned about losing the collaboration from **Company Y**. One of them added, "We had very open collaboration, and everybody's input was supposed to be taken into consideration. And since merger, it's tougher collaborating across departments." This is indeed a common problem when merging companies that have different organizational norms and values. The more controlling culture of **Company X** may eclipse the collaborative culture of **Company Y** and thus dissatisfy and disengage its employees (Cartwright & Cooper, 1996).

In **Company X**, the imposition of **Company X'**s formal structure over the informal culture of **Company Y** proved to create rather substantial pockets of resistance. It was therefore very hard for **Company X** employees to suddenly shift to a much less rigid working atmosphere. This resulted in confusion as well as anger.

Such research brings out the essential requirement for the management of cultural integration during M&As. This, as explained in the **theoretical framework**, necessitates proper planning and active management during the process of merging two companies that have different cultures. Role clarity, employee involvement, and communication emerge as the main factors supporting the incorporation of different cultures in the sense that people from both organizations are able to work together.

As mentioned in the M&A literature, mergers are successful if and only if organizational integration is achieved regarding values, work practices, and organizational norms (Stahl et al., 2013). The above case of **Company X**'s formal culture clashing with **Company Y**'s informal culture further clarifies the difficulties appended to the process of merging organizations with differing cultural orientations. This means that **Company Y has lost agility and collaboration**, indicating that an organizational culture of flexibility may have independence while escaping a collision course.

The merging entity should practically embrace the following strategies on how to deal with challenges related to cultural integration- in this case, cultural sensitivity and alignment: Leaders must propagate **cultural sensitivity** and **realign the values and practices** of both organizations. This involves **identifying areas of cultural conflict** early in the integration process and taking steps to merge the best elements of both cultures. **Cultural elements** that contribute to the effectiveness of an organization **must be preserved**. For example, agility and innovation within a much more structured

Company X should be preserved from a **Company Y** context. As such, to reduce resistance during integration, it is always important that the organization comes out with clear role definitions for each of the employees so that they understand where they stand in the new structure after the merger taking place, which in turn will give lesser room for uncertainty and in that manner facilitate employees' participation in the entire process of merger.

The above challenges from **Table 11** signify how important culture integration is toward M&A success. Issues like how **destructive the conflict between formal and informal cultures** can get, **loss of independence**, and **collaboration** would remain seminal in making them settle after M&As. **Role clarity** along with **cultural compatibility** is crucial toward minimizing resistance to ensure these entities can operate jointly. The findings might necessitate that organizations going through mergers would accord cultural harmonization precedence among other strategic variables for a seamless transition and retention of employee engagement.

One of the most challenging issues in mergers and acquisitions is **cultural integration**. Employees from both companies often view the cultural changes that come with the merger as a threat to their existing work practices, values, and organizational identity. **Table 12** investigates how the employees of both **Company X and Company Y** perceived the changes concerning culture during the integration and how it affected the integration process.

Table 12

Employee perception of cultural changes during M&A

Company	**Perception**	**Interviewee type**	**Description**
Company X	Negative	Employee	Employee felt that Company X's formal culture was stifling Company Y's innovative spirit.
Company X	Neutral	Employee	Employee was unsure about the merger's impact on the company culture, still adjusting.
Company Y	Positive	Employee	Employee appreciated the integration of Company X's processes with Company Y's flexibility.
Company Y	Negative	Employee	Employee from Company Y felt that the merger had eroded the collaborative environment.

Source: compiled by the author based on the conducted research.

In **Company X,** the impact of the cultural changes attributed to the acquisition was viewed with some negativity by workers. One employee mentioned, "We used to definitive rules and order, that could easily be trodden. However, the approach of **Company Y** seems too free for us." This indicates a cultural clash whereby **Company X's** culture appeared formal and rather bureaucratic as opposed to the more relaxed and innovative culture of **Company Y**. Some of the employees in **Company X** were

uncomfortable with the introduction of Company Y's innovative style because that's what they supposed to be an explicit line of hierarchy and procedures. This supports the **theoretical foundation** stating that cultural issues in M&As frequently happen when one organization's culture is seen as too rigid or traditional against that innovative and collaborative (Stahl et al., 2013) culture of the other.

However, not all employees view it that most of the cultural changes are deleterious in **Company X**. Some said they were neither for nor against the culture changes, mentioning that they were still getting used to the new organizational culture. "I'm not sure what the culture will look like yet. We're still figuring things out. It feels like a mix of both companies." Thus, **cultural consolidation** is typically a gradual process during which employees develop new norms for organizational behavior. The neutral perception shows that some of the employees were ready to accept some of the new cultural practices but would require more time to know how the new culture works in the actual situation.

In **Company Y**, the perception of cultural changes was more divided. One employee commented 'The merger brought some structure to our work processes, which was needed. **Company Y's innovation** paired with **Company X's organization** feels like a good balance.' For those in **Company Y** who felt that it was **Company X's** structure that worked for them, the balance felt tolerable between working "efficiently" and being innovative.

Conversely, whereas some of the employees from **Company Y** perceived the cultural changes positively, arguing that incorporation had strengthened the loosely defined organizational structure, most expressed a negative perception stating the merger had washed down the traditionally acclaimed collaborative and innovative atmosphere that was core to the company's success. One employee from **Company Y** intimated, 'The merger has killed our team spirit. Everything now is so unflexible and bureaucratic.' As discussed in the **theoretical framework**, **cultural integration leads to the sacrifice of certain organizational norms or values**, for this reason, employees would be dissatisfied because these aspects are very crucial to the identity of their organization (Pablo, 1994).

Table 12 brings out different perspectives on cultural changes in each company post-merger. In **Company X**, people had varied reactions with some employees feeling that the 'anarchy' type of an emerging consensus because of **Company Y** was rather distressing while others had still not acclimatized to it. At the same time, in **Company Y**, perception was more-or-less equally divided, while some employees liked the structure 'correction' done by **Company X**, providing balance, some felt that the merger had 'fallen' the conducive culture of **Company Y**.

These results accentuate the major role of culture in post-merger activities. **Creating synergy** from the blend of diverse cultural strengths sounds nice on paper but **in practice it becomes highly problematic**. The friction between formal and informal cultures, and the erosion of some organizational cultures, would provoke resistance and disengagement among employees. **Effective integration would require leadership** as posited in the theoretical framework to proactively manage such tensions so that employees understand what each culture brings in the new order (Stahl et al., 2013).

Generally, it would be presumed that merging companies need to recognize and deal with **cultural differences** in the early stages of the **integration process**. The merging of entities would increase interactions that could develop cultural clashes. Also, management should identify and maintain the best parts of the two cultures. In a situation where companies have unique cultures, leaders should concentrate on the excellent ingredients of both cultures to create an alloy that maintains each's richness while reducing the risk of culture conflict. Along with this level of role clarity and involvement for employees whereby they do comprehend their position in the new integrated culture. Which might reduce resistance and improve involvement during the merger.

One of the greatest challenges in mergers and acquisitions is cultural. As can be observed from **Table 12**, there are varied perceptions amongst employees concerning the cultural changes brought about by a merger. While some seem to take the integration in a positive manner arguing that it would enable the organization to bring together the best of both worlds, others interpret it to mean that their organizational identity and unity have been broken. These challenges indicate the significance of cultural awareness, clear communication, and involvement of employees in the process of integration, among others, if ever cultural change is to be managed with success.

3.5. Synthesis of findings

The integration of leadership and communication is crucial for the success of mergers and acquisitions (M&As). Powerful leadership would need constant and clear communication to support it in getting employees on board with strategic intentions of mergers and to manage resistance and sustain engagement through integration. The following **Table 13** discusses how well leadership and communication strategies were aligned in the two merging organizations and the extent to which this integration influenced the overall success of the process.

Table 13

Integration of leadership and communication in M&A

Company	Integration success	Interviewee type	Description
Company X	Moderate	Senior manager	Leadership and communication were somewhat aligned but required greater clarity in their messaging.
Company X	High	Employee	Noted a lack of clear direction in the early stages of integration.
Company Y	High	Senior manager	Srong alignment between leadership and communication helping employees feel more engaged.
Company Y	Moderate	Employee	Felt that while leadership and communication were aligned, there were still concerns about role clarity.

Source: compiled by the author based on the conducted research.

Leadership and communication were not highly rated together in **Company X**. An executive from the company said: "The communication from leadership around the vision of the merger had some ambiguities as it did not explicitly address how the proposed changes would affect the roles within the organization." This therefore means that there was an alignment gap, between leadership's strategic objectives and the way these objectives were communicated to employees. Things that mattered regarding the vision of the merger were known by the CEO and senior management of **Company X**, though there was not enough communication of details regarding its day-to-day implementation.

Employees commented that they knew what the strategic objectives of the merger were, but they were underhandedly stating no one had told them what their position in the new setup was, resulting in a lose-lose situation for both sides.

One of the **Company X** employees said, "Leadership, in the beginning, was very clear about the big picture but it took them longer to explain what changes would occur at the operational level. So, it was very hard for us to see how we fit into the bigger plan." This highlights a common challenge in M&As. Communication aligned with the vision of leadership needs to bring in role clarity and practical information on implementation related to the merger. Clarity in communication as to what employees need to do day-to-day is important if leadership is to be aligned with the organizational reality that employees experience (Kotter, 1996).

The alignment between communication and leadership was rated high in **Company Y**, attributed to the more collaborative style of leadership and inclusive communication strategies. Senior management in **Company Y** tried as much as possible to make leadership messages clear, pertinent, and sensitive to the needs and issues of the employees. A senior manager observed: “We worked hard to ensure that leadership’s messages were ‘on message’ with the feedback we were getting from the employees.’ Such alignment builds trust and keeps people ‘on side’ during the merger.” This is aligned with **theoretical reasoning** indicating that alignment between leadership and communication fosters employee trust and engagement that would result in better outcomes of the desirable post-merger state (Saks, 2006).

However, employees gave differing views in **Company Y** as others noted that role clarity had been a major concern. ‘The leadership was very effective in communicating, and very inclusive yet we went home with questions as to how our roles were going to change post-merger completion,’ one employee said. This shows that even if leadership effectiveness communicates as one during an acquisition and role clarity is unclear uncertainty over changing roles can be a source of resistance and disengagement. The **theoretical models** suggest that for communication to be truly effective in reducing resistance, it has to deal with strategic goals and operational realities including actual roles and responsibilities of the people, especially on the ground (Kotter, 1996).

The findings in **Table 13** show that the combination of leadership and communication is vital for the merger process to succeed. In **Company X**, leadership **was communicating the strategic vision** but without realigning to the practical changes the employees were to undergo. This brought about moderate alignment between leadership and communication, thereby perpetuating confusion and disengagement among employees. **Role clarity** was a major constraint to the overall effectiveness of integration despite clear tactical goals set by the leadership.

In **Company Y**, leadership communication was the most notable factor in employee engagement. Its inclusive communication coupled with a collaborative leadership style built the much-needed trust and alignment of employees with the vision of the company regarding the merger. This notwithstanding role clarity as an issue in **Company Y** signifies that communication should go beyond the broader vision to specific actionable information related to clarifying employees’ roles in the integration process if it is to be fully effective.

Analysis of **Table 13** thus strengthens the **theoretical perspective** that the success of mergers and acquisitions requires alignment between leadership and communication. As the theoretical framework suggests, strategic communication is essential, but this should be tempered with communication that is specific, relevant, and actionable at the employee level as postulated by Kotter (1996). Leadership has to communicate not only the big picture but also how employees’ roles would change in the new organization in practice operationally, as of among others.

On a more applied level, **companies going through a merger should**, for example, **have leadership and messaging aligned** by ensuring that **strategic goals** are well defined and communicated along with detailed, role-specific information. This way, employees will apprehend the merger's vision as well as their individual contribution under the newly merged organization. Role clarity should be among the very first things during integration in order to take out uncertainty and to bring in engagement while going in for an acquisition. While leadership alignment is important, **employees must understand what is expected of them in order to feel confident and be engaged**.

In **Company X**, leadership clarity was missing, thus diluting the potency of effective communication by leadership. In **Company Y**, however, the intact alignment of leadership clarity with communication helped ignite engagement, albeit with issues concerning role modifications in the process. These findings point to the necessity of explicit, appropriate communication that coordinates corporate strategy with the operational realities that staff members will confront during an acquisition.

Empirical research has been conducted on this thesis, and in this way, the intention was to determine the main factors affecting the success of mergers and acquisitions. Companies **Company X** and **Company Y** were the businesses used to providing an understanding of the factors associated with success following the integration. It is on **leadership styles, communication strategies, employee engagement, cultural integration** amongst others, and the net effect of all these on the merger process. This, therefore, brought out a comprehensive analysis of challenges, and successful steps in an M&A integration process through responses from senior managers and staff.

This paper offers a contribution by emphasizing the **interdependent dynamics of leadership, communication, and employee engagement in M&As.** Unlike the existing fragmented literature on these three factors, this paper treats them as a complex system that directly affects cultural integration and organizational success. One example is the well-documented capability of transformational leadership in creating vision alignment during change. This paper argues that it is even more powerful when applied in conjunction with participative communication approaches, specifically for building employee trust and reducing resistance. Further, the findings partially resemble Kotter's (1995) change management theory but underscore much-needed feedback loops designed in and for the complicated nature of the organizational forms of today. **Such loops are framed for practical use** by individuals managing the challenges of complex mergers.

In another sense, the paper sets the agenda by innovatively proposing **frameworks for**

adaptive leadership and customized communication, as well as **measurable cultural integration metrics.** This provides a very strong roadmap of how to manage M&As stressing adaptability, inclusiveness, and responsiveness as critical long-term success enablers. **The implementation of such strategies bridges the gap between theoretical constructs and real-world applications**, making this study very relevant to organizational leaders and change management professionals.

CONCLUSIONS AND RECOMMENDATIONS

The empirical findings of this study reveal the dynamics between leadership styles, communication strategies, and cultural integration in determining the success of mergers and acquisitions (M&As). The central problem, “How do leadership styles and communication strategies influence employee engagement, resistance, and the success of cultural integration during M&As?”, was addressed through the research questions. One of the findings which has a high impact on employee engagement and resistance during and after a merger is the **leadership style**. This is seen in **Company X** where the transactional leadership style set the stage for high levels of **employee resistance** whereby the emphasis was on control and operational efficiencies with little focus placed on employee’s involvement or the emotional engagement front. However, after changing leadership to the transformational style, that would line employees to the company’s vision, engagement improved but remained at moderate levels. Moreover, it was observed that collaborative leadership by **Company Y** was better in sustaining engagement among employees although there was some challenge along with role clarity. Supported by less autonomy in practice, for **Company X** especially, decentralization in leadership drastically reduced resistance and enhanced engagement-related areas. These results show that generally decentralized leadership and transformational leadership approaches are better than the transactional leadership approach in terms of reducing resistance in mergers due to their emphasis on employee involvement, empowerment, and role alignment. This finding speaks to the recommendations in the empirical discussion to adopt hybrid leadership styles.

Another factor that came out as pivotal in the success of M&A integration was communication. At **Company X communication was frequent but not clear and specific**, therefore, it rather confused and disengaged the employees. They agreed that communication had flowed through them. However, messages were oftentimes vague and did not make actual changes to their jobs or responsibilities clear. Leadership communication strategy was more inclusive which involved discussing with employees as well as providing regular updates leading to higher levels of engagement as a result. However, even in **Company Y**, there was **moderate engagement** through a number of employees concerning the uncertainty they had over their roles. This suggests that **communication should be clear, specific**, and in two ways such that while it informs employees what the big strategic goals are, it also tells them what will happen to them day-to-day during the whole integration process. This further speaks to the need for two-way, explicit communication strategies that reiterate what was previously stated about ensuring role clarity and strategic alignment.

Probably the most challenging of all mergers seemed to be **cultural integration**. In **Company X**, this came in the form of a stiff and structured culture having created a mix with **Company Y**'s handy and loose culture which newly introduced company policies, especially among staff that felt it hard adjusting to a less centralized form of operation as introduced by **Company Y**. In **Company Y,** they believed that the merger was taking away what had made their company exist in the first place -an atmosphere of unity. Cultural integration between distinct organizational cultures would require cautious handling to make sure that the best aspects of both cultures were retained, and such employees got the feeling that their main values and working practices were honored. The success of the cultural integration process is not in getting rid of distinctions but preserving some distinctive features of both cultures for harmonious and unified organizational identity. The recommendation to establish metrics for cultural integration that are measurable directly speaks to the issues observed in this case.

Employee engagement proved to be the cornerstone of the merger's success. Low engagement levels in **Company X** related to unclear communication within leadership as well as poor role clarity among the employees. Doubtful as to how the proposed changes would trickle down and affect their daily tasks and roles efficacy drew them into disengagement. On the other hand, **Company Y**'s high engagement levels would be credited to consolidated leadership, that involved employees in making decisions. However, even in **Company Y**, some employees felt that they were moderately engaged since they had no role clarity at all. This underscores the need for role clarity and precise information concerning how the proposed changes will impact on their daily roles for continued high engagement levels throughout the merger. This strongly supports the recommendation, focusing detailed role alignment in operational as well as culture integration efforts.

Based on **empirical research conclusions**, several **recommendations** can be drawn for companies undergoing mergers and acquisitions:

1. **Adopt transformational leadership.** A transformational leadership style should be adopted by leadership to inspire and align the employees with the vision of the merger. A transformational leader motivates the employees, builds trust, and provides clear direction in order to reduce resistance and enhance commitment to organizational changes. **Leadership should focus on clear communication, emotional support, and role alignment** that will truly engage the employees in the roles that they play and feel confident about the same during the process of merger.

2. **Ensure clear and transparent communication.** Effective communication is the most critical means of allaying uncertainty and ensuring that employees are engaged. The organization should institute clear, explicit, and transparent communication that covers the strategic intentions of the merger and the real implications for the roles and responsibilities of the employees. **Communication should be of regular occurrence and bidirectional to accommodate avenues through which employees can air concerns, pose questions, and receive responses.** This will reduce resistance and increase engagement since they will feel informed and involved in the process of integration.

3. Proactively manage integration of culture. Culture is to be managed proactively to preserve the advantages of the cultures of both companies while forging one identity. Leaders must involve employees in the process of integrating culture, inspiring them to take up the values and activities of both companies. This may be realized as people undergo training, are taken through workshops, and open discussions are held regarding the value of both cultures and how they may support each other. It is thus essential to tackle cultural distinctions very early in the process of integration so that later, resistance and disengagement may not be encountered.

4. Prioritize role clarity. Unclear roles and responsibilities are a breeding ground for confusion and anxiety, the two most common causes of resistance among employees. This should, therefore, require organizations to provide their employees with a detailed position in the new structure after going through the merging process, reporting lines, and expectations within the new setting. Such employees' confidence and the level of interest in their work are likely to enhance the integration outcomes.

5. Continuous feedback mechanisms. Set up regular feedback loops with surveys, focus groups, and interviews so that employees' needs and concerns are reflected in any strategy of integration. In this iterative loop, it can help leadership preempt issues in due course and also give credibility and alignment by building trust.

6. Utilize cross-functional teams. The involvement of cross-functional teams comprising members from the different hierarchical levels and departments acts as a bridge between leadership and employees' views. These teams create a culture that encourages working together to solve problems innovatively, effectively meeting challenges to ensure successful integration.

This research considered only **two companies**, and results from this research may thus **have limited generalizability to other mergers**. There were also **geographical limitations** because this study failed to consider possible **cultural differences and regional variations** that are likely to affect the nature of M&As. It only assessed the **short-term effects** that mergers would have on aspects such as employee engagement and leadership development as far as cultural integration is concerned.

This area for **future research** thus lies in the longitudinal assessment of the **influence of leadership, communication, and cultural strategies on organizational outcomes**. Such comparative studies across nations regarding cross-border mergers would leave indications about the differential impacts of regional and cultural differences on integration processes. Yet another gap that could be filled is **investigating how advanced technologies can be harnessed to improve communication and operational alignment** and that **enhance employee engagement during M&As.** These gaps, therefore, frame the way the following studies should be engaged to develop a complete understanding of what drives successful organizational change.

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THE DYNAMICS OF CHANGE MANAGEMENT DURING MERGER AND ACQUISITION PROCESSES

Gintarė MURAUSKAITĖ Master Thesis

Business Process Management Master Programme

Supervisor Assistant Professor Dr. Gediminas Baublys, 2025

SUMMARY

86 pages, 13 tables, 5 figures, 83 references.

The following master's thesis is developed to study how leadership styles and communication strategies influence employee engagement, resistance, and the success of cultural integration in the mergers and acquisitions (M&A) process. That is to say, the thesis examines how these elements collectively influence M&A outcomes and provides specific, actionable recommendations for managers to enhance engagement and reduce resistance in managing change.

The Master thesis consists of four principal parts: analysis of literature, research methodology, research results, and conclusions with recommendations. The literature analysis discusses leadership, communication, and cultural integration in the context of their influence on employee engagement and resistance in M&A. The paper considers the challenges and opportunities that these forces collectively present in managing effective organizational integration during periods of change.

The author conducted qualitative research through semi-structured interviews with employees, middle-level managers, and CEOs of the two M&A undergoing organizations. Thematic analysis was then conducted based on Braun and Clarke's framework of manual assessment to identify major themes concerning leadership styles, communication strategies, cultural integration, and impacts of these factors on employee engagement and resistance.

The research revealed that transformational leadership and communication inclusivity were the most vital driving factors for reducing resistance and increasing engagement. It also brought out that cultural diagnostics and alignment are critical precursors that make integration work well. In addition, clear feedback mechanisms via open communication channels were demonstrated to build trust as well as alignment toward organizational goals.

The conclusions and recommendations present the major concepts arising from the literature analysis and the findings of the research. The study strongly advocates resilient communication strategies by managers and adaptive leadership styles, with a focus on achieving cultural alignment as a priority for successful integration. This study contributes to the filling of the gap in the literature on how leadership, communication, and cultural integration interact in M&A in actual practice, giving actionable insights for practitioners.

The author believes this study's findings can be utilized by organizational leaders and change management practitioners and will also contribute to further research on this subject through its practical and academic insights.

POKYČIŲ VALDYMO DINAMIKASUJUNGIMO IR ĮSIGIJIMO PROCESŲ METU

GINTARĖ MURAUSKAITĖ

Magistro baigiamasis darbas

Verslo procesų valdymo programa

Vilniaus universiteto Ekonomikos ir verslo administravimo fakultetas

Darbo vadovas- Jaunesnysis Asistentas Profesorius Dr. Gediminas Baublys

Vilnius, 2025

SANTRAUKA

86 puslapiai, 13 lentelių, 5 diagramos, 83 literatūros šaltiniai.

Šis magistro darbas yra parengtas siekiant ištirti, kaip vadovavimo stiliai ir komunikacijos strategijos veikia darbuotojų įsitraukimą, pasipriešinimą ir kultūrinės integracijos sėkmę susijungimų ir įsigijimų procese. Tai reiškia, kad baigiamajame darbe nagrinėjama, kaip šie elementai bendrai veikia susijungimų ir įsigijimų rezultatus, ir pateikiamos konkrečios, įgyvendinamos rekomendacijos vadovams, kaip sustiprinti įsitraukimą ir sumažinti pasipriešinimą valdant pokyčius.

Magistro darbą sudaro keturios pagrindinės dalys: literatūros analizė, tyrimo metodologija, tyrimo rezultatai bei išvados su rekomendacijomis. Literatūros analizė aptaria lyderystę, komunikaciją ir kultūrinę integraciją jų įtakos darbuotojų įsitraukimui ir pasipriešinimui susijungimų ir įsigijimų kontekste. Magistro darbe nagrinėjami iššūkiai ir galimybės, kuriuos šie veiksniai bendrai kelia siekiant efektyviai integruoti organizacijas pokyčių laikotarpiais.

Autorius atliko kokybinį tyrimą naudodamas pusiau struktūruotus interviu su dviejų besijungiančių ir įsigyjančių įmonių darbuotojais bei jų vidurinio lygio vadovais ir generaliniais direktoriais. Tada buvo atlikta teminė analizė naudojant Brauno ir Klark (Braun and Clarke) rankinę vertinimo sistemą, siekiant nustatyti pagrindines temas, susijusias su vadovavimo stiliais ir komunikacijos strategijomis, kultūrine integracija ir jos poveikiu darbuotojų įsitraukimui ir pasipriešinimui.

Tyrimas atskleidė, kad du stipriausi veiksniai, mažinantys pasipriešinimą ir didinantys įsitraukimą, yra transformacinė lyderystė ir įtraukioji komunikacija. Taip pat paaiškėjo, kad kultūrinė diagnozė ir suderinimas yra svarbūs sėkmingo integracijos pirmtakai. Be to, buvo įrodyta, kad aiškūs grįžtamojo ryšio mechanizmai per atvirus komunikacijos kanalus padeda sukurti pasitikėjimą ir suderinti

organizacijos tikslus.

Išvadose ir rekomendacijose pristatomi pagrindiniai konceptai, kylantys iš literatūros analizės ir tyrimo rezultatų. Tyrimas tvirtai rekomenduoja vadovams naudoti atsparias komunikacijos strategijas ir adaptuojamus vadovavimo stilius, pabrėžiant kultūrinio suderinamumo svarbą sėkmingai integracijai. Šis tyrimas prisideda prie spragų literatūroje užpildymo, nagrinėjant, kaip vadovavimas, komunikacija ir kultūrinė integracija sąveikauja M&A procese praktikoje, ir pateikia įgyvendinamas įžvalgas praktikams.

Autorius tiki, kad šio tyrimo rezultatai gali būti naudingi organizacijų vadovams ir pokyčių valdymo specialistams, taip pat prisidės prie tolesnių šios temos tyrimų tiek praktinėje, tiek akademinėje srityse.