

An inductive descriptive phenomenological analysis of the impact of change management process on employee involvement and commitment in achieving organizational goal: A study of SABMiller PLC acquisition of Voltic Ghana Limited

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Keywords

change management, corporate culture, employee commitment, employee involvement, merger and acquisition and post-merger integration

Abstract

This research conducted in 2016 prior SABMiller merged with Anheuser-Busch InBev (AB InBev), however, the findings may be useful for our modern industrial development. Post-merger Integration and for that matter change management is one of the most important aspects of merger and acquisition. However, the most vital element of change management, with respect to post-merger integration is the harmonious integration of corporate culture. Change is a major transition within organizational development, which cuts across all stages of development in organizational growth. Obvious indications exist that when trying to successfully consummate an organizational take over and the organizations involved in the merger and acquisition fail to integrate properly during the post-merger stage, a demerger results. The reasons for this difficulty in implementing successful change management during post-merger integration are due to intertwining factors, such as employee commitment and employee involvement that come to play during this stage. This phenomenology study highlights the difficulties that come with change management and the impact on commitment and involvement during the post-merger integration stage. Evidence how SABMiller Plc. integrated two different extreme cultures (formal structured corporate organization with well-established corporate governance and organization with no formal structure) are provided. This study provides alternative solution to merger and acquisition success by introducing the M-Matrix.

Introduction

Institutions such as the academic, public, and private, have long given corporate mergers and acquisition (M&A) a lot of attention (Thuy Vu Nga & Kamolrat, 2007). Roberts, Wallace, and Moles (2012) identify nine life cycle stages for M&A that fall under four main responsibilities namely pre-merger planning and development, pre-merger implementation planning, post-merger implementation planning and post-merger implementation. Broadly M&A has three main stages of planning namely preplanning and planning stage, negotiation and implementation stage, and post-merger stage. Among these stages the most difficult stage which is associated with surprises is the management of the post-merger stage (Eero, 2013; Evans, 2000). Planning and negotiating for a deal during the initial stages of M&A occurs at the top management level, mainly within the ranks of the board of directors and the executives because decisions of this nature are considered strategic to the organizations involved. According to Eero (2013), planning for acquisitions often involves only a relatively small number of people on the side of the acquiring organization, typically among members of the corporate management, while the actual post-acquisition changes involve a far greater number of people at the side of change agents and change subjects.

CM processes at the post-merger stage require extreme flexibility and have to be gradual (Ihitor, 2000). Scotts (2009) suggested that if some management style is not consistent with planned strategic changes, strategists might find it difficult to diversify and develop new markets where an innovative workforce will be essential. If management gets the PMI strategy implementation wrong then the outcome may be precarious, and may easily destroy a successful merger that on paper shows promise, and subsequently may affect shareholder's value.

There is a worldwide recognition that most M&A has been a total failure or total loss in shareholders' value (Banal-Estañol & Seldeslachts, 2011; Cartwright & Schoenberg, 2006; Eero, 2013). The failure of M&A

is the loss of shareholders' wealth, loss of experienced managerial staff of the acquired company, or in the worse scenario demerger of the M&A. Even though there is a wide notion that the majority of M&As has failed to increase shareholders' value, statistics indications show that M&A is on the increase and therefore the need to learn lessons from successful companies may be very important (Banal-Estañol & Seldeslachts, 2011; Cartwright & Schoenberg, 2006; Eero, 2013; Lee, Kim, Kim., Kwon, & Cho, 2013). Smoothing cultural difference may increase EI and EC, thereby improving CM processes, which may result in successful M&A (Eero, 2013).

Literature Review

Overview of SABMiller Plc. Acquisition of Voltic Ghana Limited

SABMiller is an international company which was centered largely in South Africa where they had diversified interests. Established in 1895, SABMiller is one of the first breweries of South Africa currently in operations on five continents in 80 countries, brewing over 200 different beers at 139 breweries, with 75,000 employees throughout the world (Davie, 2010; URSUS, 2012). SABMiller ranked as number-two brewer in the world by sales, is second only to Belgium-headquartered Anheuser-Busch InBev. SABMiller Plc. made their presence in Ghana in 1997 with the acquisition of Accra Brewery Limited. Accra Brewery Ltd (ABL) is the oldest brewing company in West Africa.

SABMiller acquired VGL, a company, which was founded in 1995 and produces bottled water and soft drinks. VGL was then a sole proprietorship own by Pradeep Godvin who also own Bio-Plastics (The Abraj Group, 2011). VGL has a strong presence in West Africa than any bottled water company. This made VGL the company with the largest market share in the mineral water industry in both Ghana and West Africa (Africa Business Pages, 2014). After a successful merger, both companies received a boost of capital injection into their operations; in a strategic move to ensure sustainability and maintain market leadership in both the beer and the bottled water industry targeting the huge gap in the market, which was yet to be accessed (Kapstein et al., 2011). The acquisition of VGL by SABMiller Plc. has helped VGL to maintain its market leadership and also brought efficiency in the VGL's operations.

Merger and Acquisition

Figure 1 indicates the differences between mergers and acquisitions.

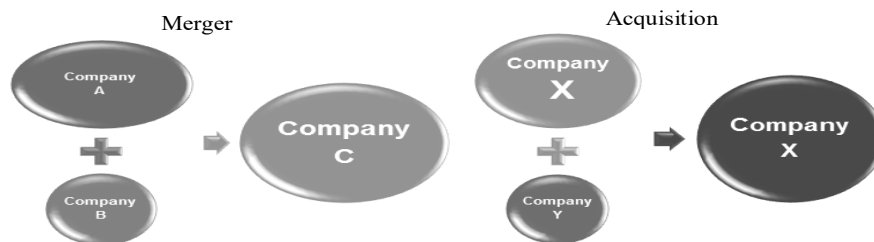


Figure 1: Differences between Mergers and Acquisitions, by (CFA, 2013)

A merger may result in a new company, while with acquisition the acquired company takes the name of the company that did the acquisition. According to Evans (2000), merger refers to the merging of two companies where one new company will continue to exist (Vazirani & Mohapatra, 2012). Acquisition refers to the acquisition of assets by one company from another company, and both companies may continue to exist (CFA 2013). There are two main classifications of M&A and these are namely hostile takeover where the targeted company's board of directors' objects to a takeover offer, and a friendly transaction is when the targeted company board of directors' endorses the merger or acquisition offer (CFA 2013).

Change Management

Prosci (2014) indicated that the three main ways to address CM are research based, Holistic and Easy to use. Holistic change provides best solution to post M&A CM because this address change issues on both individual and organizational level. The individual changes identified by Prosci (2014) are awareness, desire, knowledge, ability and reinforcement, termed the building block for successful CM. The Awareness emphasis that the people involve must know why the change is needed (Kotter, 2007). There should be a

desire from the employee being affected by the change to support and participate in the change, which is crucial and important because this would drive EC and EI. To sustain the change there is the need for reinforcement from the change sponsor or agent to the employees (Hiatt, 2006; Prosci, 2014; Rudnicka, 2011). The five-outcome competency factors of ADKAR model shown in table 2 are very important in the CM process. The individual change factors are shown in the Table 2.

Table 1: Individual Change based on the ADKAR Change Competency Model

Acronym	Milestones
A	Awareness of the need for change
D	Desire to support and participate in the change
K	Knowledge of how to change
A	Ability to launch required skills and behaviors
R	Reinforcement to sustain the change

Source: Prosci(2014)

Ackerman (1997) indicated that the three main types of CM are namely development change, transitional change and transformational change. Developmental change is the simplest type of change: This improves currently doings rather than creates something new, thus improving existing skills, processes, methods, performance standards, or conditions can all be developmental changes (Ackerman, 1997; Anderson & Ackerman, 2011). Developmental change may be either planned or emergent, enhances or corrects existing aspects of an organization, and often focusing on the improvement of a skill or process (Rudnicka, 2011). Transitional change seeks to achieve a known desired state that is different from the existing one. Transitional change is episodic, planned and second order or radical (Rudnicka, 2011). M&A can be said to be of more transitional change. Anderson and Ackerman (2011) indicated that Transitional change replaces “what is” with something completely new, and this requires designing and implementing a “new state”, requiring dismantle and emotionally let go of the old way of operating while the new state is being put into place. Transformation, however, is far more challenging for two reasons: First, the future state is unknown when implemented, and is determined through trial and error as new information is gathered, making Transformational change impossible to “manage” with pre-determined, time-bound, and linear project plans (Anderson & Ackerman, 2011). Transformational change requires a shift in assumptions made by the organization and the members (Rudnicka, 2011).

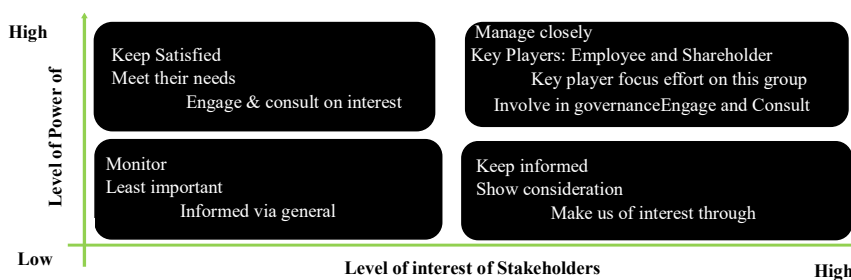


Figure 2: Stakeholder Matrix, by TOGAF (2011)

According to Schmeer (1999), stakeholder analysis is a process of systematically gathering and analyzing qualitative information to determine whose interests should be taken into account when developing and/or implementing a policy or program. In CM processes, some of the most powerful entities are the shareholders and the employees and these set of bodies have both high interest and power. However, in a majority of cases, employee factors are marginally considered during the pre-planning and planning phase (Eero, 2013). In effect, the use of stakeholder matrix helps the strategist to avoid unnecessary rift from key stakeholders like employees and shareholders in the implementation of CM. Invariably the M&A strategist must consider the use of such tools to smoothen the cultural fit in the organization during

CM processes. Most organizations, which implement M&A turn to focus more on the interest of the shareholder than the employee, because of their prime objectives is to satisfy the principal (the shareholder).

Effective communication engages the hearts and minds of all stakeholders by facilitating movement along a continuum. Figure 6 indicates the process in which communication will be effective in M&A:

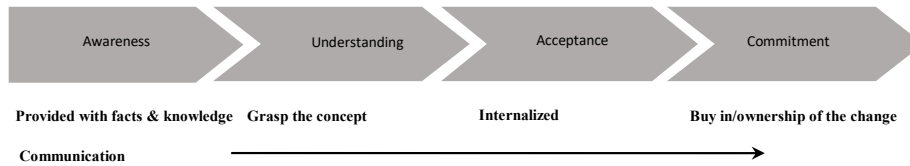


Figure 3: Communication Continuum.

Adapted from “Change management best practices guide: Five key factors common to success in managing organizational change, by Queensland Government (2014). Communication is important to a successful PMI. Accordingly, it is important that everyone in the organization and those interacting with the organization during the M&A, both internal and external stakeholders are kept informed and provided with messages and information that allow them to feel engaged and aware of the new state of the organization, thus paving the way for involvement and adoption (Queensland Government, 2014). Communication should go through the entire fabric of the targeted company ensuring that all doubt and grape vine information are blocked from the onset.

Kotter (2007) identified eight change model steps for the implementation of successfully change, and further argues that change projects fail because victory are declared too early which stale continues improvement. The use of this model may assist the M&A sponsor to evaluate the progress of the change process during PMI stage. The model steps are: Establish a sense of urgency, Form a powerful coalition, communicate the vision: “walk the talk” Remove Obstacles, Create short-term wins, Consolidate and Build on the Change, Anchor or institutionalize the change in a corporate culture.

Schein (2004) indicated that there are three stages in which a person may go through change namely unfreezing, changing, and refreezing. According to Schein (2004), throughout the process the individual may not be aware of these stages (Cawsey, Deszca, & Ingols, 2012). The unfreezing is the stage of current beliefs when shaken the individual becomes doubtful to seek alternative ways of understanding. The changing phase is where new behaviors, beliefs, and values are instilled in the target person. The refreezing phase involves fixing the new beliefs into the individuals and making it normal. At this stage the person uses these beliefs and patterns without thinking. The combination of Kotter’s and Schein’s models may provide better guidelines for the strategist to implement a successful PMI.

Please see Figure 4 indicating the features of change management process from pre-planning phase to post-M&A phase within M&A.

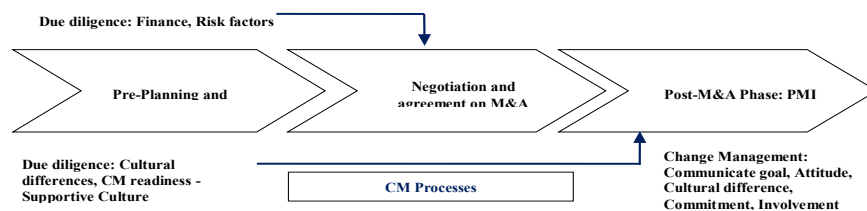


Figure 4: Change Management Processes

Figure4 indicates the cycle of a well-planned CM Process. The pre-planning phase of M&A requires information gathering processes or due diligence from all stakeholders by the strategist before commencing planning (Scott, 2007). This due diligence includes financial risk factors and human risk factors such as cultural fit and readiness of targeted company to commit to the cultural change likely to be introduced (Supportive Culture) (Eeron, 2013; Scott, 2007; Weber et al., 2014). This information gathering must be the basis for planning. Establishing appropriate organizational structures, roles, and responsibilities for the change that engage stakeholders to support the change effort is very important (Queensland Government,

2014). Failure to achieve this would result in the mass resignation of managers as seen with AOL-Time Warner and SABMiller Plc. -VGL.

Employee Involvement

Employee Involvement (EI) is the degree to which a person is identified psychologically with their work, decision-making or the importance of work to their total self-image (Adham, 2011; American Psychological Association, 2004; Bullock & Powell, 2011; Lodahl & Kejner, 1965). Efforts to promote job involvement among staff tend to pay off substantially since employees will be more likely to assist in furthering their company's objectives (Helper, Levine, & Bendoly, 2002). Morgan and Zeffane (2003) suggested that using EI to create mutually trusting relationships by management is a matter of strategic choice, the absence of consultation by management to initiate trust-building practice, in assumption that employees cannot be trusted to make important decisions about their work reduces the chances of employees' support or 'buy-in' for change initiatives. Similarly, this would increase the emergence of cynicism often found among workers exposed to frequent management initiatives to change (Morgan & Zeffane, 2003).

The theories of human capital, compensating differences, efficiency wage, incentives and complementarity, and conflict are very important for the strategist to understand and use to manage the human factors affecting EI. The strategist uses human capital theory to maintain high skilled employee (Almendarez, 2013; Blaug, 1976; Handel & Levine, 2006; Helper, Levine, & Bendoly, 2002). From this the M&A strategist must know the caliber of human resources in the acquired company so that remuneration is structured to ensure retention of skilled employee. Most M&A has the fundamental goal of building synergy with the acquired company that lies in the human capital in the targeted company. If this human capital is lost after M&A then the purpose of the M&A is lost from the onset, which would affect share value as seen in the merger of AT&T and NCR (Scott, 2007). There should be a fair concept to prove to employees that there is equitable wage across board to increase EI (Akerlof, 1982; Handel & Levine, 2006; Milgrom & Roberts, 1995). The concept of mutual gains between firms and employees provide high commitment because of the role of fairness conceptions in determination of expectations, effort, and wages. During the pre-planning stage of M&A, there is the need to consider the organizational structure of the targeted company. The type of organizational structure may have negative or positive influence on EI. Employees of organization with higher hierarchy are likely to have less EI than flat organizational structure. During post-M&A, the sponsor must ensure that an effective EI hierarchy of the organization is made in such a way as to generate an adequate level of involvement to attain a successful M&A. Research by Adham (2011) showed that EI can be applied positively by keeping employees informed from the beginning about changes in staffing, financial matters and new decisions such as M&A.

Group Development

Group development is essential in the development of any organization (Maslow, 1943; McLeod, (2016). Ciancutti and Steding (2001) indicated that "them-and-us" condition involves the presence of two or more adversarial or disconnected elements in team, and this is not a product of imagined maliciousness of individuals, but a natural group phenomenon in teams. The recent increase of hostile M&As can be prime conditions for "them-and-us" when these changes are not properly managed, for instance with a superordinate set of Trust Model principles, people are prone to fill the vacuum with fears of losing position, comfortable relationships or forming territory (Ciancutti, & Steding, 2001; Mullins 1985; Webster, 2014). The four main group development stages of any grouping in organization namely forming, storming, norming and performing, this was first proposed by Tuckman (Mullins, 1985; Roberts & Wallace, 2008; Tuckman, 1965). According to Tuckman (1965), a group would first go through forming stage in which the individuals in the groups come together. At the storming stage the individual team members begin to know each other better, they are able to build up a clearer picture of each person in terms of ability, commitment, skill, interpersonal skills (Roberts & Wallace, 2008). At the norming stage, group or team will develop both formal and informal standards of behavior that all members will be expected to observe. Mullins (1985), and Roberts and Wallace (2008) suggested that once the team norms are in place, the process of actually performing begins at full capacity if the team has overcome any internal fragmentation that may have

occurred in the storming process. The recognition of these stages and their functions is very important, since this shows when a group is vulnerable and needed less interruption and provide clue to managers of when the group is more formidable and can take shocks (Roberts & Wallace, 2008).

A highly motivated group may pose danger to the union especially when the leaders involved fails to manager the “them and us” factor. “Them and us” factors arise from poor performing group and there is the tendency that a high achieving team may also fall prey to this: This is normally termed as the Group Think (Ciancutti & Steding, 2001; Mullins, 1985; Roberts & Wallace, 2008). A highly committed and motivated group may work towards a set of beliefs, aims and objectives that the group shares but not consistent with the organizational goal (Mullins, 1985, Roberts & Wallace, 2008).

Employee Commitment

Nongo and Ikyanyon (2012) defined employee commitment as the degree to which an employee identifies with the organization and wants to continue actively participating in the organization. Jaros (2007) proposed that commitment is a force binding an individual to a cause of action, relevant to one or more targets. A simple definition of employee commitment is an organizational member's psychological attachment to the organization (Grimsley, 2003). Commitment exists when an individual maintains high levels of extra-role behavior in spite of low expectancy (Scholl, 2008). Commitments also reflects when an attachment and involvement with the target is shown to have greater benefit for that target than those based on concerns over social or economic costs (Meyer & Maltin, 2010) According to Singh, Gupta, and Venugopal (2008), organizations must develop a psychological bond between employees and the organization, in the form of employee commitment, in order to create total dedication of their work force towards their goals, interests, and values. Some researchers suggest employees experience three basic mindsets (affective, normative, and continuance), that affect their psychological state and is reflected by emotional ties, and perceived obligations (Colquitt, Lepine, & Wesson, 2010; Grimsley, 2003; Nieuwoudt, 2014; Meyer & Allen, 1991).

Corporate Culture

Zimmermann (2015) defined culture as the characteristics and knowledge of a particular group of people, defined by everything from language, religion, cuisine, social habits, music, and arts. Linton (1945) suggested that culture is a configuration of learned behaviors and results of behavior whose component elements are shared and transmitted by the members of a particular society. Cultural diffusion is a selective process in that whenever two cultures come into contact; each does not accept everything indiscriminately from the other (Spencer-Oatey, 2012). Thus collective value system, goals and aspiration take precedence over those of individuals. In US, individuals are responsible for their failure or success in life while in many culture in different part of the world this will be different (De Mooij, 2010). The culture differences found among different societies and ethnic groupings clearly show that organizational traits of the western part of the world may never be acceptable in certain parts of the non-western world. As indicated national culture has much influence on CC and this should not be taken lightly, thus the study of CC must not be done in isolation but within the contest of national culture (Careil, 2003).

Research Questions

1. How has the CM process impacted employees' EI and EC?
2. To what extent did CC, EC, and EI play a role in the motivation of managers participating in the SABMiller/VGL merger?

Research Methodology

In order to satisfy the need for finding frameworks, measurements, or maps to help them make sense of the chaos of the world, individuals create for themselves structures, theories, and rules (Nicholls, 2011). Phenomenology is an inductive approach and there are two main types of Phenomenology approach: Husserl's (Descriptive) and Heidegger's (Interpretive) Phenomenological Research (Reiners, 2012). Descriptive phenomenology applies where every day conscious experiences were described while preconceived opinions are set aside or bracketed, whereas Hermeneutics Inductive approach moves beyond

the description or core concepts of the experience, and seeks meanings that are embedded in everyday occurrences, and believed that bracketing is not needed because hermeneutics presumed prior understanding (Reiner, 2012).

Purposeful sampling was used because with that the researcher specifically selects individuals who can purposefully help build the understanding of the phenomenon of interest (Creswell, 2006; Patton, 2002; Sun, 2009). Snowball facilitates the identification of hard-to-find cases (Patton & Cochran, 2002). To accomplish this in this study, the first step was to identify persons who meet all the criteria set. With the aid from the first person who met the criteria set, other suggested personnel were nominated who also met the criteria. The process then continued until the entire seven participants for the interview were identified. The sample frame, which was the employee list from Human Resource, was used to identify that these selected personnel were still working with VGL and were on pay roll. Being a manager, this data from Human Resources was easier to acquire.

Data Evaluation, Analysis, and Interpretation of Results.

Seven managers from three different districts with autonomy in the management of their district within VGL were interviewed to know their lived experienced before, during, and after the M&A. The data collected during the interviewed were uploaded into software called NVivo, which helped cypher all information uploaded. The data analysis followed the stages laid down by Moustakas (1994): Horizontalizing Data, Clustering Meanings, Describing the Textures of the Experience (Triangulation), relate study to possible future research and develop an outline for a future study, relate study to personal outcomes, relate study to social meanings and relevance, and to the researcher's future direction and goals. Moustakas (1994) indicated that phenomenological data analysis should go through the stages. Participants were coded from M1 to M7. The themes were determined using the ADKAR Change Competency Model which are awareness and need for change; desire to support change, knowledge of change, ability to launch change and reinforcement of change (Prosci, 2014).

Findings

The participants indicated that the initial process of the M&A was without any prior information and so was met with resistance from old VGL management staff; "guys didn't actually understand the merger, people were not actually enlightening, so people had challenges to accepting the change". However, Human Resources introduced intense training programs for management and sales force. The participants also suggested that, "there is serious support especially from HR in terms of CM." The current state of VGL showed that employees of VGL recognized the need to change and improve on the operations of the company. The recognition was as a result of the awareness created by SABMiller through continuous training of staff at the managerial level by Human Resource. The awareness and recognition created has increase EC and EI among the member staff of VGL. The interview further showed that this awareness and knowledge created through training is cut short at the low-level employees such as the loaders and the drivers as stated by participants as "My problem is, I do not know about the lower grade worker like the loaders and those below". Nevertheless, the general knowledge among employees as to where the direction of the company and the outcome of the change is not known among the entire team. The lack of knowledge has the tendency of making member of the teams working at cross objectives that may affect the progress of the CM of the PMI stage, and also likely cause members to lose corporate branding, creating "them and us" or group think situation (Ciancutti, & Steding, 2001; Mullins, 1985).

The research indicated that leadership style has effect on employees' performance especially their commitment and involvement to job during PMI (Evans, 2000; Singer, 2005). Taking critical look of the leadership style within the corporation, which varies from autocratic, participatory and transformational it was clear that participatory and transformational leadership style was much yielding than autocratic leadership style. De Poel's (2011) indicated that participatory and transformational leadership style is source of organizational motivation. The district associated with autocratic style of leadership has the highest level of uncertainty and agitation among employees resulting in reduction of EC and EI. District with transformational or participatory leadership style have employees contributing successful to the growth of the organization and there are high EC and EI associated with higher productivity (Kuyea, & Sulaimonb,

2011) The study further revealed that EC and EI are influenced by leadership style either negatively or positively having direct consequences on team behavior and group development across the organization (Queensland Government, 2014). Some managers within the team recognized the fact that there were different styles of leadership prevailing at different districts. This was asserted in the interview by participants indicating that: "I can say that my style of managing my people is different from what I can see anywhere among my colleagues". To further explain the findings, the table below indicates the degree or level at which themes play a role in CM during the PMI stage. Table 3 indicates the general findings in a tabular form.

Table 2: Themes and factors affecting PMI processes

Themes/Factors	District I (M1, M2, M3, & M4)	District II (M5 and M6)	District III (M7)
The recognition of cultural changes	Very High	Very High	Very High
Awareness	Very High	Very High	Very High
Awareness Factor	Training	Training	Training
Knowledge of Change	No	No	No
Commitment to the change	Low	Very High	Very High
Support for the change	Low	Very High	Very High
Impact of groupings on support for CM	Positive Negative	& Positive	Positive
Impact of groupings on support for change	Positive Negative	& Positive	Positive
Group Development Stage	Storming	Performing	Performing
Leadership Style	Autocratic	Transformational/ Participatory	Transformational/ Participatory
Impact of change management on EC and EI	Negative	Positive	Positive

The table indicates that there may be consensus among participants that support from SABMiller for the change has been enormous on the side of management, in terms of provision of training and general tools for operation. This support provided by SABMiller has really equipped management staff to carry on with their day-to-day activities materializing in tremendous growth of the company. Nevertheless, there is also agreement that the lower ranks of employees may not have such support, as did the management team.

The table further indicates that management of various districts adopted different leadership style, which may have had direct influence on employees' commitment, involvement and demands on the company. Districts with autocratic leadership style may have employees demanding from management higher incentives, more motivation and improve working conditions. Those with leadership style of transformational or participatory has employees being highly committed, involved, motivated and demanding more interactions with management. The result also indicated the strong presence of grouping within VGL, with group development stages varying from district to district ranging from storming to performing stage. During the study, district with participatory and transformational leadership style provided more cohesion among employees which resulted in higher EC and EI. This was more prevailing in District II and III. Yet, in District I with autocratic leadership style saw more of employees' cynicism and agitation. The absence of consultation by management to initiate trust-building practice a usually characteristics of autocratic leadership style, reduces the chances of employees support for change initiatives, increase the emergence of cynicism often found among workers exposed to frequent

PMI Probability for Leadership Style	High	Participatory/ Transformational	Quadrant A: Dreamer High/Low: PMI Successful: Characteristics: Gradual Increase in support from change subject, and reduction in Psychological tremor with occasional demands from employees.	Quadrant B: Dove High/High: PMI Successful: Characteristics: Total Support from Acquired company leads to shorter time frame in PMI success (District II and III)
	Low	Autocratic Leadership	Quadrant C: Snakes Low/low: PMI Failure: Characteristics: High employee turnover, cynicism from employee Initial. Low Supportive Culture stay permanently	Quadrant D: Question Mark/Limbo Low / High: Demerger / PMI Success: Characteristics: Increase in Psychological tremor. Reduction of support of Change Subject with Psychological contract from employee; more transactional i.e. Increase in incentives, Higher remunerations, More improve conditions, cynicism, High Employee turnover (District I)
		Low Supportive	High Supportive	
		Low	PMI Probability for Supportive Culture	
			High	

Figure 13. M-Matrix based on M-Model;

The four quadrants are: Quadrant A-Dreamer, Quadrant B-Dove, Quadrant C-Snakes and Quadrant D-Question Mark/Limbo. The model indicates that low PMI Probability is associated with the combination of autocratic leadership of the change agent with low supportive culture from the change subject and this represents Snakes' Quadrant. The Snakes Quadrant may have very high probability of PMI failure. A typical example is AT&T and NCR: AT&T imposed their culture on NCR, which was a typical approach of autocratic leadership style, and was rejected by NCR, which who also had low supportive culture for the acquisition (Scott, 2007). IBM sale of ROLM to a German company Seimens, which was a result on imposition of IBM policies on ROLM. High PMI probability is associated with the combination of transformational/ participatory Leadership from the change agent and high supportive culture from the change subject and this represent the Dove Quadrant. Example of Dove quadrant is Districts II and III of VGL, which has very high potential likelihood of PMI being successful.

The research also indicated that there could be movement between the quadrants such as moving from Dove to Dreamer and from Question Mark/Limbo to Snakes quadrants or vice-versa. This became evident in the research indicate that VGL had high supportive culture from the onset, however this was reduced after the M&A due to the lack of communication of the M&A by SABMiller, with misgivings from some participants that it was shrouded in secrecy. This accounted for the resignation of many senior managers at the initial stages of the M&A and resulted in districts II and III moving temporarily from Dove to Dreamer Quadrant, and District I moving to the Snake quadrant instead of the Question Mark/Limbo Quadrant. One must understand this imposition of SABMiller on management staff of VGL was a typical style of authoritarian leadership style from SABMiller.

However, Human Resources intensive training for the whole team reversed the trend of the group, bringing District II and III back to Dove and District I to Question Mark. For high supportive culture combine with all types of leadership style communication is the catalyst for movement between the quadrants. As indicated in the chronicle, most M&A which showed high possibility of success and there was culture imposition end up breaking up even though there were good initial communication. The research conducted by Guest, and Peccei, and Thomas (1993) further indicated that communication can do very little in trying to resolve issues of EI/EC, and so the strategist must be very thoughtful in buying organization with low participative culture.

The negative impact of the autocratic leadership style of management of District I has had minimum impact on the entire operations of the team of VGL, because the District forms just a fraction of the entire team and so the impact on total PMI is not seriously felt throughout the organization: This result would have been different if the operations of the various districts were similar to District I. Another important revelation that this research brought out was that, as demerger or M&A failure are normally associated with

M&A with culture fit issues, such as SABMiller Plc and VGL, was not in the case of SABMiller acquisition of VGL. However, the research reveals that if the change subject and the change agent have high supportive culture and the change agent adopts either transformational or participatory leadership style the problems associated with cultural difference would be overcome there by increasing the chances of successful M&A.

Limitations and direction for future research

In this study, the limited experiences of the researcher in phenomenological studies cannot be ignored. Another limitation is the limited resources available; mainly because the research was self-sponsored the study could not address all issues related to CM. The close relation of the researcher with the interviewee and to ensure that the corporate image of the company is protected is paramount. The generalization of the research may not be possible because the finding is limited to one corporate body, SABMiller. Within the said corporate body, the attention focuses on three districts of VGL among the numerous subsidiaries across the five continents. Despite these limitations, the present study makes several important contributions providing a body of knowledge for future studies.

The present study suggests that during M&A there is the need to involve Human Resource managers and directors spear heading training of employees of the targeted company. There is also the need to consider the right change agent with the right leadership characteristics and character to spear head the CM during PMI. A company with high supportive culture may likely be committed to any changes as indicated in this study. Leadership style may have serious consequence on PMI, commitment, involvement and group development irrespective of how strong the supportive culture of the acquired company may be. There is also the need to recognize the impact of national culture on businesses especially locally owned businesses as ascribed in the research as the “family thing”. Communication must be continuous processes not limited to a few selected people as did in SABMiller acquisition of VGL, the absence of this may reduce high supportive culture. There should be transparency and information flow must be forth coming from top management to the shop floor member to prevent grape vine activities settling in. The study further suggests that during PMI stage, management must consciously adopt transformational and participatory leadership style to help quicken maturity of PMI stage. The research further suggested that there is the need for the acquiring company to draw up a SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) form of theme, policies, or goals that would be pursued during the PMI period to direct the activities of the employees to a common goal. The objectives must clearly indicate what the whole set up should be like within the period of integration. There is the need for the acquiring company, if multinational, to consciously reduce the hierarchical chain by empowering middle managers during the PMI stage. National culture must be considered since this may have a bearing on the organization procured. Regardless of the important advances brought by this study, a lot of work remains to be done to understand the effect of CM and leadership style on EC and EI during PMI. In addition, there is the need for further application of the M matrix in a real situation to further prove the application of the M matrix.

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