

# THE INFLUENCE OF STRATEGIC MERGER ON POST-CHANGE THROUGH THE MEDIATING ROLE OF PHENOLOGICAL CONTEXT: A DUAL STAGE STRUCTURAL EQUATION MODELING AND NEURAL NETWORK APPROACH

Dr. Abbas Gatea Atiyah

University of Thi-Qar - Iraq College of Administration and Economics

abbas-al-khalidi@utq.edu.iq

## Abstract

Companies pursue to increase the percentage of acquisitions in different parts of the world by expanding operations. Many companies are adopting strategic merger in order to expand influence. However, most strategic change programs fail to achieve their objectives. Thus, this study aims to investigate the reactions of individuals after strategic merger, through the mediating role of the psychological context. It was necessary to identify the most prominent post-change behaviors. Therefore, the study addressed this gap by investigating the outcomes of the strategic merger. Data for this study were collected from 30 family businesses, and accordingly, 341 questionnaires were collected with an overall response rate of 64%. The structural equation modeling approach and the nonlinear relationships approach were adopted by implementing WarpPLS software. The results confirm that there is a clear impact of strategic merger on the behavior of individuals because of the change at the hierarchical level and the process of distributing roles. Further, policymakers in organizations must pay attention to the possible reactions of individuals towards the internal and external policy of the organization. In addition, individual incentives, anxiety, and individual mobbing mediate the relationship between strategic merger and post-change. This study has presented theoretical and practical implications that are critical guidelines for practitioners and academics in mitigating the negative consequences of post-change toward strategic merger.

**Keywords:** Strategic merger, post-change consequences, psychological context.

## Introduction

Mergers are one of the most important strategic activities that countries and companies operating in them are turning to save the current situation (Chu et al., 2022). It is also a vital part of any healthy economy, as it provides a way for companies to be able to give returns to owners (Singh and Das, 2018). Therefore, it plays a pivotal role in enabling companies to grow faster than their competitors and ensuring that weaker companies are swallowed up (Shrestha et al., 2017). At the industry scope, the reason for mergers could be a lack of resources, technology, and capital (Harford, 2005; Mitchell and Mulherin, 1996; Shleifer and Vishny, 2003). At the company, the reason may be a lack of expertise, synergies, interaction with management, and tax considerations (Larsson and Finkelstein, 1999). On the side of the economy, the reason for mergers can be to enhance economic welfare, reduce costs, and

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restructure the market (Agrawal et al., 1992; Borenstein, 1990; Jeziorski, 2014; King et al., 2004; Peters, 2006). One of the important things that greatly encouraged mergers is the increasing globalization, as mergers have become cross-border (Chen et al., 2017). Which led to an increase the financial performance. Some studies have found that mergers between companies can lead to increasing operational efficiency and raising the efficiency of market power (Hespelagh and Jemison, 1991), the creation of high economic value as a result of increasing the profitability of shareholders (Francis et al., 2008; Martynova and Renneboog, 2008), decreasing competition in the market (Bradley et al., 1988), decreasing dependence on a number of customers (Chatterjee, 1986), controlling the prices (Dyer et al., 2004; Hitt et al., 1990), cost reduction, economies of scale (Homburg and Bucerius, 2006), efficient coordination of resources and efforts (Chatterjee et al., 1992); Eliminate financial market barriers (Brouthers and Brouthers, 2000), and achieve competitive advantages (Capron and Pistre, 2002).

Not only should the merger be seen from a financial perspective, but the union of two different companies and two different cultures is bound to bring some anomalies. It is very important that the relevant departments actively participate in this process so that in this difference they are adept at planning in an orderly manner for a smooth transition (Chung et al., 2014). Despite the many financial and non-financial gains that can be achieved, in addition to the promising synergies between the merged companies in light of the fierce competition, many studies indicated that about 80% of the mergers failed (Kansal and Chandani, 2014). One of the most common reasons for merger deals to fail is due to cultural differences and cultural mismatch between the merging firms as the impact of cultural differences is usually magnified in mergers, leading to unsuccessful merger among the firms (Chakrabarti et al., 2014). Therefore, Ernst (1994) sees that one of the main factors in the success of a merger is the elimination of cultural conflicts and the achievement of compatibility between individuals. Regardless of form of organizational change (eg, mergers, restructurings, downsizing, re-engineering, etc.), it is well known that employees determine the ultimate success of change efforts and that company management is the main driver in leading individuals towards achieving change success (Chung et al., 2013; Datta et al., 2020). Therefore, management must realize the nature of the behaviors resulting from the merger as one of the important forms of organizational change, because a merger is a great challenge for individuals (Kansal and Chandani, 2014), and consequently, they form a type of change resistance in form neglect or exit from organization (Svendsen and Joensson, 2016; Chaudhry et al., 2009). But if the company's administration deal in success way with change, there sure led to voice and loyalty behaviors (Farrell & Rusbult, 1992; Chou and Barron, 2016). So psychological context must have an important role in the manifestation of these behaviors, as the individual notes the actions that appear from the administration towards him and his peers. For example, individual incentives play a pivotal role in transferring the behaviors and convictions of individuals to the positive side, while the individual may not want receiving the incentive at the expense of his social standing and his previous position (Lin et al., 2022). Also, anxiety for change is an important element in generating a state of alienation, and here the role of management is evident in bringing the individual closer to the organization than to alienation from work (Pereira and Mohiya, 2021). The last aspect is related to the individuals themselves, which is

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individual mobbing and how to eliminate irony between individuals in light of cultural and cognitive differences (Rousseau, 1995).

Most studies have investigated factors affecting people, brand, and company profitability (Senger et al., 2021; Qiu et al., 2020; Leal et al., 2021; Kansal and Chandani, 2014; Hossain, 2021; Chung et al., 2014; Chu et al., 2020). Where we find that there is a dearth of studies dealing with the nature of behaviors resulting from a strategic merger. Also importance of recognizing the mediating roles of each of the individual incentives and mobbing, as well as the concern of changing the manifestation of these behaviors, given that these factors have a significant impact on individuals, as studies showed (Lyman, 1993; Olita and Streimikiene, 2016; Pereira and Mohiya, 2021; Lin et al., 2022). Therefore, no study has dealt with the mediating role of these three factors. Therefore, this study sought to answer the main question, (What are the behaviors resulting from the impact of the strategic merger process).

## **2. Literature Review**

### **A. 2.1. Strategic merger**

There are two interesting views provided by researchers about the process of mergers between companies. At the external (competitive) level, they see that mergers are an important tool in a corporate restructuring or business integration, and constitute an essential part of today's competitive economy. It is considered one of the strategies that improve financial performance and growth (Sahu & Agarwal, 2017; Anthony, 2019). Many companies today see that the process of merging with another company or companies represents an important dynamic mechanism in competitive industries and thus leads to exploring the required future strategies and tactics, at the local, regional or global level (depending on the nature of the merger) based on successful mergers, which ultimately lead to expand company's markets and increase their market share (Chakrabarti et al, 2009; Datta et al., 2020). As for the other point of view about mergers, it is located at the internal environment of the company. In this context, researchers see that mergers are one of the most difficult organizational changes that employees face in their career paths (Kansal and Chandani, 2014). Mergers have negative consequences for organizations and their members, due to the cultural distance between the merging companies (Chung et al, 2014), which often leads to cultural conflict (Chakrabarti et al, 2009), and thus, some employees feel employment alienation (Brannen and Peterson, 2009). These obstacles are one of the main factors that prevent synergistic integration between companies (Larsson and Lubatkin, 2001). Therefore, in studying human behaviors resulting from integration processes, researchers used psychological, social, and cultural perspectives (Marmenout, 2010). Studies that adopted a psychological perspective showed that employees affected by integration processes are often exposed to high levels of psychological stress, role ambiguity, and anxiety due to uncertainty in implementing future tasks (Cooper et al., 2001). According to the social perspective (social identity theory), employees of merging companies tend to categorize people based on their social positions within the organizational environment of their parent companies (Tajfel and Turner, 1986). Therefore have psychological difficulties in overcoming their internal gaps and biases (Amiot et al., 2006). And finally, the cultural perspective indicates that the combination of two excellent organizations with different cultures often leads to a cultural clash or a conflict.

***B. 2.2. Individual incentives***

According to Luzi (1995) definition, Individuals are given incentives in order to meet their basic human requirements. Incentives such as salary, incentives, allowances, profit sharing, and bonuses encourage people to do the tasks allocated to them in the best possible way, to use their strengths, and to enhance the level of their competencies. Individual incentives can be used for a variety of non-quantitative commercial operations. such as business services, oversight, security, judicial, and scientific research (Angari, 1999)., on the other hand, Individual incentives have received less attention by researchers. Especially when individuals are energetic, motivated, and involved, they come up with fresh ideas and turn them into new goods, services, or organizational models. (Chang et al., 2015). There is relationship between Individual incentives and innovation (Wei and Atuahene-Gima, 2009). Individual incentives motivate businesses and their people to be active participants in company innovation. (Kui Si et al., 2020). Individual incentives relate desired future rewards to the fulfilment of organizational goals, motivating them to go above and beyond to satisfy organizational expectations (Cadsby et al., 2007; Trevor et al., 2012). Individual incentives and innovation, defined as the firm's use of company earns techniques that reflect employees' learning and innovative efforts, are positively related to the exchange, acquisition, and creation of new knowledge, and thus are highly relevant for enhancing employees' motivation and ability to learn new knowledge, which leads to the development of company capacity (Yanadori & Marler, 2006). Competition is considered as a vital factor to achieve the individual incentives (Yanadori and Cui, 2013). Inadequately allocated individual incentives can lead to sentiments of injustice and dysfunctional competition, which can sabotage social behaviors and performance (Siegel & Hambrick, 2005). According to equity theory, incentives are unavoidably social and relational, as social comparison processes are likely to occur when incentives are provided to employees in a diverse and competition manner (Greenberg et al.,2007).

***C. 2.3. Anxiety for strategic change***

Emotions (anxiety) play a vital part in implementing the strategic change process, such as contribute to behavioral reactions and modify results and thus may determine the success or failure of strategic change implementation (Oreg et al.,2011; Castillo et al., 2020). Therefore makes strategic change and its execution a necessary element of the daily reality in the companies, which are still experimenting with various reforms and ways of organizing their work (Židonis and Raišienė, 2020 ). Understanding people's attitudes and motives to support, or fight, strategic change is of tremendous importance, because although management is ultimately designed by people, change initiatives are implemented by employees. However, most research have concentrated on the objective measurement of strategy change and have overlooked subjective evaluations. Therefore, we provide a worry approach to acquire a deeper knowledge of the employee subjective reactions to change, such as when faced with a strategy change (Mitlis et al., 2013). Agote et al. (2016) and Islam et al. (2021) justifies this strategic change with Individual responses are crucial drivers of successful change implementation. However, one of the most important drivers of the success or failure of strategic change, is changing the reactions of individuals to strategic change (Borges and

Quintas, 2020; Ahmed et al., 2020). Oreg and Berson (2019) identify diverse individuals' anxious responses to strategy change and divide them into three components: emotional, cognitive, and behavioral responses. According to Oreg et al. (2011), emotional responses include positive or negative feelings, cognitive responses include assessments and beliefs, and behavioral responses are to indicate intentions to act in the context of strategic change. Anxiety is a vital component of meaning-building and deconstruction during change, as it changes an individual's perception of new and confusing events or situations, which then supports the production of sensations and helps to comprehend why some events stimulate strategic change (Will and Pies, 2018). Feelings (anxiety) have gained increasing attention in strategic change management research. However, past studies have looked primarily at the effects of feelings (anxiety) during strategic change, leaving our understanding of their sources limited and dispersed (Laida et al., 2016). Moreover researchers frequently perceives emotions as either positive or negative, where happy emotions are seen as essentially good and lead to dedication to strategy change, whereas negative emotions (anxiety) are seen as inherently evil and lead to resistance to strategic change (Orig et al. 2018).

#### ***D. 2.4. Individual mobbing***

Lyman (1993) provides defines mobbing as an extreme form of harassment focused at specific individuals. In contrast to normal social pressures, mobbing is a long-term, escalating conflict marked by frequent acts of harassment directed against a specific person, organization, or group. While workplace legislation and policies may help reduce the prevalence and incidence of mobbing, the competing interests of upper management, human resources personnel, supervisors, and employees typically undercut any anti-individual mobbing efforts. Generally, an organization is concerned with and compelled to look out for the wellbeing of its personnel (Jolita and Streimikiene, 2016). Swedish psychiatrist Heinz Lehmann coined the term mobbing to refer to a specific type of mobbing directed against individuals, either within their businesses or against one another. Leymann (1996) considers individual mobbing to be a form of long-term hostile conduct discovered in individuals at their place of employment. Attacking is a form of psychological hostility that frequently occurs in groups. In principle, mobbing is a severe form of workplace social stress. (olita and Streimikiene, 2016). There is a relationship between mobbing and awareness (Gillespie et al., 2015). argue that raising awareness among employees and the general public is vital to averting individual mobbing. (Dolinar et al.,2010). According to Byrne and Hunter (2013), effective action against individual mobbing involves more than making policy, shaping rules, and establishing guidelines. As there is a relationship between mobbing and prevention (Jolita and Streimikiene, 2016). Hutchinson's (2012) A multidisciplinary approach to addressing workplace individual mobbing as a work and employment relations issue, is a crucial step in preventing it. According to Tonini et al. (2011) Only effective information and training of individuals and employers during work can be used to prevent individual mobbing. Guglielmi, Panari, and Depolo's (2009) confirm that individual mobbing prevention can begin with a psychosocial work environment and relationship management, particularly among leaders and colleagues. Weber, Hörmann, and Köllner (2007) Therefore, preventative measures against workplace individual mobbing must be prioritised.

### ***E. 2.5. Post change consequences***

According to Turnley and Feldman, (1999), *voice behavior* is referred to as a reasonable initiative, improving conditions, offering open discussions, and providing solutions. Usually, this behavior is the result of individuals who have faith in the work, and feel they belong to the organization. It is therefore a type of organizational citizenship behavior (Chou and Barron, 2016). This behavior comes from individuals who are open to change and who want to develop their knowledge abilities (Lee and Varon, 2020). Thus, individuals participate in presenting various proposals to the management of the organization and working continuously on studying the state of change and deducing its positive aspects of it (Detert and Trevino, 2010). But if individuals conclude negative aspects, they report them and provide suggestions and solutions to avoid them (Morison, 2014). Therefore, their voices rise towards making some modifications, as this voice turns into a corrective action that addresses the problems that may occur as a result of the change. Because the voice's behavior is in essence a diagnosis of situations, the person who does this is certainly the one who touches on the reality of daily work, and therefore the proposals and ideas must be taken seriously by the organization's management (Vangel, 2011). On the other hand, (Bala and Venkatesh, 2017) see that the behavior of the voice increases the rate of employee turnover, due to the difference in viewpoints and lack of harmony in work, and therefore the management is forced to change the positions of employees in a way that achieves stability for the organization. This is not negative in itself, because it results from expressing the employees' opinions about the change that is taking, and thus it makes it easier for the management to know the new employees' locations (Bhatti et al., 2020). So, it is possible to consider the behavior of the voice as a positive behavior that works to identify problems and provide solutions, as well as voice behavior, presents creative proposals and is consistent with the flexibility of the organization and change for the better (Whiting et al., 2012).

When the organization has a background in making the change successfully, this leads to the employee feeling confident about the activities of the organization and this trust generates satisfaction and thus stability (Lee and Varon, 2020). Therefore, the individual is a soldier recruited to maintain the changes made by the organization and interact with it and work for its success (Farrell & Rusbult, 1992). *Loyalty behavior* is usually done by employees who wish to remain in the organization and do not wish to go elsewhere. Employees' sense of stability leads to loyalty to the organization in which they work (Mueller and Lee, 2002). Loyalty behavior is represented by waiting and patiently by an individual so that the organization can identify the rejected conditions and treat them. The individuals here provide further support to the organizations by waiting and practicing good citizenship (Rusbult et al., 1988). Therefore, previous research has shown that employees who are confident in their organizations tend to be more committed to staying loyal to organizations, compared to others. Thus, if face an unsatisfactory working situation, are more likely to remain loyal to the organization than their peers (Liden et al., 1997; Graen and Uhl-Bien, 1995; Dulebohn et al., 2012). The absolute loyalty of the individual towards the organization is expressed as the individual's readiness to maintain belonging and his belief in the values and objectives of the organization, so the individual sees that the change made by the organization is in his interest resulting from the interest of the organization and its higher goals (Aljayi et al., 2016). But if

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the individual realizes that the change made by the organization will lead to a breach of its obligations, this will greatly affect the employee's loyalty to the organization and move towards neglect or exit behavior (Chaudhry et al., 2009).

Organizational activities usually lead to organizational changes, and this makes employees feel ambiguous about their new roles and tasks, also some lose their previous position. Thus, they reduce the level of seriousness at work (Svendsen and Joensson, 2016). Previous studies on organizational change have argued that employees' reactions to change are an important and decisive factor in reducing information exchange and reducing efforts in general, as well as reducing work quality and increasing conflict situations with the organization's management (Withey and Cooper, 1989; Chou and Barron, 2016). All of what has been mentioned is the outcome of the *negligent behavior* adopted by the individual in the organization, due to changes that are not consistent with his own goals (Lee and Varon, 2020). So neglect behavior is defined as a decrease in attention or effort, chronic lateness or absenteeism from work, the use of company time for personal work, and an increase in the error rate (Rusbult et al., 1988). Farrell and Rusbult, (1992) see the employees try to distance themselves from participation and show their unwillingness to take responsibility for the actions or even the simplest tasks they are assigned. Thus, they show indifference to the activities that happen around them and try to stay away from highlighting their names as participants in the performance of routine tasks as well as other tasks (Rusbult et al., 1988). Therefore, neglect behavior is one of the most negative behaviors. It is inactive behavior compared to (voice and exit behavior) (Farrell and Rusbult, 1992). Because neglect creates a state of lack of focus on what is happening around the employee from the influences. Thus, the change around him is not arguable. Rather, the employee tends to neglect everything around him and focus on extracting private benefits (Withey and Cooper, 1989). Also, neglect behavior emerges in delays, excessive rest periods, complaints, and making unrealistic promises to customers (Farrell, 1983). It is related to the psychological contract of the individual and his feeling that the management of the organization does not care about his interests, so the organization's management must take into account not to create such behavior. And taking initial steps before going towards change, by convincing employees of the importance of change and how it will be in their interest in the future (Chou and Barron, 2016). Employees begin to think about leaving the organization by re-evaluating their attachment to the current organization, believing that staying in this organization will not be beneficial to them (Lee and Mitchell, 1994; Morrison and Robinson, 1997). This feeling arises among individuals when the activities conducted by the organization lead to frequent changes in their positions, and thus individuals lose some of the gains and privileges (Van der Smissen et al., 2013). Some researchers (e.g. Smollan et al., 2010; Rafferty and Griffin, 2006) argued that individuals view the changes resulting from the activities of the organization as challenges to their career path, and therefore individuals consider these changes sometimes lead to a failure to fulfill the psychological contract. This causes a state of pressure in individuals that makes them feel isolated and alienated from work (Rousseau, 1995). On the other hand, changes in the positions of employees lead to a feeling of job insecurity and the lack of importance of their positions in the future. Therefore, individuals think seriously about taking the initiative towards leaving the organization to maintain their social status, thinking that the decision to

leave the organization is better than the organization expelling or marginalizing them at work (Saunders and Thornhill, 2003). Therefore (Farrell, 1983) defines *exit behavior* as quitting the organization, transportation accompanied by sabotage, searching for a different job, thinking about quitting seriously, and searching for the right place. Thus, we understand that the exit behavior when adopted by the individual is the result of a breakdown of the relationship between him and the organization. Where empirical studies confirm that the low perception of fulfilling organizational obligations leads to a negative relationship by the employee to loyalty to the organization, and a positive relationship with exit and neglect behaviors (Chaudhry et al., 2009). On the other hand, Davis and Luthans, (1988), argued that employee turnover increases when the company deals with some changes. Which has been confirmed by some literature in human resources that it can be positive because it renews blood and increases the recruitment of skilled human resources (Elfenbein and Knott, 2015). Accordingly, the activities that lead to change within the organization have become important factors for getting out of the organizational stalemate. Because stalemate does not lead to correcting mistakes, rather correcting mistakes is the outcome of activities that lead to change (Piderit, 2000).

### 3. Hypotheses development

#### *F. 3.1. Strategic merger and psychological context*

Individual incentives are a basic governance tool that is most effective when large levels of innovative knowledge resources and new strategic initiatives are involved (He & Wang, 2009). Thus, the cognition, motivation, and behavior of individuals in terms of knowledge acquisition, sharing, and use influence the strategic merger success. Among these, employee learning is a vital activity between individual incentives and the influence of strategic mergers (Minbaeva, Pedersen, Björkman, & Fey, 2013; Yao & Chang, 2017). While individual incentives may result in social comparison and dysfunctional competition among employees, we believe that the positive effect of individual incentives on strategic mergers through encouraging employees to learn is more significant, as employee competition becomes dysfunctional only when perceived unfairness regarding incentives exceeds a certain threshold (Wang et al., 2018).

Numerous scholars have noted that strategic mergers can be an effective technique for reducing anxiety associated with strategic change in businesses, because change initiatives must involve individuals' attitudes, cognitive models, and behaviours in order to reduce fear and anxiety (Feurer & Chaharbagli, 1995; Grimes, 2010). Individual responses to any strategic change, whether favourable or bad, are crucial in determining the overall effectiveness of the change (Siegal et al., 1996). Individuals do not reject strategy change in and of itself. However, the potential implications and doubts associated with strategy change may affect individuals, causing anxiety and dread of change (Waddell and Sohal, 1998). Employees' anxiety and resistance to strategic and organisational change are manifestations of their opposition (Kane, 1981). Oreg (2006) describes strategic change resistance as a three-dimensional (negative) attitude toward change that consists of emotional, behavioural, and cognitive components. Among these different and independent components, the emotional

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component expresses feelings (such as anger or worry) concerning the strategic change and the form of the resulting strategic merger (Singh and Goel, 2021).

Employees use psychological mobbing when wanting to eliminate or evade strategic engagement (Baillien et al., 2017). It has been established that there are employees who, because of bad relations with co-workers and managers, have had to leave work and flee from strategic merger (Jolita and Streimikiene, 2016). Based on Dolinar et al., (2010) it might be claimed that the key to reducing harassment is to create awareness among employees and among the community at large. Numerous studies have established that the workplace can discriminate between individual mobbing and regular interpersonal conflict (Leon Perez et al., 2015). individual mobbing and its relevance to strategic merger were analyzed. Describe those links as a component of individual mobbing or more precisely, exposure to negative acts - resulting from the incidence of team conflict and conflict management patterns impeding the development of certain organizational tactics (Branch et al., 2013).

*H1: Strategic merger would be positively link with psychological context factors.*

#### **G. 3.2. Psychological context and post change consequences**

Economics stems from incentives, and its strength stems from its ability to predict how people's behavior will change in response to changes in incentives (Fehr and Falk, 2002). Integration is a term that refers to an individual's functional orientation along a continuum ranging from empathy to hostility in their thoughts, feelings, and behaviors, and thus their ability to trust others (Nicolau et al., 2007). Nicolau et al (2007) argued that highly conscientious people may desire more personal control over their functions, which leads them to increase voice behaviour. Yi et al. (2010) analyzed employee loyalty behavior, service quality, and company strategic performance and built a model to consider the impact of employee loyalty behavior on organizational performance and strategic engagement. The results found that employee loyalty behavior has a significant impact on "a company's profitability through service quality strategy, customer satisfaction and customer loyalty. Incentives promote reciprocity among employees when it comes to knowledge sharing, enhance knowledge sharing behaviors, decrease employee exit behavior and reduce anxiety and fear, which enhances performance Organization (McAdam et al., 2012) Individuals are motivated by incentives because they provide perceived immediate benefits, as opposed to something like training, which needs effort and may not appear immediately. In addition, incentives help prevent neglect and anxiety Individuals and abuse (Nguyen et al., 2019).

Research on strategic change anxiety frequently emphasizes the importance of aligning employee behavior and perceptions with an overall change strategy. In addition, it has been found that a successful strategic shift requires a shift in how employees view themselves, their work, and others in ways that relieve their fear and anxiety (Townley, 1999; Boswell & Boudreau, 2001). Several studies have also discovered differences in the effect of individual incentive methods on individuals' attitudes and neglectful behaviors, as well as performance outcomes at the unit level (Aryee et al., 2016; Gardner et al., 2011; Jiang et al., 2012 Malik et al., 2019). Incentives drive individuals because they provide perceived immediate benefits, as opposed to something like training, which requires employees to put in effort and whose benefits may take time to appear. Incentives also help prevent employee neglect and abuse

(Nguyen et al., 2019). Additionally, while individual incentives can motivate effort and cooperation and enhance information sharing, the absence of performance measures and incentives for knowledge sharing has a detrimental effect on knowledge sharing, leading to neglect and behaviors (McAdam et al., 2012; Adler and Kwon, 2002; Zaraga and Bonache, 2003). Appropriate incentives triggered and triggered increase individuals' desire to share experiences, both formally and informally, and alleviate feelings of neglect and deprivation (Bartoll and Srivastava, 2002). Several studies have shown that many variables such as rewards and motivational recognition, job satisfaction, positive relationships with colleagues and superiors, performance evaluation, and organizational factors all have a significant impact on employee loyalty behavior at work, and that it is important to identify and understand the factors that influence employee loyalty behavior at work. Employee loyalty in order to develop strategies to improve individual and organizational performance (Sabancı et al., 2016; Abdullah et al., 2009; Kiruthiga and Magesh, 2015; Johnson and Indvik, 1999; Abdullah et al., 2009; Ongori, 2007). Companies can achieve high performance outcomes by reducing people's fear and anxiety, including increased operational and financial performance, sustainable competitive advantage, improved sales and marketing success, and enhanced innovation capabilities, all of which contribute to stability and clearly less anxiety behavior (Quigley). et al., 2007; Smith, 2001; Kogut and Zander, 1992; Zahra et al., 2007).

Many organizations have conducted extensive research on individual mobbing in human resources. However, the issue of mobbing prevention is rarely dealt with for the purpose of improving a company's management culture. In general, the organization cares and has an obligation to take care of the well-being of its employees (Jolita and Streimikiene, 2016). Organizations should encourage knowledge-sharing activities among their members. This incentive may be intrinsic or extrinsic, which may help individuals avoid exit behavior and mobbing and be loyal only to the organization (Adler and Kwon 2002; Ardichvili et al. 2003). The ability and motivation of employees is increased, which leads to increased performance, thus mitigating interpersonal exit behavior and enhancing obedience (Boxall and Purcell, 2003). Cressman (2002) and Abdullah et al. (2009) explained that career development opportunities improved employees' tendency to become more loyal to the organization. According to Heskett et al. (1997), the largest correlation exists between strategic profit and employee loyalty behavior. Additionally, as noted earlier, vocal behavior is often viewed unfavorably by company management because it is geared toward strategic change and consolidation. Similarly, one of LePine and Dyne (2001) important discoveries was the bi-directionality of strategic merger. It was found to be negatively correlated with sound but positively correlated with strategic behaviour.

*H2: Psychological context factors would be positively link with post change consequences.*

#### ***H. 3.3. The mediating role of psychological context***

The merger processes lead to the redistribution of workers and the change in tasks and the requirements for implementing these tasks (Saunders and Thronhill, 2003). Which often leads to resistance to change by individuals (Bansal, 2016). Hence, organizations should take bold steps toward it. These steps aim to study how to change the employees' view of the new changes in the organization. And transferring them from the opposition area to the cooperation area (Searle and Ball, 2004). In this context, researchers confirm that one of the most important

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of these steps is the individual incentives (Lin et al., 2022). Individual incentives gain great importance in changing the views of workers. Especially those who have a major role in the success of the change process called knowledge workers (Iyer and Ravindran, 2009). Studies confirm that 70% of strategic changes have failed (Carlton and Lineburry, 2004; Valant, 2008; Bansal, 2016). The reason is the lack of plans to address resistance to change by workers. In this context, (Ansoff & McDonnell, 1990) see that there are two types of resistance to change by individuals, which are systemic resistance and behavioral resistance. The first type is the result of individuals not having experience in using new tools, means, and technology at work, and consequently unwillingness to try activities that require that technology and preferring to stay on traditional activities. The second (behavioral resistance) is represented by the individuals' lack of conviction in change, due to the ambiguity of the role and the intersection of visions and ideas. Thus the lack of harmony with others (Waweru, 2011). Therefore, individual incentives play a major role in addressing these two issues, thus changing the convictions of individuals and motivating them to move towards creativity (Ardito et al., 2019). Because the individual will feel that the organization has given him attention in formulating its future policies, especially those individuals who turn plans into creative activities, and devise better ways of solving problems (Lin et al., 2022). Thus, the role of individual incentives in correcting the behavior of individuals towards the change resulting from the strategic activities of the organization shows us the logicality of its mediating position between strategic mergers and post-change behaviors. Therefore, it can be said that individual incentives mediate the relationship between strategic mergers and behaviors resulting from individuals, and the more the organization is interested in how to give rewards to individuals. This means that the more their behaviors turn from negative behaviors to positive behaviors that are in the interest of the organization (Milne, 2007).

The merger with another organization(s) aims to develop methods and techniques of work, as well as the tools, programs, and technologies used (Hossain et al., 2021). This requires individuals to coexist with other individuals who have skills and knowledge commensurate with the level of new activities and ideas. This process is called (socialization) (Becerra-Fernandez and Sabherwal, 2010). The organization faces difficulty because of the cultural distance, as well as the feeling of individuals' unwillingness to learn from another person who may be younger than them or differ from them in visions, ideas, and adoptions (Pereira and Mohiya, 2021). In this context, some individuals are worried about change and do not find in themselves the full confidence to learn the necessary tools and programs for it. Also have a great obsession that the organization does not want their services in the future, especially if the knowledge is hidden from them (Connelly et al., 2012). All of this makes individuals live in a state of anxiety and excessive thinking, which negatively affects their behavior at work and their ability to exchange information (Guenter et al., 2014; Park and Hai, 2021). Therefore, sometimes raise their voice by not agreeing to the organization's entry into new strategic activities that lead to change (Bélanger et al., 2022). At other times, refusing to deal with changes, and thus neglect the implementation of the tasks entrusted to them (Svendsen and Joensson, 2016). May also think of doing business for their personal interests only. All of this will be under the misleading negative behavior towards change (Farrell and Rusbult, 1992). Therefore, the organization must take into account what will result from individuals in the

event of a merger, and simulate that merger. To get to know the reactions of individuals (Bansal, 2016). It is also important to formulate future scenarios on how to face change. And identify potential knowledge gaps between its employees and the employees of the company (s) merging with it (Chen et al., 2018). Thus, determining the type of knowledge and skills to be added to individuals, and taking early corrective action. Lead to constructive behaviors toward change (Chung et al., 2014). All of what was mentioned proves to us the mediating role played by individuals' concern about changes resulting from the strategic merger with other organization(s). And thus its impact on the nature of the behavior of individuals.

It is known that activities accompanied by change require individuals who are flexible and able to adapt to change. Also distinguished by the ability to innovate and be creative in addressing the problems that they may fall into as a result of the change (Adjei-Arthur et al., 2022; Weber et al., 2022). Such types of individuals usually face mobbing from their peers. Peers who do not find in themselves the ability to adapt to new conditions and cannot develop appropriate ways to live with the new reality will tend to show mobbing to others (Rousseau, 1995). mobbing begins by making fun of the achievements of others and their ideas and trying to belittle their value in front of managers (Lyman, 1993). As this situation continues, a feeling of mobbing arises among these individuals towards their peers, this mobbing takes different forms. Especially if the proposed ideas of their colleagues succeeded and met with a wide response within the organization, were recognized by the organization's administration, and were considered respected and appreciated (Zachariadou 2017). Therefore, forms of mobbing at work are rooted in the minds of peers, sometimes amounting to beatings and defamation (Olita and Streimikiene, 2016). The individuals who do these things are usually those with little knowledge, therefore it is necessary not to be equal to other employees with knowledge of the same specialization, and should not be counted in the same rank them at work. Because this will make the knowledgeable employees feel that their organizations do not take into account the ideas distinguished, and therefore nothing distinguishes them from others (Becerra-Fernandez and Sabherwal, 2010). On the other hand, it is necessary for employees with little knowledge to feel that below the level of others who are better than them. Thus, they should think about developing their abilities and trying to learn new things (Anita Starzyk and Sabine Sonnentag, 2019). Here emerges the role of the organization, through the establishment of targeted programs to develop the capabilities of employees, and attempt to explain the importance of this for them (Bélanger, 2022). Employees who are engaged in work are the closest to developing themselves and therefore accept such development programs. Others who are not engaged in work, do not focus on developing themselves for their organizations when they carry out activities that lead to change, but rather their behavior tends toward destructive and negative instead of constructive and passive (Carmen Amador Barreiro and LukeTreglown, 2020; Farrell and Rusbult, 1992). Therefore, it is possible to imagine the important mediation of individual mobbing between the strategic mergers on the one hand and the behavior of employees on the other hand, which usually appears after the change.

*H2: Psychological context factors would mediate the relationship between strategic mergers and post-change consequences.*

#### 4. Methodology

Google form was used due to COVID-19 pandemic and 30 family businesses were targeted in Iraq. Accordingly, 341 questionnaires were collected with an overall response rate of 64%. The demographics profile of respondents were 66% male and 34% females, 31% of the respondents were between the ages 20 and 24, 29% between 25 to 30, 21% between 40 to 34, 16% between 35 to 40 years old, respectively. Regarding education, 34% obtained a secondary degree, 26% obtained a diploma, 30% obtained a bachelor, and 10% obtained a postgraduate. To address the issue of the common bias method (CMB) we have adopted several CMB testing methods. Initially, Harman's one-factor test (Podsakoff and Organ, 1986) conducted to identify the presence of CMB. The results showed the variance of the first factor was 25.8%, such a value does not exceed 50% (Podsakoff et al., 2003). Therefore, there is no concerns about the common bias.

The questionnaires contained 50 items covering the three variables, In order to analyze the answers of the respondents, a five-point Likert scale was used.

- **Strategic merger:** A 8 item scale developed by (Musharraf, 2003) was used.
- **Individual incentives:** A five-item scale developed by (Lee et al., 2020) was used.
- **Anxiety for strategic change:** A 15 item scale developed by (Jensen et al., 2011) was used.
- **Individual mobbing:** A five item scale developed by (Özsungur, 2020) was used.
- **Post-change consequences:** Four dimensions of post-organizational change consequences were used: voice, exit, loyalty, and neglect. Such dimensions were measured by using 17 items adopted from (Rusbult et al., 1988).

Structural Equation Modeling (SEM) is a widely recognized analytical method in the marketing and organizational behavior disciplines, that goal to theory testing and extension (Hair et al., 2016). SEM not only deals with reflective and formative measurement models but is also too suitable for testing path modulus in complex models (Rasoolimanesh et al., 2015; Ringle et al., 2012). This study used WarpPLS program because it provides many advantages to researchers (Kock and Hadaya, 2016). WarpPLS helps identify nonlinear relationships between factors and gives a distinct set of global model fit indices that are compatible with factor-based and composite-based SEM (Karimi and Walter, 2016; Kock, 2015).

#### 5. Analysis and results

To evaluate the model using SEM-PLS there are two methods. The first method deals with a measurement model in which the validity and reliability of each latent variable are considered (Hair et al., 2016; Moqbel and Kock, 2017). As for the second assessment, it is regard to the structural model, which assesses the relationships among the latent variables (Hair et al., 2016; Moqbel and Kock, 2017).

Tests of reliability and validity are importance assessments of the measurement model (Byrne, 2016; Hair et al., 2016). To confirm the convergent validity measurement model, both the mean extracted variance (AVE) and the composite reliability (CR) must be evaluated. Results (Table 1) show that the (AVE) and (CR) values for all constructs were above the threshold levels (0.5) and (0.7), respectively, which achieves convergent validity and composite

reliability of the variables (Hair and Anderson, 2010). Additional indicator of convergent validity, all scaling model indicator loads must reach or exceed the cut-off point (0.70) (Hair et al., 2016). Also, items with loadings in the range (0.40) to (0.70) can be considered acceptable (Hair et al., 2016; Kock, 2015; Rasoolimanesh et al., 2015). Items less than (0.40) must be removed from measurement model. Table 1. shows that all items loaded on latent variables are all viewed as above the threshold value (0.70) except for some indicators that fall within the range (0.40) to (0.70). Also (Table 1) shows the values of Cronbach's alpha coefficients and CR for all formulations were higher than (0.7), which ensures the reliability of the measures in their respective formulations (Hair and Anderson, 2010).

Table 1. Assessment of Measurement Model

Variables	Items	Loading factors	CR	AVE	Variables	Items	Loading factors	CR	AVE	
<i>Strategic merger</i>	SM1	0.735	0.784	0.639	<i>Individual mobbing</i>	IM1	0.783	0.873	0.724	
	SM2	0.746				IM2	0.735			
	SM3	0.798				IM3	0.783			
	SM4	0.784				IM4	0.725			
	SM5	0.740				IM5	0.779			
	SM6	0.712			<i>Post-change consequences</i>	CC1	0.712			
	SM7	0.773				CC2	0.736			
	SM8	0.792				CC3	0.792			
<i>Anxiety for strategic change</i>	AC1	0.735	0.735	0.724		CC4	0.703	0.735	0.835	
	AC2	0.744				CC5	0.759			
	AC3	0.705				CC6	0.768			
	AC4	0.784				CC7	0.773			
	AC5	0.735				CC8	0.795			
	AC6	0.714				CC9	0.735			
	AC7	0.783				CC10	0.725			
	AC8	0.762				CC11	0.735			
	AC9	0.725				CC12	0.745			
	AC10	0.789				CC13	0.726			
	AC11	0.735				CC14	0.769			
	AC12	0.673				CC15	0.735			
	AC13	0.739				CC16	0.784			
	AC14	0.735		<i>Individual incentives</i>	II1	0.792	0.746	0.883		
	AC15	0.798			II2	0.785				
					II3	0.824				
					II4	0.794				
					II5	0.802				

The researcher applied the method of Fornell and Larcker (1981) to determine the discriminatory validity of measures. (Table 2) shows that the root-squared (AVE) values of each structure in the top diagonal are more than the corresponding outside-diagonal correlation coefficients, which shows the discriminant validity of the measurements (Fornell and Larcker, 1981). As shown in (Table 2), the full linearity of (VIF) derived using (WarpPLS 6.0) for all latent variable is less than (5) (cut-off value), indicating the discriminative validity within the latent variables.

Table 2. Correlations and AVE of latent construct.

Variables	Strategic merger	Incentives	Anxiety	Mobbing	Post-change
<b>Strategic merger</b>	0.799				
<b>Incentives</b>	0.52	0.940			
<b>Anxiety</b>	0.053	0.123	0.851		
<b>Mobbing</b>	0.123	0.347	0.26	0.851	
<b>Post-change</b>	0.072	0.178	0.881	0.547	0.914

The literature in statistics indicates that the structural model is evaluated by adopting two basic criteria, namely the significance of the path coefficient and  $R^2$  value. In the structural model, the relationships between the endogenous and exogenous variables are assumed, and accordingly the direction of the hypothesis can be shown. The path coefficients for each hypothetical relationship can be calculated and checked for significance based on the P values. Values less than (0.05) indicate the presence of a statistically significant difference between the constructs (Hair et al., 2016). Figure (1) shows that 29% of the variance in individual incentives is explained by strategic merger, Also merger explained 6% and 4% of the variance in anxiety for change and individual mobbing, consecutively. Ana finally, 87% of the variance of the post-change consequences, is explained by individual incentives, anxiety for change, and individual mobbing, respectively.

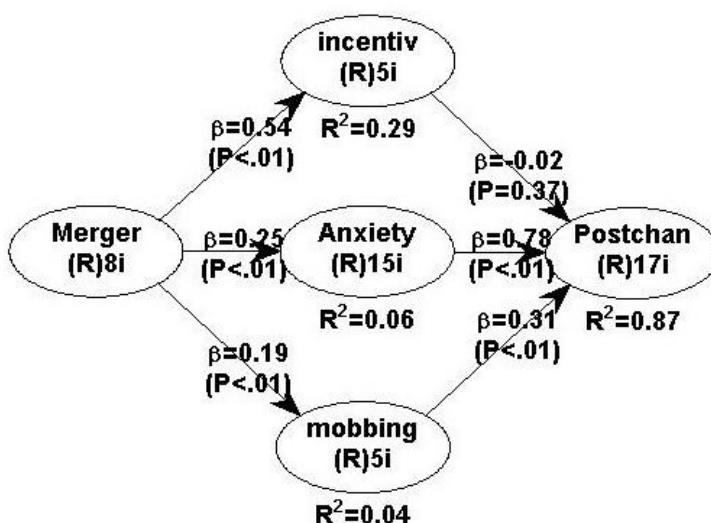


Figure 1. Structural model outcomes.

Table 3. Hypotheses test

Direct path						
Constructs	Original Sample	Sample Mean	Standard Deviation	T	P Values	Result
Strategic merger -> Individual incentives	0.124	0.020	0.050	2.480	0.000	Supported
Strategic merger -> Anxiety	0.196	0.010	0.040	4.900	0.000	Supported
Strategic merger -> Individual mobbing	0.116	0.020	0.040	2.900	0.000	Supported
Individual incentives -> Post-change	0.093	0.050	0.050	1.860	0.000	Supported
Anxiety -> Post-change	0.185	0.030	0.050	3.700	0.010	Supported
Individual mobbing -> Post-change	0.137	0.020	0.060	2.283	0.010	Supported
Indirect path						
Strategic merger -> Individual incentives -> Post-change	0.284	0.010	0.020	14.200	0.000	Supported
Strategic merger -> Anxiety -> Post-change	0.303	0.010	0.020	15.150	0.000	Supported
Strategic merger -> Individual mobbing -> Post-change	0.247	0.010	0.020	12.350	0.000	Supported

It is also clear from Table (3) that strategic merger has a positive significant relationship with all individual incentives, anxiety for change, and individual mobbing. As the value of beta 0.124, 0.196, and 0.116 consecutively. Thus, these results support (H1). From the values in Table (3), there is a positive relationship between psychological context and post-change consequences. As the values of beta are 0.093, 0.185, and 0.137 consecutively. The results mentioned about the influence relationships of (Psychological Context) factors in (Post Change) factors support (H2).

Table 3 explains the mediating role of Psychological context factors between strategic merger and post-change consequences. For the indirect effect of strategic merger on post-change behaviors through individual incentives, anxiety for change, and individual mobbing. As values of beta are 0.284, 0.303, and 0.247, respectively. These results support (H3).

Table 4. Model fit indices

Index	Value	Description
Average path coefficient (APC)	0.350	P<0.001
Average R <sup>2</sup> (ARS)	0.317	P<0.001
Average adjusted R <sup>2</sup> (AARS)	0.314	P<0.001
Average block VIF (AVIF)	1.114	acceptable if <= 5, ideally <= 3.3
Tenenhaus GoF (GoF)	0.330	small >= 0.1, medium >= 0.25, large >= 0.36
Sympson's paradox ratio (SPR)	0.833	acceptable if >= 0.7, ideally = 1

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The researcher used WarpPLS to calculate the indicators of fit for the global model by adopting six indicators (Kock, 2015; Rasoolimanesh et al., 2017) as shown in Table 3. The results mentioned in Table 2 show the great agreement between the fit model and the structural model of this study.

As shown in Table 4, six worldwide model-fit indices (Kock, 2015; Rasoolimanesh et al., 2017) were calculated by WarpPLS. The above results represent a well-accepted model that fits our structural model. This study applied the conditional probability queries approach, using a number of latent constructs, relational and logical processors to compute complex probabilities (Kock and Mayfield, 2015). As reported in previous studies (Kock and Hadaya, 2018; Kock and Mayfield, 2015), the conditional probabilistic analysis approach is more suitable for assessing conditional probabilities than the path-parameters way. This study estimated the different queries and ultimately found that two queries correlated with the highest percentage. As such, the following must be considered by decision makers:

1. What is the probability that post-change consequences will be high ( $>1$ ), if the scores for strategic merger ( $>1$ ) and individual incentives ( $>1$ ) are high.
2. What is the probability that post-change consequences will be high ( $>1$ ), if the degrees of strategic merger ( $>1$ ) and anxiety for change ( $>1$ ) are high.
3. What is the probability that post-change consequences will be high ( $>1$ ), if the scores for strategic merger ( $>1$ ) and individual mobbing ( $>1$ ) are high.

As shown in Table 3, the results of the conditional probability queries indicate that the conditional probabilities of the first, second, and third queries are 50%, 78%, and 80%, respectively.

As we explained earlier, (WarpPLS) is able to identify nonlinear relationships between variables. In this study, (WarpPLS) determined the non-linear relationships between some variables. In this context, noted by Kaiser and Messer (2011), the association between variables in behavioral studies can be both linear and non-linear. We used nonlinear variance based on the structural equation modeling software WarpPLS 7.0 (Kock and Mayfield, 2015) to determine the nonlinear relationships. The Warp3 algorithm has been implemented to identify "warped" relationships. This algorithm minimizes the occurrence of Simpson's paradox (Kock and Mayfield, 2015). It is important to say that this study clearly shows that despite the presence of significant linear relationships between strategic merger and anxiety for change, strategic merger and organizational mobbing, anxiety for change and post-change consequences, individual incentives and post-change consequences, and finally individual mobbing and post-change consequences. (Table 4).

Also, when the linear relationships that best fit the point distribution are different from the fit, the path coefficients computed through the regression are often larger because they reflect the actual relationships (Kock and Hadaya, 2018; Kock and Mayfield, 2015).

## **6. Discussion, implication, and limitation of the study**

Building on the theories of expectation and fairness, we study how individual incentives facilitate the adaptation of companies to employees. The results based on a multi-dimensional questionnaire of Malaysian technology industry companies highlight the mediating role of the psychological context, as well as the importance of psychological contexts in shaping the

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personal behavior of individuals (neglect, exit, voice and obedience) that significantly affect the effectiveness of incentives for individuals. This study contributed to two types of theoretical and practical implications. The Theoretical implications include three contributions. First, this study contributions to the literature on strategic integration by developing an integrated framework that expands the scope of understand how (voice, neglect, exit and loyal behavior) affects strategic merger through (psychological context) individuals' incentives, anxiety for strategic change and individual mobbing (Jolita and Streimikiene, 2016). Second, the variables of this study were applied in malaysian technology industry environment. In this context, this work climate is characterized by cultural diversity, Religious and different backgrounds as it brought together local and foreign workers. This is amazing the work will contribute to the literature review by adding new research directions on impact strategic merger. Third, the current study considers the answer to the extent of the impact of individuals' incentives, anxiety for strategic change and individual mobbing with (voice, neglect, exit and loyal behavior) affects strategic mobbing. Thus, human resources can improve personal relationships, accepting advice and collaborating with others to find a quick way to solve problems at work and avoid neglect and injustice to individuals (Nguyen et al., 2019). These findings point to three issues of relevance to management theory and practice. First, we contribute to the literature on strategic inclusion, the critical dynamic capacity for strategic change and long-term success (Lin et al., 2006; Zahra and George, 2002). Given the distinction between organizational ability and motivation of individuals, as well as the growing interest in the careful establishment of capabilities among researchers of strategic management (Foss, 2011), this study identifies the link ability and motivation by examining the critical role of individuals in the development of strategic engagement on organizational level (Minbaeva et al., 2013). Researchers find that the incentives of individuals can facilitate the development of adapting the adoption of new strategies for companies, and this positive effect is achieved by enhancing the role of the psychological context. Inspired by Zahra and George (2002). Researchers perform additional analyzes and find that the effect of individual incentives is largely present across different sub-dimensions of post-change although the mediating role in the psychological context appears to have decreased from potential to achieved elements. Second, The practical effects involve many vital factors. Moreover, this study focuses on increasing individuals' awareness of the importance of strategic integration within the organization to improve the psychological context factors (individuals' incentives, anxiety for strategic change and individual mobbing). According to post Change (voice , neglect, exit and loyal behavior) , it will help individuals reduce their feelings of neglect , exit and injustice. Besides, individuals encourage constructive criticism to ensure that the best obedience behavior emerges at work. Therefore, this study suggests mitigating the post change among employees through out-of-the-box thinking mechanisms to improve understanding and create innovation. Company management can incorporate the concept of change post into individuals' psychological context factors to enhance information exchange. Companies emphasize the importance of openness, exchange of ideas, exchange of opinions and revision of beliefs in order to exchange information and ideas, leading to the development of skills and capabilities. The management of technology companies in Malaysia can create a favorable

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environment for strategic integration, such as merging certain departments or branches of companies in the same country, implementing new strategies.

Studies provide a more nuanced view of the effect of individual incentives by considering the mediating role of psychological context. Malaysia is likely to place the highest importance on being a relational society for one's relationships in the workplace making this study particularly worthwhile. Because psychological comparison is inevitable human action is directly driven by formally imposed individual incentive schemes (Greenberg et al., 2007), psychological context can significantly influence the processes of post change. Studies show that neglectful, exit and voice behavior inhibit psychological comparison by restricting employees' access to relevant information can be counterproductive (Belogolovsky & Bamberger, 2014). Our study suggests that good teamwork is maintained and thus promoting perceptions of justice and equality is an effective solution. Through coherent interactions, team members obtain additional information about their efforts and rewards, and then develop a less biased perception of justice, which would facilitate the development of business and strategic performance. Therefore, if the firm establishes strong individual incentives, managers should foster a strong feeling of collaboration to guarantee that employees work collaboratively and supportively in order to avoid unhealthy rivalry. We found that this strategic integration can provide incentives for individualization. Demonstrating that cross-individual comparisons of relationships can have both good and bad consequences (Harris et al., 2014; Tse, Lam, Lawrence, & Huang, 2013; Vidyarthi et al., 2010), our findings highlight the essence of psychological integrating comparison processes and post change in strategic change research. Although individuals may engage in Behaviors with companies for strategic reasons, such as conditioning them Individual attention and support for specific needs In order to maximize the limited resources they have (for example, obedience, rewards, sound), such behaviors can have unintended consequences (Zhang et al., 2015). Therefore, when there are strong incentives for individuals, individuals Contrasting considerations should not be presented to the individual to the company. If individual have a strong transformation Features, you should pay special attention to avoid any perception Favoritism in the workplace and making sure their decisions are clear Increasing the transparency of individual incentives processes.

Finally, some limitations of this study point to avenues for future research. In terms of the data, their cross-sectional nature raises the question of causation, although reverse reasoning is less likely. Our data comes from technology industry companies in Malaysia; This single industry, sample from one country limits the generalizability of the results. Additional research should use longitudinal data from other industries or countries to help address these concerns. Furthermore, it would be ideal to validate our findings using individual incentive data, although the lack of such data prevented us from performing such analyses. Finally, previous research indicates neglect and exit behavior more difficult to evaluate and reward for voice and loyal behavior thus depends on the intrinsic motivations of the exchange parties in action (Li et al., 2010). Individual incentives are likely to be important means of stimulating the transfer and integration of knowledge, strategic merger between individuals, but other mechanisms are required to ensure the harmony of individuals within the organization. We

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therefore encourage researchers to consider different types of post change and examine the interaction of individual stimuli and psychological context accordingly.

## **Conclusion**

Mergers play a pivotal role in enabling firms to grow faster than their competitors and thus ensure that the merged firms swallow up weaker firms (Shrestha et al., 2017). But the difficult of merger exist in cultural boundaries between the merging companies and what results are generated from them. Therefore, the percentage of belief in the success of the merger between companies varies according to the viewpoint of its executives. Some see it as difficult to integrate at the cultural level and prefer to remain within the local environment, while others see the opposite (Kansal and Chandani, 2014). This study attempts to reveal the gap in this argument and to show the nature of behaviors generated by individuals after the merger process. Through the mediating role of the internal environment of the merged companies and how the management will deal, which was expressed in accordance with the psychological context of individuals. The results of study showed that strategic merger effects on the psychological context in varying degrees, as it showed that the process of corporate merger affects the individual incentives granted by the management, and it appear the motivation by the management to move forward with success and not to fail in the merger. In study result the merger leads to feelings of discomfort and anxiety as a result of the change in roles and responsibilities. The study also showed that the merger between companies leads to a kind of mobbing among individuals from each other, and then undesirable procedures by the management. On the other hand, the results indicated that the effect of both anxiety for change and organizational mobbing on post-change consequences. Finally, the study elucidates that there is an indirect effect of strategic merger on post-change consequences, as the psychological context plays an important role in mediating the relationship between the study variables.

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