The background of the slide is a vibrant landscape of a tea plantation. The foreground is filled with lush, bright green tea bushes. The middle ground shows rolling hills covered in similar tea fields, with a few winding paths visible. In the distance, more hills are visible under a clear blue sky with scattered white clouds. The sun is shining brightly in the upper right corner, creating a lens flare effect. The overall scene is peaceful and scenic.

**Moderating Role of Employment Sectors
in the Influence of Organizational
Factors on Group Cohesion in Selected
M&A Organizations**



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Introduction





What is Group Cohesion (GC)?

- The total field forces which act on members to remain in the group (Festinger, 1950, p. 274)
- ‘glue’ that holds the group members together
- Important for a group of work to be more effective
- GC in the M&A organizations is required due to integration of two different cultures and practices – GC becomes crucial due to uncertainties

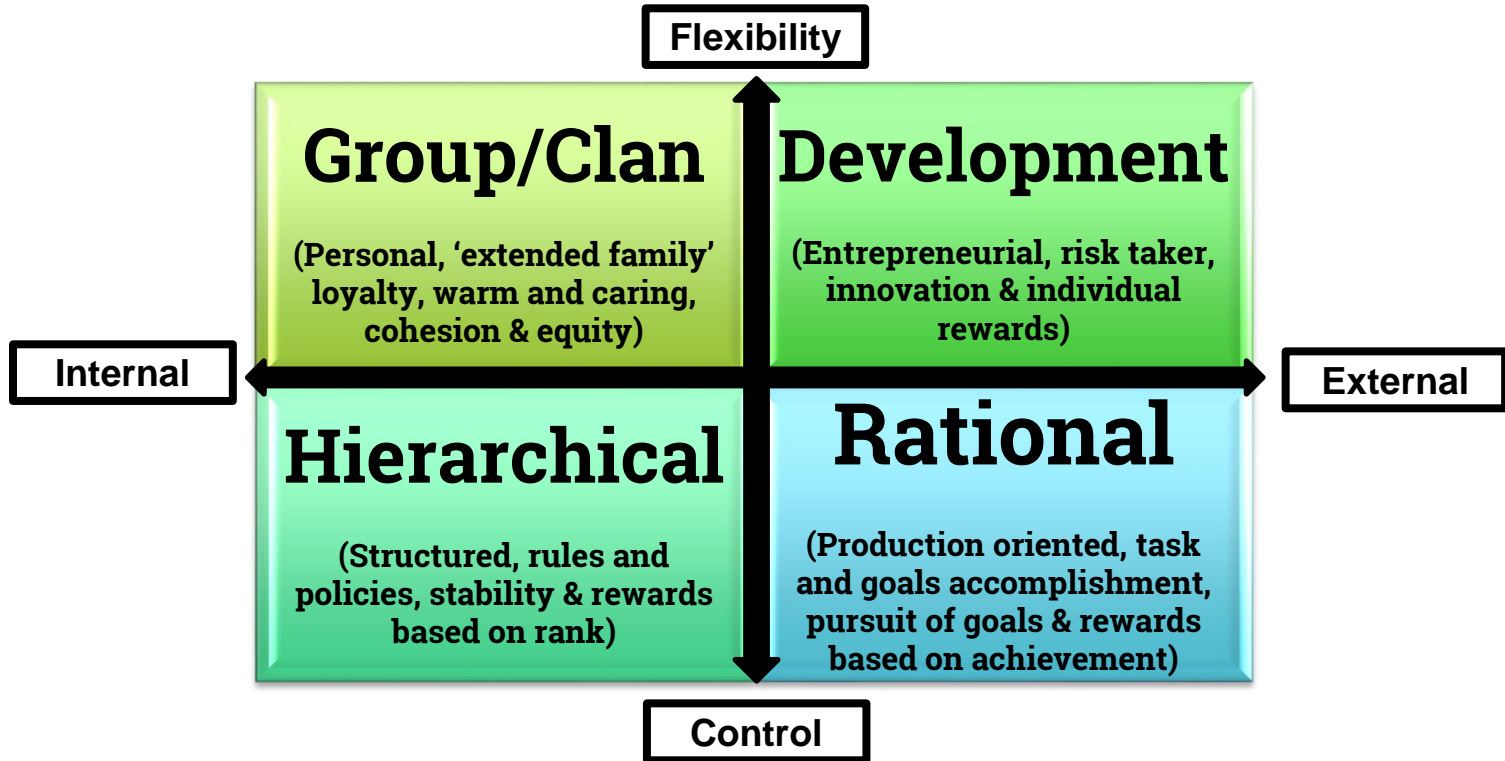




Organizational Culture (OC)

- OC integration problems, aka ‘cultural distance’, ‘cultural compatibility’ and ‘cultural misfit’ - may weaken bond of cohesiveness
- Pucik et al. (2011) suggest 2 ways to managed ‘cultural clashes’
 - i. distinguish the different levels of culture
 - ii. nature of the deal matters
- Arguments: which culture (of the 4 dimensions) is better for M&A organizations - same culture practice or different one?
- Unique cultures practices will reduce uncertainties, create continuity and commitment



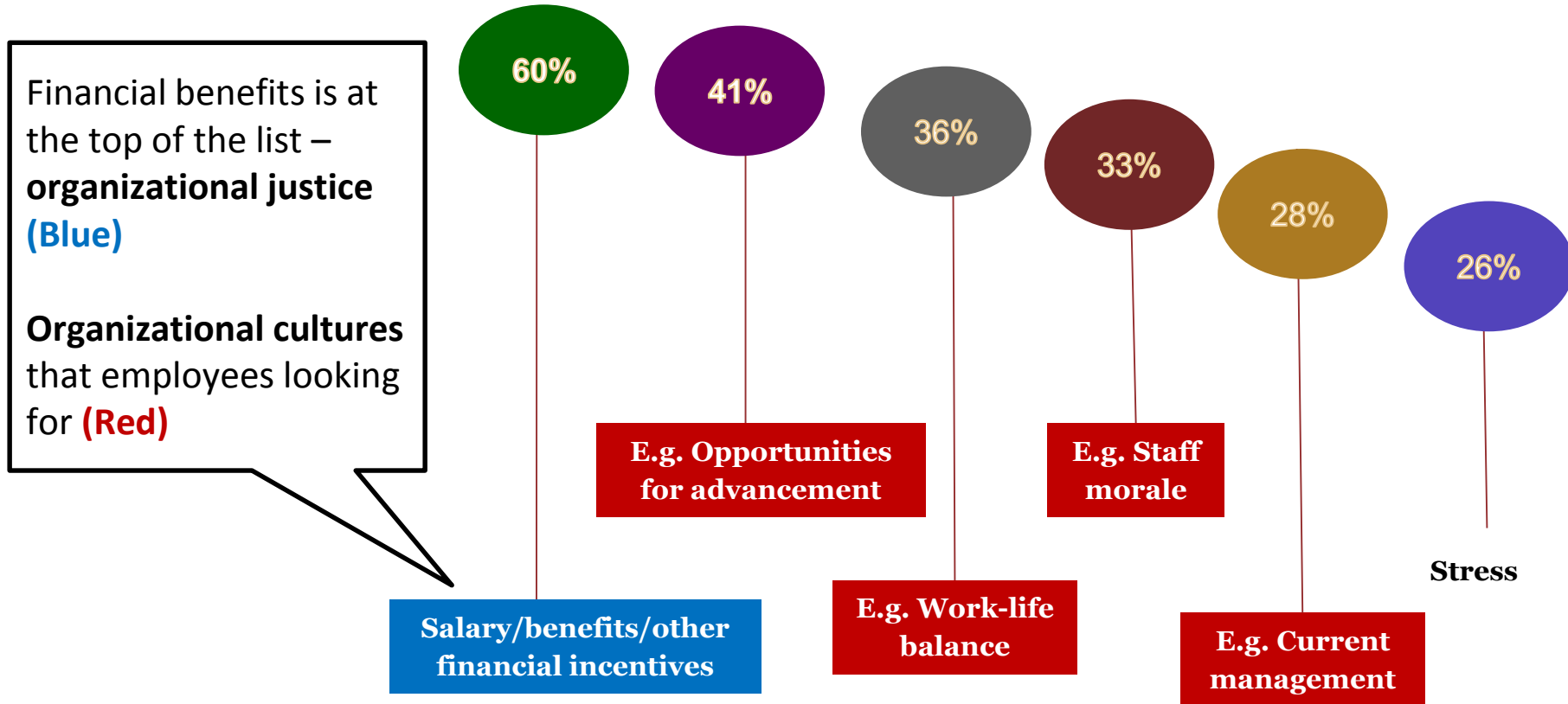


Organizational Justice (OJ)

- ‘Fairness matters to people’ – and even more in times of M&A (uncertainty and change), which stimulates employees’ interest in fairness (Lind & Van den Bos, 2002, p. 189)
- OJ - an important factor that encourages employees to identify and attached with an organization (Olkkonen & Lipponen, 2006)
- Different forms of OJ (distributive, procedural and interactional justice) included in one model can become redundant (Fuchs & Edwards, 2012)



Factors that cause employees to leave organization – Kelly workforce index (2014) (European, Asia-Pacific, North-America)





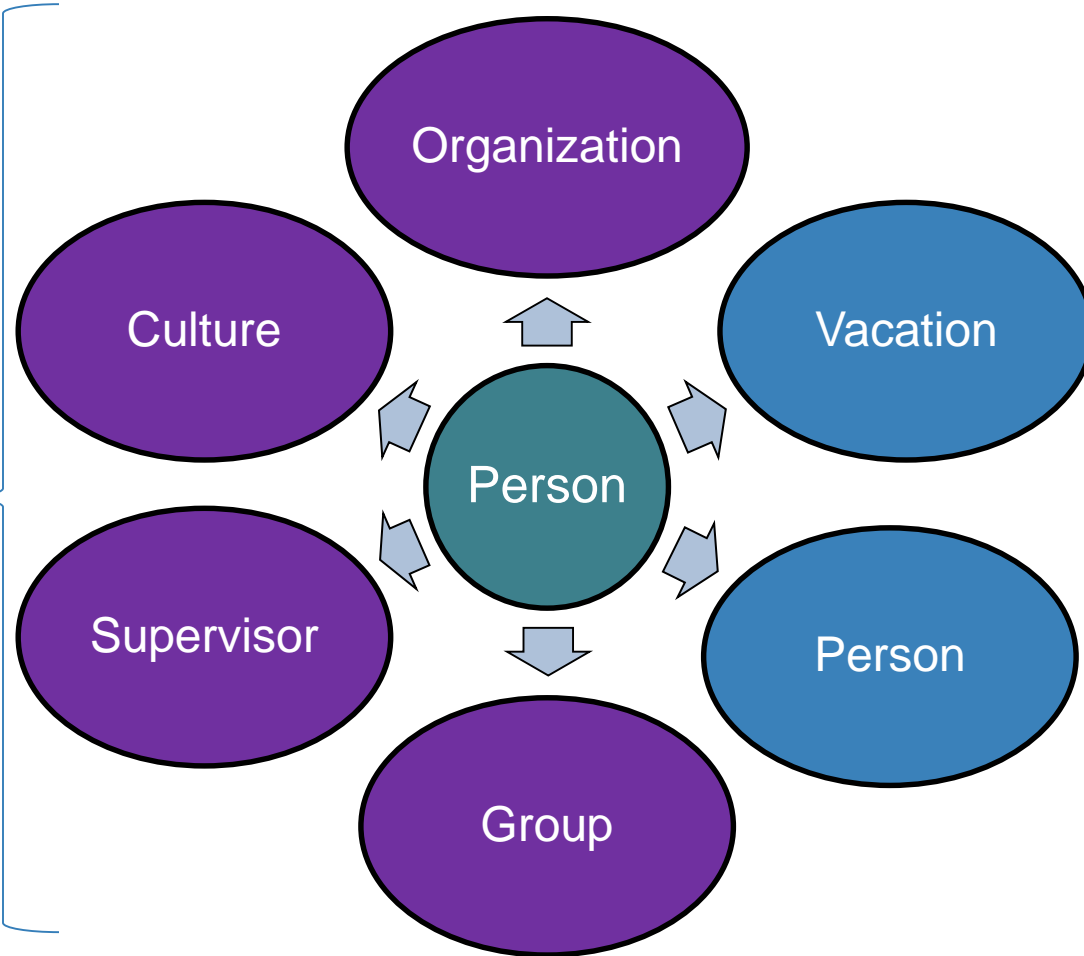
Employment Sectors – Justification as Moderator

- Different forms of ‘status evaluation’ such as age, power and tenure may influence individuals’ behavior differently (Hameed, Roques & Arain, 2013).
- Practices in private sector (profit-making – GC less of concern) and public sector (services-GC more important) are different - lead to different outcomes on employees’ group cohesion.
- Therefore, moderation analysis will be used to measure the influences of OC and OJ on GC - the view of employees of the public and private sectors.

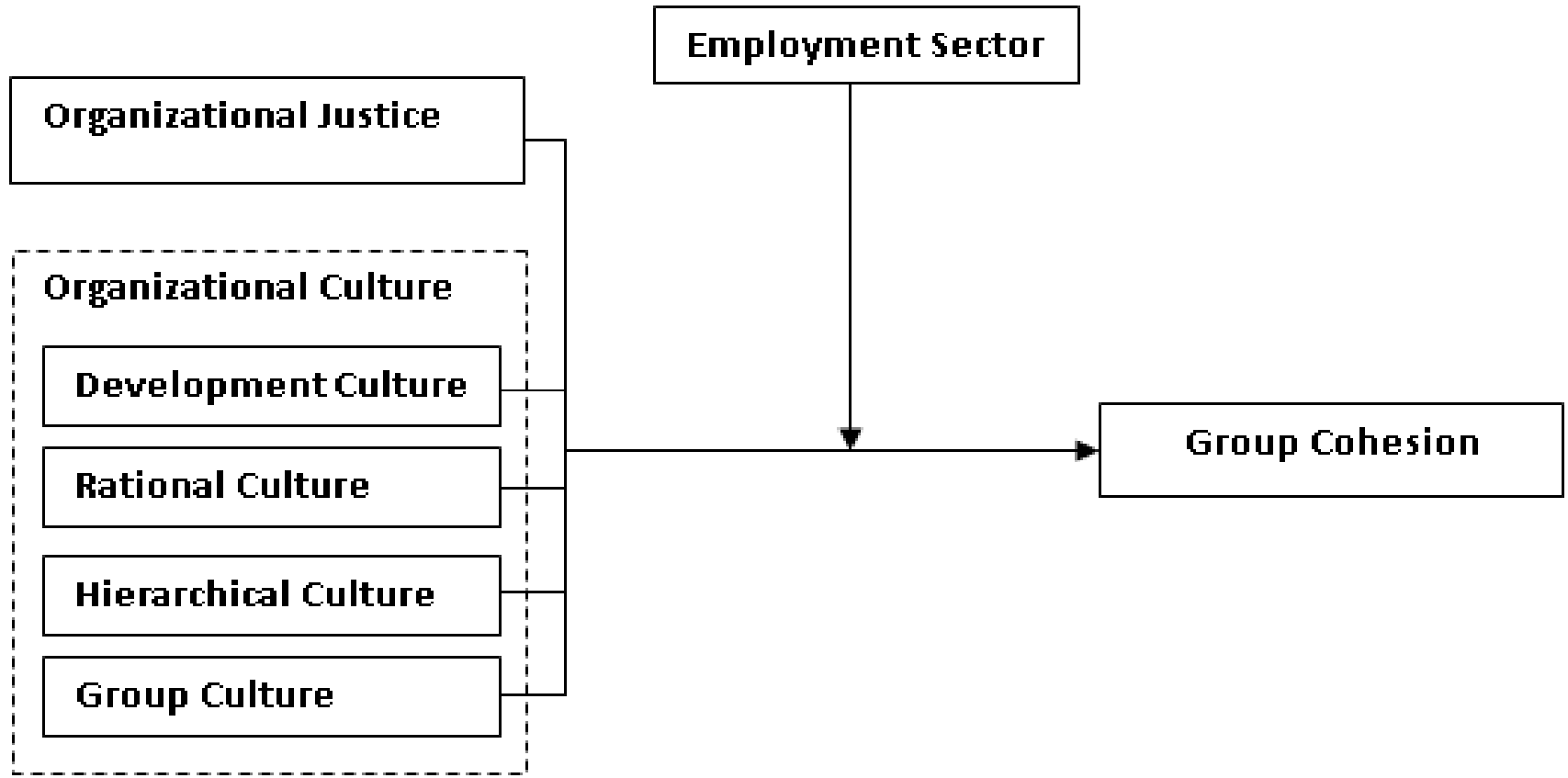
Person-Environment (P-E) Fit Theory



Purple circle indicates dimensions of P-E Fit Theory used for this study



Research Framework





Method





Research design

Quantitative method



Population & Sample size

257 respondents (G*Power & Raosoft calculation)

Cluster Random Sampling



Data Collection

'drop-and-pick' and online methods

85.21% response rate



Findings



Profile

Gender

56.2% Female
43.8% Male

Age

The average age of employees 35.02 years old (61.6% Gen-Y, 31.5% Gen-X & 6.8% Boomers)

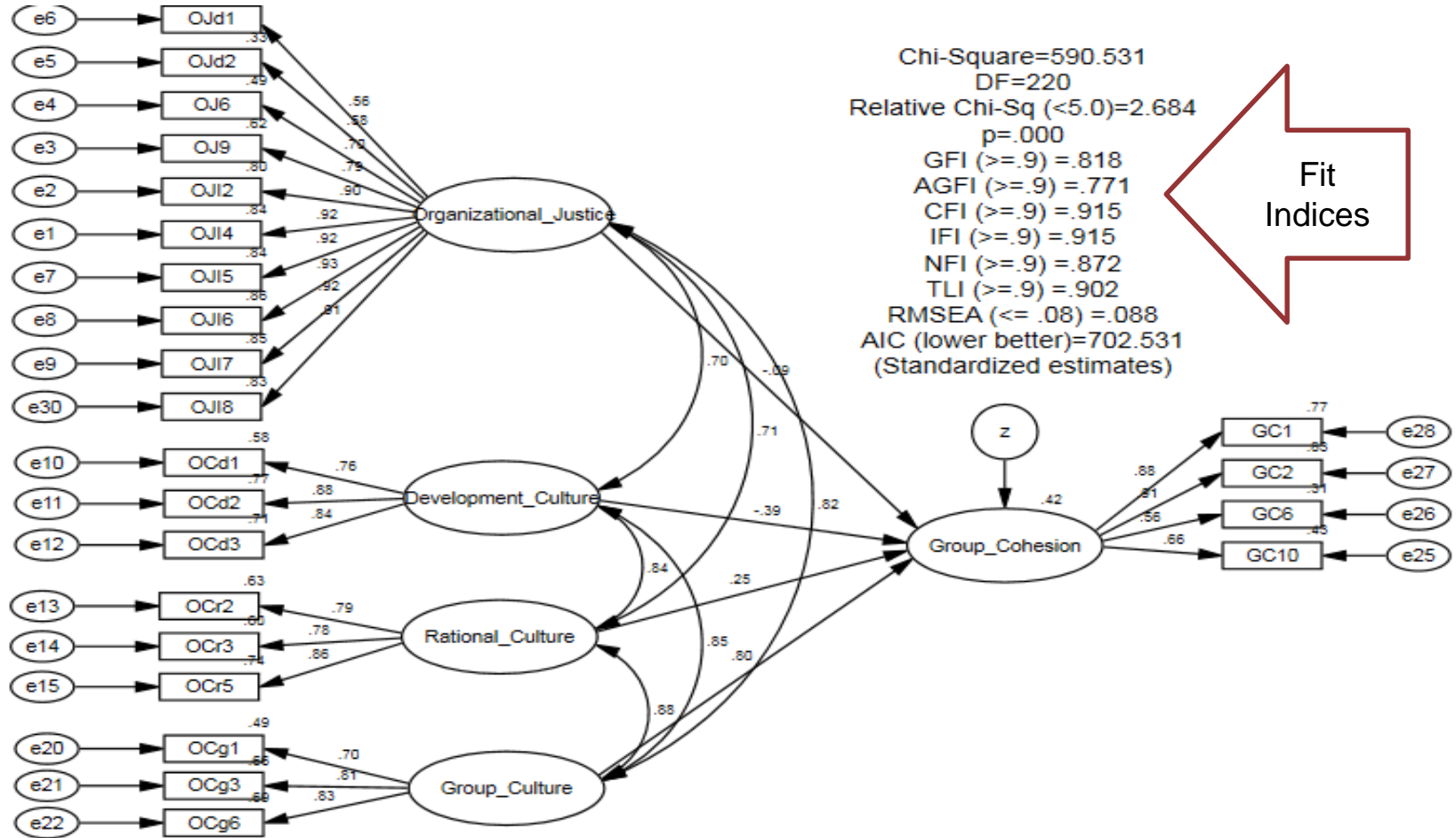
Employment Sector

50.2% Public
49.8% Private

Education Level

47.9% Bachelor Degree
18.3% Secondary Education
14.6% Master Degree

Structural Equation Modeling (SEM) Output



Chi-Square=590.531
 DF=220
 Relative Chi-Sq (<5.0)=2.684
 p=.000
 GFI (>=.9) =.818
 AGFI (>=.9) =.771
 CFI (>=.9) =.915
 IFI (>=.9) =.915
 NFI (>=.9) =.872
 TLI (>=.9) =.902
 RMSEA (<= .08) =.088
 AIC (lower better)=702.531
 (Standardized estimates)

Fit Indices

SEM

Hypothesized path	Beta	S.E.	Std. Beta (β)	C.R.	p
Development Culture → GC	-.257	.120	-.393	-2.147	.032
Rational Culture → GC	.183	.162	.248	1.129	.259
Group Culture → GC	.648	.252	.804	2.568	.010
Organizational Justice → GC	-.052	.081	-.089	-.639	.523

Note: ** $p \leq 0.05$, $R^2 = .42$

GC = Group Cohesion

S.E. = Standard Error

C.R. = Critical Ratio

Moderation

Construct	Beta	S.E	Std. Beta (β)	CR	p
Development Culture					
Public	-.360	.164	-.535	-2.202	.028
Private	.272	.688	.425	.392	.693
Rational Culture					
Public	.467	.155	.690	3.023	.003
Private	1.799	2.586	2.099	.695	.487
Group Culture					
Public	.478	.173	.602	2.769	.006
Private	-1.741	3.230	-2.211	-.539	.590
Organizational Justice					
Public	.006	.085	.011	.070	.944
Private	.138	.285	.227	.484	.628



Conclusion, Implications and Recommendations

The explanatory power on GC is 42% (explained by the 4 variables)

This study contributes knowledge on GC based on M&A context in Malaysia using P-E Fit Theory

Stronger influence of group culture reflects positive tendency for employees to remain in the group of the organization (GC)

Employment sector moderated the relationship between group culture, rational culture and development culture with GC – public sector is more significant as a moderator



Recommendation: HR Practices

HRD policy should be understood by all policy makers for successful implementation of M&A, recognizing the experiences of M&A in public and private sectors are different

Continuously develop better organization cultural practices (group and rational culture) in public sector



Recommendation: Future Research

Include employees from M&A involving MNCs and local companies (cross-border/global perspective research)

Using qualitative method (e.g. in-depth interviews of managers, using FGD) for another approach of understanding M&A deals

GC based on gender perspective

THANKS!

Q & A

