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# The role of mindfulness on employee psychological reactions to mergers and acquisitions

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## Abstract

**Purpose** – The purpose of this paper is to investigate the contribution of mindfulness to employee psychological reactions to mergers and acquisitions (M&A) and its consequence on behavioral resistance to M&A.

**Design/methodology/approach** – Questionnaire data were collected from 114 employees of a Japanese bank that acquired a local financial institution in Thailand. Data were collected a week before the official integration began. Data were analyzed using partial least squares regression.

**Findings** – Employees who exhibited a higher level of mindfulness tended to report a lower cognitive evaluation of M&A and affective reaction to M&A. A lower cognitive evaluation and affective reaction were found to associate with lower behavioral resistance to M&A.

**Research limitations/implications** – First, the findings were based on cross-sectional data. Second, other organizational and leadership factors that might influence the employee reaction to M&A are not considered in the analysis. Third, self-reported measures can be susceptible to respondent bias. Fourth, small sample size can limit the generalizability of the findings.

**Practical implications** – Mindfulness training could be considered as one alternative approach in the intervention to help employees cope effectively with anxiety toward M&A.

**Originality/value** – This research is the first that provides empirical evidence for the role of mindfulness on employee psychological reactions to M&A.

**Keywords** Mindfulness, Resistance, Organizational change, Merger and acquisition

**Paper type** Research paper

## 1. Introduction

Mergers and acquisitions (M&A) are normally undertaken as a strategic move by companies to integrate some or all parts of two organizations, with the primary objective of combining strengths to cultivate synergy (Clark *et al.*, 2010). Despite the significant benefits that corporations can achieve from M&A, managing successful integration seems to be a task that is quite difficult (Marks and Mirvis, 2011). Although there are several reasons that explain why many M&A tend to face tremendous obstacles, one particular problem that normally presents during the integration is resistance from employees (Seo and Hill, 2005). In particular, research has shown that M&A is usually perceived by employees as a stressful life event (Cartwright and Cooper, 1993). Because organizational change is largely driven by the human element, it would be less likely for M&A to yield expected outcomes without the full support of employees (Bovey and Hede, 2001). Employees' resistance tends to be detrimental to M&A because it can damage morale, lower contributions, and lead to turnover

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problems (Wickramasinghe and Karunaratne, 2009). Due to these impacts, scholars have proposed that understanding the human side of M&A should be considered a crucial task that change agents must manage effectively to maximize the chance of an M&A's success (Seo and Hill, 2005).

In particular, research focussing on factors that might explain resistance to change is important because it will help us understand the appropriate interventions to help change agents alleviate or avoid negative reactions caused by employees' resistance. Literature on resistance to change has suggested that the degree of employee resistance can be explained by personal characteristics of the employees themselves (Oreg, 2003), as well as some organizational factors such as ineffective communication and leadership (Ford *et al.*, 2008). Regarding individual characteristics, scholars have proposed that negative psychological reactions that employees have toward change are among the primary reasons that drive resistance behaviors (Bovey and Hede, 2001). Recently, Gärtner (2013) proposed the role of mindfulness as a characteristic of employees that might help lower negative psychological reactions, thereby enhancing readiness for organizational change. In research, mindfulness represents "a receptive attention to and awareness of external and internal present-moment states, events and experiences" (Leroy *et al.*, 2013, p. 238). Mindfulness has been studied extensively in research as a characteristic that helps to support psychological well-being (Grossman *et al.*, 2004), lower dysfunctional behaviors (Shonin *et al.*, 2014), enhance job-related outcomes (Glomb *et al.*, 2011), and improve decision making (Weber and Johnson, 2009).

Although the concept of mindfulness has been found to promote positive outcomes in many areas (Shonin *et al.*, 2014; Zhang *et al.*, 2013), there has been less emphasis on its benefits that might help mitigate the negative reactions of employees toward organizational change. To date, the only literature that presents a role for mindfulness regarding the readiness for change is a conceptual paper by Gärtner (2013), but it focusses only on the broader context of organizational change resistance. To the best knowledge of this author, no study provides empirical support for the contribution of mindfulness in the area of M&A. In addition, Gärtner (2013) does not consider the process model of resistance to change in the literature. Theoretically, prior research suggests that resistance to change is a multidimensional construct and the process of resistance to change normally follows a psychological sequence. Therefore, there is a need to consider the process model of resistance to change in order to extend the understanding about the roles of mindfulness that might directly or indirectly influence each component of change resistance. Given these literature gaps, this research aims to investigate the role of employees' mindfulness on their psychological reactions toward M&A, as well as the outcome of behavioral resistance. In particular, understanding how mindfulness affects the process of resistance to change will provide some intervention to prevent negative reactions from employees at the early stage of the resistance process. Results from the present study will make an extra contribution by offering empirical evidence of the research in this area.

## 2. Literature review

### 2.1 Employee resistance to M&A

Literature has shown that employees tend to resist M&A for several reasons. In particular, the perceived uncertainty about the consequences of M&A is among the key factors that explain employee resistance (Singh *et al.*, 2012). According to Wickramasinghe and Karunaratne (2009), employees tend to perceive M&A as the beginning of a period of uncertainty and unpredictability that will involve significant

change in many aspects, such as work process, compensation, rules and regulations, working location, supervisors and coworkers, power and status, and so on. In this regard, Seo and Hill (2005) suggested that M&A can potentially create anxiety, as employees try to cope with uncertainty by predicting the impact of M&A on their future jobs and careers. In addition, Murtagh *et al.* (2012) argued that because disrupting repeated or habitual behaviors makes it quite difficult for people to adjust themselves, it can generate resistance to change. M&A activity, in this sense, can be perceived as a threat when employees realize that it will change how their existing job and work process are performed. More importantly, M&A can create psychological distress when employees feel that they do not have sufficient capabilities and confidence to deal with changes that will happen. According to Singh *et al.* (2012), when employees have to let go of the known and move to an uncertain future, they are skeptical of whether their existing capabilities and skills are still valued by the company after the integration. Finally, perceived identify threat following M&A also present an obstacle as employees emotionally and psychologically attach to their organization (Clark *et al.*, 2010).

Piderit (2000) proposed that resistance to change is a multidimensional construct that consists of cognitive, affective, and behavioral components. First, cognition is “a process of thought in which a person first becomes aware of stimuli, appraises the significant of the stimuli and then considers possible behavioral responses” (Smollan, 2006, p. 144). Thus, the cognitive component of resistance can be defined as an individual’s beliefs about the change, which derive largely from a personal evaluation of the changed situation (Oreg, 2006). Cognitive evaluation of change may involve issues including whether one perceives that the change is necessary, or that it is beneficial or threatening. Second, affective reactions are immediate responses to environmental stimuli that are important to the individual. Thus, the emotional component of resistance refers to an individual’s feelings in response to change (Oreg, 2006). Bovey and Hede (2001) operationalized the affective component as emotions and feelings that are related to actions. Negative reactions to change cover a wide ranges of emotions, including fear, anger, sadness, and anxiety. Lastly, the behavioral component of resistance refers to an action or intention to act in response to change, and includes behaviors such as complaining about the change, or trying to convince others that the change is bad (Oreg, 2006).

As cognition and emotion are intertwined and can trigger subsequent behavioral intentions (Dolan, 2002), employee behavioral resistance to change is regarded normally as an outcome of cognitive and affective processes (Bovey and Hede, 2001; George and Jones, 2001; Thomas and Hardy, 2011). In Schlesinger (1982) seminal work on the process model of resistance to change, he suggested that resistance to change normally follows a sequence that begins with interpretation, followed by cognition, affect, and then action. In particular, studies have proposed that cognition is the starting point of resistance to change that influences affective reactions, and subsequent behavioral resistance (Bovey and Hede, 2001; Ellis *et al.*, 1975; Schlesinger, 1982; Smollan, 2006). For example, Ellis *et al.* (1975) asserted that an individual’s emotions and behaviors tend to be influenced by the way they structure their thoughts. In the process framework of resistance to change proposed by Bovey and Hede (2001), the authors also considered irrational thought as a beginning point of the resistance process that influences subsequent negative emotions, and the behavioral intention to resist. The model of responses to organizational change proposed by Smollan (2006) also presents a similar process. Therefore, to be consistent with these prior theoretical

frameworks, we can expect that the negative evaluation of M&A that employees develop initially can cause them to experience emotional distress, which eventually leads to the behavioral intention to resist M&A.

## 2.2 *Mindfulness*

In research, mindfulness has usually been conceptualized as a personality trait and psychological state. As a personality trait, mindfulness is a stable characteristic that individuals possess; in this sense, some individuals inherently exhibit a higher mindfulness quality than others. As a psychological state, scholars have argued that individuals can improve mindfulness through appropriate training and practices (Gärtner, 2013; Hindman *et al.*, 2014). To be consistent with the second conceptualization, the present study has regarded mindfulness as a psychological state that can be enhanced from time to time. Therefore, this research has employed the definition of mindfulness proposed by Gärtner (2013, p. 55), who defined it as “a state of consciousness when people focus attention on what is happening here and now while adjusting the focus and content of awareness in order to accurately reflect on reality.”

Specifically, open or receptive awareness and attention are considered a core characteristic of mindfulness (Brown and Ryan, 2003). First, mindful individuals tend to be attentive to their own stimuli, such as thoughts, emotions, and sensations that they are experiencing moment to moment (Kabat-Zinn, 2003). In simple terms, whatever individuals are thinking, feeling, or doing, they are aware of their thoughts, emotions, and actions. Given this characteristic, individuals tend to avoid making habitual judgments and refrain from acting automatically based on pre-established behavioral scripts (Karelaia and Reb, 2015; Weber and Johnson, 2009). However, mindful individuals not only are aware of internal and external stimuli, but they also acknowledge them non-judgmentally (Kabat-Zinn, 2003). The non-judgmental evaluation of stimuli is another characteristic of mindfulness that helps individuals to perceive and evaluate aspects objectively and to be less susceptible to personal bias (Hafenbrack *et al.*, 2014). According to Karelaia and Reb (2015), this characteristic allows an individual “to maintain a certain distance from one’s own thoughts and emotions and witness them impartially without being fully absorbed by them.” Gärtner (2013, p. 55) proposed that individuals with this characteristic “are able to decouple their interpretations from automatic mental processes, such as initiations that are often biased or inaccurate, observe and possibly change them.”

## 2.3 *Employee mindfulness and reaction to M&A*

The author proposes that being attentive to one’s own stimuli from moment to moment and non-judgmental evaluation of stimuli are two key aspects of mindfulness that can lower the negative psychological reactions to M&A. Generally, because mindfulness can help individuals to detach from habitual thoughts and behaviors, it allows them to develop more openness to new experiences. Specifically, open or receptive awareness is considered to be a core characteristic of mindfulness that significantly serves this role (Martin, 1997). For example, Langer (2005) suggested that mindful individuals tend to demonstrate open and creative attention to their environment. He also added that being mindful allows individuals to be open to new information created out of a continuous stream of events and to be aware of more than one perspective (Langer and Moldoveanu, 2000). Conversely, Karelaia and Reb (2015) suggested that individuals who lack mindfulness are more likely to make habitual and reactive judgments, thereby

making them attach too much to the status quo, which is among the causes of resistance to change (Dent and Goldberg, 1999).

In addition, the non-judgmental evaluation of stimuli is a characteristic of mindfulness that helps employees become less pessimistic about M&A. Because employees with this characteristic tend to perceive any stimuli objectively rather than using their subjective evaluation to judge whether it is favorable or unfavorable, they tend to refrain from being influenced by negative thoughts and feelings about organizational change following M&A. In particular, this characteristic of mindfulness is crucial for the cognitive appraisal of M&A because it allows employees to develop flexible attitudes toward change, which can subsequently result in a higher propensity to perceive change as opportunity rather than a threat (Gärtner, 2013). In this regard, being able to evaluate information naturally instead of filtering it through their lenses lowers the tendency of employees to be clouded by their pessimistic attitudes about any adverse impact that will occur after the integration (Brown and Ryan, 2003). Moreover, mindfulness has been shown to lower negative automatic thoughts, which in turn allows individuals to easily let go of negative cognition (Frewen *et al.*, 2008). Hafenbrack *et al.* (2014) suggested that being mindful can prevent individuals from being susceptible to sunk cost bias, which may occur when employees develop emotional attachment to what they have contributed to the current organization. In this regard, Gärtner (2013, p. 56) also proposed that “mindful individuals are more likely to enact new ways of behaviors, reduce commitment to previous decisions and action patterns and react in more composed ways to breakdowns and (unexpected) changes.”

Being attentive to one’s experiences from moment to moment is the characteristic of mindfulness that prevents individuals from mind-wandering (Mrazek *et al.*, 2012), which is a state that might cause employees to develop and elaborate more on the negative outcomes of M&A. In particular, this characteristic, in addition to the non-judgmental evaluation of stimuli, reminds employees of what they are supposed to do at the present rather than ruminating about the unchanged past or fearing the unseen future (Brown and Ryan, 2003). Being mindful in this sense can mitigate negative psychological reactions to M&A because it lowers the tendency of employees to worry about changes that will happen after the integration or regret aspects that they will have to relinquish because of the integration. More importantly, less mind-wandering allows employees to focus on what they should do to effectively prepare themselves for the change. Finally, mindfulness can enhance the level of efficacy, which allows employees to be confident that they can deal effectively with changes that will happen after the integration. It is suggested in literature that being mindful allows individuals to increase their self-awareness, thereby making mindful individuals experience higher perceived control, self-regulation, and change efficacy (Gärtner, 2013). For example, scholars have proposed that being mindful helps individuals enhance their authentic function (Lakey *et al.*, 2008; Leroy *et al.*, 2013), which is the ability of an individual to be aware of and regulate one’s self accordingly (Avolio and Gardner, 2005). Charoensukmongkol (2014) also found that individuals who practiced mindfulness regularly tended to report a higher level of general self-efficacy. Considered the roles of mindfulness that can involve in the process of resistance to change, the following hypotheses are proposed:

- H1. Affective reaction to M&A mediates the relationship between mindfulness and behavioral resistance to M&A.
- H2. Cognitive evaluation of M&A mediates the relationship between mindfulness and behavioral Resistance to M&A.

- H3. Cognitive evaluation of M&A mediates the relationship between mindfulness and affective reaction to M&A.
- H4. Affective reaction to M&A mediates the relationship between cognitive evaluation of M&A and behavioral resistance to M&A.

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psychological  
reactions  
to M&A

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### 3. Methods

#### 3.1 *Sample and data collection procedure*

Data were collected from full-time employees at a subsidiary of the Japanese multinational bank before it officially acquired one local financial institution in Bangkok, Thailand. The acquisition plan was initially announced to employees in December 2013 and the integration officially began in January 2015. In order to make sure that the sample selected was not susceptible to sampling bias, an informal interview was conducted with some employees before data collection. Generally, the interviewees informed that most employees were quite worried about this integration; they tended to concern about things that would change when the integration officially began. Some employees even mentioned that they were planning to resign after the integration. Overall, this information provided some confidence that the sample was appropriate for the study about negative attitudes toward M&A.

A self-administered questionnaire was prepared for data collection. At the time of data collection, approximately 400 full-time employees worked at the bank. The management of the bank was contacted in advance to ask for permission to collect data. After receiving approval, the researcher distributed a questionnaire and a cover letter in person to the employees with the help of a graduate assistant who was also a full-time employee at the bank. Data collection was undertaken one week prior to the official integration period. According to informal interviews with some key employees, this week was the time that the employees seemed to experience higher levels of stress because it was the last week before they had to face the actual organizational changes following the official integration. The participants were informed that taking part in this study was voluntary. They were also assured that the survey was anonymous. The participants were given two days to complete the survey. After they finished, they were told to put their questionnaire in a sealed envelope that was collected in person by the graduate assistant. In total, 114 usable surveys were available for data analysis, which is a 28.5 percent response rate. The characteristics of the sample are presented in Table I.

Gender	Male: 33 (28.9%) Female: 81 (71.1%)
Age (years)	Mean: 29.918 SD: 7.176
Job tenure (years)	Mean: 5.298 SD: 6.194
Job position	Junior officer: 66 (57.89%) Senior officer: 17 (14.91%) Manager: 10 (8.77%) Assistant manager: 10 (8.77%) Senior manager: 2 (1.75%) Assistant vice president: 3 (2.63%) Senior assistant vice president: 6 (5.26%)

**Table I.**  
Demographic  
characteristic and  
work characteristics

### 3.2 Measures

Mindfulness was measured by the mindfulness attention and awareness scale (MAAS) developed by Brown and Ryan (2003), which consists of 15 questions. Sample items included: "I could be experiencing some emotion and not be conscious of it until sometime later" and "I break or spill things because of carelessness, not paying attention, or thinking of something else." All questions in the original scale were scored on the five-point Likert scale, ranging from 5 (almost always) to 1 (almost never). The scores were then reversed to make a low score represent a low level of mindfulness and a high score represent a high level of mindfulness.

The measures for the cognitive evaluation of M&A and the affective reaction to M&A were adapted from the scale developed by Oreg (2003). The scale originally measured an employee's psychological reaction to an office move. For the purpose of this research, the author adjusted the wording to reflect M&A. Sample items for the cognitive evaluation of M&A included: "I don't really think the integration was necessary" and "I think it is good that we're going through this integration (reversed)." Sample items for the affective reaction to M&A included: "I'm worried about what things will be like after the integration" and "I'm overwhelmed by all the things that need to be done because of the integration." The scales were measured on a five-point Likert scale, ranging from 5 (strongly agree) to 1 (strongly disagree).

The measure of behavioral resistance to M&A was adapted from the scale developed by Oreg (2006). The original questions were developed to reflect a resistance to organizational change, in general. Thus, some wording was adjusted to reflect M&A. Sample items included: "I looked for ways to prevent the integration from taking place" and "I protested against the integration." The scale was measured on a five-point Likert scale, ranging from 5 (strongly agree) to 1 (strongly disagree).

In addition to the effect of mindfulness that was hypothesized to affect the outcome variables, the study also incorporated several control variables in the analysis. First, the study controlled for the perception of an employee toward various aspects of work that would change after the integration. These factors include perception of change in compensation and welfare (four items), perception of job security (three items), perception of change in job duties and responsibility (four items), perception of change in work process (three items), and perception of a new office location (three items). Respondents were asked to evaluate to what extent they perceived that these job-related aspects would be better or worse after the integration than their current situation. All questions were measured on a five-point Likert scale, ranging from 5 (a lot better) to 1 (a lot worse). Second, this research also controlled for personal characteristics of respondents, including age, gender, job position, and job tenure. Age and job tenure were measured in years. Gender was measured as a dummy variable, where a male was coded 1 and a female was coded 0. Job position was measured on an ordinal scale.

### 3.3 Statistical analysis

The study used partial least squares (PLS) regression to analyze the data. PLS combines principal component analysis, path analysis, and a set of regressions to generate estimates of standardized regression coefficients for the model's paths and factor loadings for the measurement items (Hair *et al.*, 2011; Kock, 2015; Lowry and Gaskin, 2014). PLS was selected for this research for two reasons. First, PLS provided more flexibility than other structural equation modeling techniques because it did not require data to be normally distributed. In addition, PLS required a smaller sample size

(Kline, 2005). In particular, PLS was suitable for this study due to the small sample size ( $n = 114$ ) and the non-normality of the data. PLS estimation was performed using WarpPLS version 5.0.

#### 4. Results

A series of analyses was performed before estimating the PLS model. First, convergence validity was assessed using factor loadings. Factor loadings must be  $> 0.5$  to support adequate convergence validity (Hair *et al.*, 2009). There were three items of mindfulness, one item of the cognitive evaluation of M&A, and one item of behavioral resistance to M&A that were below the minimum requirement; therefore, they were removed from the analysis. Factor loadings of other reflective constructs were above this threshold. Discriminant validity was assessed by comparing the average variance extracted (AVE) to the squared correlation coefficient. According to Fornell and Larcker (1981), the square root of the AVE must be greater than the correlation between the constructs in order for discriminant validity to exist. Table II shows that all AVEs met this requirement. Next, the author checked for construct reliability by evaluating Cronbach's  $\alpha$  coefficient and the composite reliability coefficient. These two coefficients should be higher than 0.7 to be satisfactory (Nunnally, 1978). Results in Table II indicate that all reflective constructs had coefficients that met the requirement.

The study also checked for the severity of multicollinearity by assessing full variance inflation factor (VIF) statistics. Petter *et al.* (2007) suggested that full VIF should be lower than 3.3 to assure that multicollinearity is not a serious issue. The maximum full VIF was 2.516, which implies that model estimation is not biased by multicollinearity. Kock and Lynn (2012) also argued that full collinearity VIF statistics can serve as the indicator that captures the possibility of common method bias (CMB) in the PLS model analysis. All full VIF must be lower than 3.3 to provide evidence that CMB may not be a major threat. Our findings meet this requirement. In addition, Harman's one factor test was performed as recommended by Podsakoff *et al.* (2003). The findings indicated that the one-factor confirmatory factor analysis model did not fit the data well ( $\chi^2 = 1640.017$ ;  $df = 779$ ;  $p < 0.001$ ), and this lowered the concern about the CMB issue.

Figure 1 presents the results of PLS estimation. All fit indices of the PLS model, including the average path coefficient ( $APC = 0.139$ ;  $p = 0.014$ ), average  $R^2$  ( $ARS = 0.37$ ;  $p < 0.001$ ), average full collinearity ( $AFVIF = 1.846$ ), Sympson's paradox ratio ( $SPR = 0.793$ ),  $R^2$  contribution ratio ( $RSCR = 0.979$ ), and statistical suppression ratio ( $SSR = 0.759$ ) are all satisfactory.

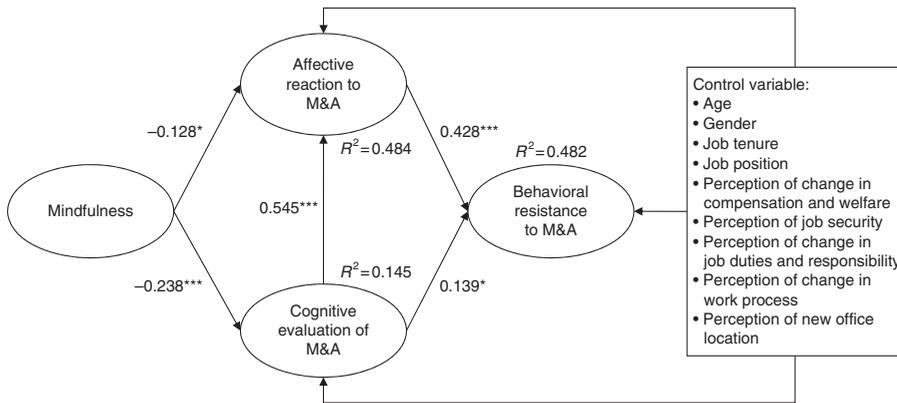
The direct relationships between the variables proposed in the hypotheses are found as follows: the cognitive evaluation of M&A has a positive relationship with behavioral resistance to M&A ( $\beta = 0.139$ ;  $p = 0.029$ ); the affective reaction to M&A has a positive relationship with behavioral resistance to M&A ( $\beta = 0.428$ ;  $p < 0.001$ ); the cognitive evaluation of M&A has a positive relationship with the affective reaction to M&A ( $\beta = 0.545$ ;  $p < 0.001$ ); mindfulness has a negative relationship with the cognitive evaluation of M&A ( $\beta = -0.238$ ;  $p < 0.001$ ); and mindfulness has a negative relationship with the affective reaction to M&A ( $\beta = -0.128$ ;  $p = 0.04$ ).

The hypotheses that involved the mediating effect were estimated using the Sobel test recommended by Baron and Kenny (1986).  $H1$  predicted that the affective reaction to M&A mediates the negative relationship between mindfulness and behavioral resistance to M&A. However, this hypothesis is not supported by the Sobel test ( $t = -0.287$ ,  $p = 0.774$ ).

**Table II.**  
Correlation among  
variables and square  
root of average  
variance extracted

Variables	Composite reliability coefficients	Cronbach's $\alpha$ coefficients	MFN	ARMA	CEMA	BRMA	JT	POS	MALE	JDR	OL	CW	WP	JS
MFN	0.843	0.875	(0.611)											
ARMA	0.848	0.892	-0.199*	(0.789)										
CEMA	0.71	0.838	-0.174	0.590**	(0.796)									
BRMA	0.857	0.904	-0.014	0.550**	0.401**	(0.839)								
JT	-	-	0.046	-0.033	-0.064	-0.074	(1)							
POS	-	-	0.074	-0.098	-0.027	0.005	0.739**	(1)						
MALE	-	-	-0.082	0.219*	0.158	0.082	-0.153	-0.117	(1)					
JDR	0.791	0.865	-0.008	-0.190	-0.085	-0.357**	0.079	0.166	-0.037	(0.786)				
OL	0.98	0.987	-0.049	0.005	0.090	-0.201*	-0.112	-0.210*	0.068	0.174	(0.981)			
CW	0.839	0.892	-0.039	-0.231*	-0.135	-0.304**	-0.073	0.000	-0.098	0.327**	0.086	(0.821)		
WP	0.874	0.923	-0.211*	-0.234*	-0.112	-0.255**	-0.021	0.104	-0.134	0.552**	0.135	0.390**	(0.894)	
JS	0.923	0.951	0.126	-0.324	-0.164	-0.384	-0.083	0.020	-0.074	0.471	0.429	0.486	0.379	(0.931)

**Notes:** MFN, mindfulness; ARMA, affective reaction to M&A; CEMA, cognitive evaluation of M&A; BRMA, behavioral resistance to M&A; JT, job tenure; POS, job position; MALE, male dummy variable; JDR, perception of change in job duties and responsibility; OL, perception of new office location; CW, perception of change in compensation and welfare; WP, perception of change in work process; JS, perception of job security. Square roots of average variance extracted of latent variables are shown in the parentheses. \* $p < 0.5$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$



**Notes:** Significant paths are shown in solid lines. Standardized coefficients are reported.  
\* $p < 0.5$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$

**Figure 1.**  
PLS results

*H2* predicted that the cognitive evaluation of M&A mediates the negative link between mindfulness and behavioral resistance to M&A. This hypothesis is not supported by the Sobel test ( $t = -1.68$ ,  $p = 0.09$ ).

*H3* predicted that the cognitive evaluation of M&A mediates the negative link between mindfulness and the affective reaction to M&A. The Sobel test supports this hypotheses ( $t = -2.99$ ,  $p = 0.003$ ). Considering the direct link between mindfulness and the affective reaction to M&A that is statistically significant, we can conclude that the effect of mindfulness on the affective reactions to M&A is mediated partially by the cognitive component of resistance.

*H4* predicted that the affective reactions to M&A would mediate the positive link between cognitive evaluations of M&A and behavioral resistance to M&A. The Sobel test supports this hypothesis ( $t = 4.61$ ,  $p < 0.001$ ). Considering the direct link between the cognitive evaluations of M&A and behavioral resistance to M&A, this results suggests that the effect of the cognitive component on employees' behavioral resistance is partially mediated by the affective component. The overall finding is consistent with the process model of resistance to change, which suggests that the sequence of resistance normally begins with a cognitive evaluation, proceeds to an affective reaction, and then develops into subsequent behavioral resistance (Piderit, 2000; Schlesinger, 1982).

We also drew a direct path from mindfulness to behavioral resistance to examine their direct relationship. However, the result showed that their relationship is positive and statistically significant ( $\beta = 0.128$ ;  $p = 0.041$ ), which contradict the result from correlation analysis (as shown in Table II) which indicated that their correlation is negative but not statistically significant ( $r = -0.014$ ;  $p = 0.636$ ). Thus, we decided to remove the direct link between mindfulness and behavioral resistance from the model estimation. Finally, an analysis was conducted on the total effects to estimate the role of mindfulness in behavioral resistance to M&A by taking into consideration all paths that connect the two variables (Bollen, 1987; Kock, 2015). According to Kock (2015), it is critical to assess the total effects in the evaluation of downstream effects of latent variables that are mediated by other latent variables, especially in complex models with multiple mediating effects in concurrent paths. The analysis confirmed the positive total effects of mindfulness on behavioral resistance to M&A ( $\beta = -0.14$ ,  $p = 0.03$ ). Overall, these results suggest that the role of mindfulness in behavioral resistance was

mediated by the cognitive evaluation of M&A that leads to the affective reactions to it. The results from the Sobel tests and total effects analysis are summarized in Table III.

Lastly, the significant effect of control variables on each dependent variable was the following. The cognitive evaluation of M&A was significantly affected by a change in office location ( $\beta = 0.175$ ;  $p = 0.009$ ), change in work process ( $\beta = -0.123$ ;  $p = 0.046$ ), change in job security ( $\beta = -0.166$ ;  $p = 0.012$ ), job tenure ( $\beta = -0.187$ ;  $p = 0.006$ ), and job position ( $\beta = 0.171$ ;  $p = 0.01$ ). The affective reaction to M&A was only affected significantly by a change in job security ( $\beta = -0.15$ ;  $p = 0.02$ ). Finally, behavioral resistance to M&A was significantly affected by a change in job duties and responsibilities ( $\beta = -0.238$ ;  $p < 0.001$ ), job tenure ( $\beta = -0.217$ ;  $p = 0.002$ ), and job position ( $\beta = 0.211$ ;  $p = 0.002$ ).

## 5. Discussion

### 5.1 Research contribution and theoretical implication

The objective of this research is to investigate the role of mindfulness in psychological processes that explain employees' resistance to M&A. This research offers a theoretical implication to research focussing on the role of mindfulness in the area of organizational change management. Generally, the analysis supports the contribution of mindfulness that is found to be negatively associated with the cognitive evaluation and affective reaction that employees have toward M&A. In this regard, employees who exhibit a higher degree of mindfulness tend to report lower cognitive and affective reactions to M&A than employees who exhibit a lower degree of mindfulness. In particular, these findings support the research of Gärtner (2013), who initially proposed the role of mindfulness as the personal characteristic that helped lower employees' unfavorable reactions to organizational change. The present study has extended the research of Gärtner (2013) by incorporating the process model of change resistance to provide a better understanding about the process by which mindfulness influences the aspects of change resistance. In line with this model, this research showed that, although the analysis did not support the direct relationship between mindfulness and behavioral resistance to M&A, the results from the mediating effect analyses suggested that the process by which mindfulness explained lower behavioral resistance tended to occur indirectly in a sequence through cognitive evaluation and affective reactions to M&A. As the cognitive process is proposed in the literature to be the starting point in the process model of an individual's reaction to change (Bovey and Hede, 2001; George and Jones, 2001), it seems that the role of mindfulness might be more crucial in the early process of reaction to change to prevent employees from developing a pessimistic evaluation of the M&A, which can subsequently lower the chances of developing an affective reaction and behavioral resistance to the M&A.

#### Paths

<i>Mediating effects</i>	<i>Sobel t</i>
H1: Mindfulness→Affective reaction to M&A→Behavioral resistance to M&A	-0.287
H2: Mindfulness→Cognitive evaluation of M&A→Behavioral resistance to M&A	-1.679
H3: Mindfulness→Cognitive evaluation of M&A→Affective reaction to M&A	-2.988**
H4: Cognitive evaluation of M&A→Affective reaction to M&A→Behavioral resistance to M&A	4.611***

#### *Total effects*

	$\beta$
Mindfulness→Behavioral resistance to M&A	-0.143*

Notes: \* $p < 0.5$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$

**Table III.**  
Mediating effects  
and total effects

### 5.2 Limitations

Despite the significant findings in this study regarding the contribution of mindfulness, there are several limitations that need to be considered. First, other organizational and leadership factors that might influence the employee reaction to M&A (such as communication and leadership style) are not considered in the analysis. Second, using self-reported questionnaires to obtain data can cause the measures to be susceptible to respondent bias. Third, the data used in this research were cross-sectional; therefore, the contribution of mindfulness on reactions to M&A can only be interpreted as association. Future research that employs longitudinal data collection or experiments will help provide support for the causal relationship. In addition, although the study finds significant relationships between mindfulness and two psychological reactions to M&A, what remains unexplored in the analysis is the mechanism through which mindfulness mitigates these reactions. The author suggests that future research should explore specific psychological outcomes of mindfulness (e.g. lower mind-wandering, higher openness to change, increased self-efficacy, etc.) that might explain why individuals who exhibit a higher degree of mindfulness tend to have less unfavorable attitudes toward M&A. Forth, the sample was only obtained from one organization; this small sample size can limit the generalizability of the findings. Future research that deploys larger-scale data collection will be needed to confirm the results.

### 5.3 Practical implication

Results from this research also offer practical suggestions for organizations to promote employee readiness to M&A. While prior research suggested several interventions that organization should implement to help prepare employees for organizational change, stress management training is widely purposed as the major intervention that can help employees cope effectively with anxiety toward M&A (Seo and Hill, 2005). In fact, mindfulness training is considered as one type of training that has been proven to help lower stress (Kabat-Zinn, 2003). Thus, this research proposes that mindfulness training could be incorporated as an important part of the stress management training program in order to help employees alleviate stress from M&A. In particular, some well-known examples of mindfulness training are mindfulness-based cognitive therapy (MBCT) and mindfulness-based stress reduction (MBSR). Studies have shown that individuals who participate in this type of training tend to demonstrate a significant improvement in mindfulness quality (Hindman *et al.*, 2014). The training not only helps employees to lower their tendency to be affected by organizational change, but can also help them to develop capabilities that are required for them to sustain and even improve their performance after the change takes place (Gärtner, 2013; Karelaia and Reb, 2015).

## 6. Conclusion

This research shows the contribution of mindfulness that might mitigate employee resistance to M&A. According to Wickramasinghe and Karunaratne (2009), M&A may be perceived as a threat by one person, but as an opportunity by another. Unfortunately, some people tend to see and interpret factors through their filters and this potentially precludes them from seeing the opportunities that are presented ahead. Therefore, being mindful when evaluating M&A can prevent employees' perceptions from being clouded by their personal views about the dark side of M&A, which causes them to be pessimistic about the integration. Enhancing the mindfulness of employees might be a task that change agents have to achieve in order to prepare employees for organizational change, which is very crucial for M&A to be implemented successfully.

Given that the mechanism by which mindfulness facilitates employees to cope with organizational change is still the area that has not been clearly understood, the author suggests that it is important for future studies to consider the psychological process that might involve in how mindfulness can alleviate negative reactions of employee toward organizational change. Given that the existing research on the roles of mindfulness in the area of organizational change management is quite limited, the author suggests that future research should extend the present study by identifying and providing empirical supports regarding other mechanisms by which mindfulness might help facilitate employees to adjust effectively to organizational change. For example, while the study argued that mindful employees tend to exhibit higher self-efficacy and are more optimistic toward organizational change (Gärtner, 2013), this argument has not been tested empirically. Therefore, it is essential for future research to advance the understanding about the roles of mindfulness in this area.

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#### Appendix. Measurement scales

Affective reaction to M&A (adapted from Oreg, 2003):

- I'm worried about what things will be like after the integration.
- I'm overwhelmed by all the things that need to be done because of the integration.
- I try not to think about the integration because when I do I get too stressed out.
- I'm excited about the integration (reversed).
- This integration makes me kind of angry.
- I'm really sad our company is integrating with other firm.

Cognitive evaluation of M&A (adapted from Oreg, 2003):

- (1) I don't really think the integration was necessary.
- (2) I'll be better off after the integration, in comparison with my situation before (reversed).
- (3) I think it is good that we're going through this integration (reversed).
- (4) The integration will do us all good (reversed).

Behavioral resistance to M&A (adapted from Oreg, 2006):

- (1) I looked for ways to prevent the integration from taking place.
- (2) I protested against the integration.
- (3) I complained about the integration to my colleagues.
- (4) I presented my objections regarding the integration to management.
- (5) I spoke rather highly of the integration to others (reversed).

Mindfulness (adapted from Brown and Ryan, 2003):

- (1) I could be experiencing some emotion and not be conscious of it until some time later.
- (2) I break or spill things because of carelessness, not paying attention, or thinking of something else.
- (3) I find it difficult to stay focused on what's happening in the present.
- (4) I tend to walk quickly to get where I'm going without paying attention to what I experience along the way.
- (5) I tend not to notice feelings of physical tension or discomfort until they really grab my attention.
- (6) I forget a person's name almost as soon as I've been told it for the first time.
- (7) It seems I am "running on automatic," without much awareness of what I'm doing.
- (8) I rush through activities without being really attentive to them.
- (9) I get so focused on the goal I want to achieve that I lose touch with what I'm doing right now to get there.
- (10) I do jobs or tasks automatically, without being aware of what I'm doing.
- (11) I find myself listening to someone with one ear, doing something else at the same time.
- (12) I drive places on "automatic pilot" and then wonder why I went there.
- (13) I find myself preoccupied with the future or the past.
- (14) I find myself doing things without paying attention.
- (15) I snack without being aware that I'm eating.

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