



Employee Relations

Post M&A ill-health: Main, moderating and mediating effects of job stressors and perceived organizational support

Eleni Makri Filotheos Ntalianis

Article information:

To cite this document:

Eleni Makri Filotheos Ntalianis , (2015), "Post M&A ill-health", Employee Relations, Vol. 37 Iss 2 pp. 176 - 191

Permanent link to this document:

<http://dx.doi.org/10.1108/ER-07-2014-0084>

Downloaded on: 07 November 2016, At: 01:45 (PT)

References: this document contains references to 69 other documents.

To copy this document: permissions@emeraldinsight.com

The fulltext of this document has been downloaded 494 times since 2015*

Users who downloaded this article also downloaded:

(2015), "Immigrants and natives at work: exposure to workplace bullying", Employee Relations, Vol. 37 Iss 2 pp. 158-175 <http://dx.doi.org/10.1108/ER-09-2014-0101>

(2015), "How do high performance work systems influence organizational innovation in professional service firms?", Employee Relations, Vol. 37 Iss 2 pp. 209-231 <http://dx.doi.org/10.1108/ER-10-2013-0155>

Access to this document was granted through an Emerald subscription provided by emerald-srm:563821 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

Post M&A ill-health

Main, moderating and mediating effects of job stressors and perceived organizational support

Eleni Makri

Hellenic Parliament Foundation, Athens, Greece, and

Filotheos Ntalianis

*Department of Business Administration, University of Piraeus,
Piraeus, Greece*

176

Received 24 July 2014
Revised 17 November 2014
Accepted 19 November 2014

Abstract

Purpose – The current financial crisis in Greece has redefined the way organizations operate resulting in a dramatic increase in mergers and acquisitions (M&As). The purpose of this paper is twofold: first to explore, within the M&A context, the main effects of job-related stressors and perceived organizational support (POS) on merger survivors' ill-health and second to examine the indirect links between these and commitment.

Design/methodology/approach – Data were obtained from 140 employees of two merged financial institutions in Greece post-combination.

Findings – The results indicated significant direct relationships between work-related stressors and POS and ill-health. As regards the indirect relationships, only the mediation link between organizational support, ill-health and commitment was supported.

Practical implications – Implications, limitations and further research issues are discussed in light of the M&A context.

Originality/value – The intention is to extend current stress and M&A literature findings (e.g. Cartwright and Cooper, 1993; Cartwright *et al.*, 2007), and further investigate the relationship between stressors and ill-health within a turbulent context, since little is known about the behavioral reactions arising as an outcome of M&As in a Greek setting. Thus, the unique contribution of this study is to examine this relationship in a double crisis context: the organizational crisis following the M&A and the financial crisis currently facing Greece, since the area of M&As in Greece has so far received little scholarly attention (Bellou, 2007, 2008).

Keywords Employee attitudes, Organizational change

Paper type Research paper

Introduction

Mergers and acquisitions (M&As) are corporate change-related events that continue to be a common phenomenon, despite the numerous negative repercussions reported in literature, manifested as underperformance or poor employee integration (Amiot *et al.*, 2007; Marmenout, 2010). One of these negative consequences is employee stress, which is a critical and unavoidable part of the so-called "merger syndrome" (Marks, 1997; Marks and Mirvis, 1985); it is evident in most post-merger combinations and tends to intensify over time (e.g. Schweiger and Denisi, 1991). The reason for this is that M&As are usually not very successful, with failure rates of approximately 70 percent (Lodorfos and Boateng, 2006), and take time (typically five to seven years) to realize

The authors would like to thank Professors Christian Vandenberghe and Michael Sfakianakis for their constructive comments on this manuscript. The present research is dedicated to the memory of the author's father, Dr George Makris.



(Covin *et al.*, 1997). This leaves the remaining employees (“survivors”) struggling with unfamiliar corporate operations and management procedures, technological and cultural novelties, such as new software packages, and different work arrangements and job tasks (Appelbaum *et al.*, 2000). As a result of these difficulties, employees exhibit poor identification and/or commitment with the merged organization (Van Dick *et al.*, 2006), have lower productivity and satisfaction and increased absenteeism (Lotz and Donald, 2006). All of these undesirable and dysfunctional behavioral outcomes frequently result in an employee’s propensity to leave the merged organization and seek employment elsewhere (Appelbaum *et al.*, 2007).

Recent research has emphasized the need for an examination of the sources of stress within organizational change conditions (Kohler *et al.*, 2006), in order to conceptualize with greater clarity the stress experience suffered by the survivors and offer a more complete explanation for their behavior in their new work setting. In response to this call, Cartwright *et al.* (2007) examined the influence of job stressors following mergers on employee attitudes, physical health and psychological well-being, underlying the importance and the unique contribution of these stressors in understanding such complex phenomena.

Besides the direct relationship between work stressors and employee-related outcomes such as performance (Jacobs *et al.*, 2007), research has also examined the role of moderators and mediators in the stressors-outcome relationship, with coping being one of the most notable variables (Cooper *et al.*, 2001; Fugate *et al.*, 2008). According to Cooper *et al.* (2001), moderators are mainly environmental or dispositional factors which play the role of a buffer in the stressor-strain relationship, while mediators are stress-related strategies which play an intervening role between antecedents (e.g. stressors) and outcomes (e.g. job satisfaction). As regards the empirical findings, Amiot *et al.* (2006) investigated the mediating and moderating role of coping processes during a merger and its effect on the relationship between stress and self-efficacy on job satisfaction and organizational identification, with their results supporting almost all indirect effects. Furthermore, in a sample of salespeople, Stamper and Johlke (2003) verified the role of perceived organizational support (POS) as a moderator between job stressors (i.e. job ambiguity and role conflict) and employee satisfaction with their job as well as their intentions to remain with their current company.

Context is paramount to organizational research, posing “constraints that affect the occurrence and meaning of organizational behavior as well as functional relationships between variables” (Johns, 2006, p. 386). Thus, our intention in this study is to extend current stress and M&A literature findings (e.g. Cartwright and Cooper, 1993; Cartwright *et al.*, 2007), and further investigate the relationship between stressors and ill-health within a different setting. Little is known about the behavioral reactions arising as an outcome of M&As in a Greek setting since the area of M&As in Greece has so far received little scholarly attention (e.g. Bellou, 2007, 2008). However, Greece is in the middle of a severe recession, making it a particularly interesting focus for our study. Thus, the unique contribution of this study is to examine this relationship in a double crisis context: the organizational crisis following the M&A and the financial crisis currently facing Greece. Another contribution of the study is to explore all the indirect relationships (i.e. moderations and mediations) which have received limited attention in existing research linking stress and health outcomes in post-merger settings. Specifically, our key goal is to examine the main effect of work-related stressors (i.e. work relationships, work-life balance, overload, job security, control, resources and communication, aspects of the job, pay and benefits) and POS on

employee-reported ill-health within post-combination settings. In addition, we aim to investigate whether support offered by the merged organization can mitigate the relationship between work-related stressors and aspects of post-merger ill-health. Finally, we aim to examine the indirect relationship between stress and POS and commitment, in which ill-health plays a mediating role. In this way we hope to partially describe the multifaceted outcomes of M&A conditions currently faced by merged organizations operating in an extremely volatile environment.

Theoretical background

Ill-health is defined by the Oxford English Dictionary as a poor physical or mental condition. While ill-health is a term usually adopted in a medical context, it has also systematically concerned management and organizational behavioral research (Danna and Griffin, 1999; Ganster and Schaubroeck, 1991; Ganster and Rosen, 2013; Macik-Frey *et al.*, 2007). These reviews meticulously present the findings of over 20 years of research, which point toward one conclusion: employee health is vulnerable to many work-related stressors, the locus of which can be traced to the individual, task or general work level. Below we examine the logic relating job stressors and organizational support to ill-health in post-combination settings, before turning to the interacting and mediating effects.

Job stressors and ill-health

Job stress arises when employees are unable to cope with excessive demands or are unequipped to handle particular work conditions (Cartwright and Cooper, 2002). While almost any organizational demand can act as a potential active stressor (Karasek, 1979), especially in post-combination settings, fairly recent research has focussed on distinct factors. Specifically, Cartwright and Cooper (2002) have based their shortened stress evaluation tool (ASSET) (Faragher *et al.*, 2004) on eight work-related dimensions/stressors which refer to work relationships, work-life balance, overload, job security, control, resources and communication, pay and benefits and aspects of job. As ample evidence exists regarding the validity of the ASSET model (e.g. Cartwright and Cooper, 2002; Faragher *et al.*, 2004; Johnson, 2009), we will use it in this study as a theoretical basis for our stress-related hypotheses.

M&As are stressful events which are detrimental to both the physical (Cartwright and Cooper, 1993) and psychological health of employees (Cartwright *et al.*, 2007). We expect that survivors will heavily engage in their tasks in order to accommodate themselves quickly to their new working environment and increase their control over their new or extended duties. Engagement literature suggests that a dark side of fully engaged employees is to suffer from work-life imbalance and other negative consequences, such as burnout (Bakker *et al.*, 2011) or health problems (Geurts and Demerouti, 2003). In addition, they are highly likely to face increased workload, since M&As usually result in employee reductions, resulting in more work for the surviving employees. Research shows that increased workload appears to have a negative relationship with physical and psychological health (Sverke *et al.*, 2002).

In light of the above research findings and arguments we propose that:

- H1. Work-related stressors (i.e. work relationships, work-life balance, overload, job security, control, resources and communication, pay and benefits) will positively relate to employee ill-health post-merger.

POS and ill-health

POS refers to employees' perception of whether the organization recognizes their contribution as important and, at the same time, shows interest in their well-being (Eisenberger *et al.*, 1986). Employees report high POS when there is a belief that the organization will reciprocate their effort and offer assistance when needed or help under adverse circumstances, such as increased pressure and stress (George *et al.*, 1993). In return employees feel emotionally attached to the organization and exceed in in-role and extra-role effort (Rhoades and Eisenberger, 2002; Riggle *et al.*, 2009), expecting that improved performance will lead to further rewards (Eisenberger *et al.*, 2002).

Employees who work for organizations that have undergone major post-M&A restructuring are expected to exhibit symptoms or signs of physiological or psychological ill-health (Robblee, 1998). We argue that once the organization decides to establish mechanisms of support, these are expected to have a beneficial impact on employee health. For instance, offering professional psychological counseling or medical assistance through regular medical checkups in a local hospital would be a gesture indicating that the organization is concerned about its employees' well-being. Research has shown that similar supportive interventions have a positive impact on employee health (Robblee, 1998; Wickramasinghe, 2010). This line of argumentation leads us to conclude that:

H2. POS will be negatively related to employee ill-health post-merger.

The moderating role of POS

As regards the relationship between POS and stress, meta-analytic findings report a negative association between the two constructs (Rhoades and Eisenberger, 2002), confirming the assumption that the employee feels less vulnerable to work-related stressors when the organization engages in certain initiatives, such as stress management training, to help the employee cope with stressful situations (Wickramasinghe, 2010). We assert that POS will act as a moderator between stressors and ill-health, such that it will serve as a buffer alleviating the detrimental effects of job-related stressors (e.g. overload, lack of control) on employee health.

We expect that post-combination, surviving employees will experience different types of stressors related to new work arrangements, such as new tasks, expanded roles and/or increased workload. Under these circumstances, merger survivors will tend to report higher levels of stress-related problems (e.g. fatigue), that can potentially cause their health to deteriorate. Earlier research findings have supported the positive effect of POS programs on employee fatigue (Cropanzano *et al.*, 1997) and headaches (Robblee, 1998). We suggest that POS in the form of different employee assistance programs (e.g. health care plans, stress and time management courses) or availability of resources (e.g. material aid, pharmaceutical pain relief) will act positively in reducing the negative consequences of stressors on employee health.

The above line of argumentation leads to the following hypothesis:

H3. POS will negatively moderate the relationship between job stressors (i.e. work relationships, work-life balance, overload, job security, control, resources and communication and pay and benefits) and employee ill-health post-merger, in such a way that perceived support from the organization will diminish the negative effects of stressors on employee health.

Thus far we have hypothesized the role of ill-health as a key outcome variable in this study. In the next section we shift our focus to examine its potential implication as a mediator between stress and POS and commitment. This change in focus will help us elaborate on the potential dysfunctional effects of ill-health for the employee post-merger.

Mediating relationships

Commitment has been defined by Mowday *et al.* (1982), as “the relative strength of an individual’s identification with and involvement in an organization” (p. 27). Several meta-analytic studies have examined the nomological network of commitment addressing its antecedents, correlates and outcomes (e.g. Cooper-Hakim and Viswesvaran, 2005; Mathieu and Zajac, 1990), among which we distinguish organizational support and stress as antecedents and health as an outcome variable (Meyer *et al.*, 2002). While commitment seems to have a mediating role between stressors and health in these models, here we reexamine this relationship proposing ill-health, a neglected variable in M&A research, as the mediator between stressors and organizational support and commitment, thus placing emphasis on the process by which commitment is shaped in a post-M&A setting.

Survivors are likely to suffer from prolonged stress due to the fact that M&As are time consuming endeavors (Covin *et al.*, 1997). Prolonged stress usually results in burnout and health-related problems (Fox *et al.*, 1993). Critical aspects of burnout relate to emotional exhaustion and depersonalization (Maslach *et al.*, 2001): two critical states indicating the individual’s emotional and physical withdrawal and detachment from the workplace, which is also reflected in their increased absenteeism rate (Danna and Griffin, 1999). As these side effects contrast with the core of commitment (i.e. attachment) (Cooper-Hakim and Viswesvaran, 2005; Mathieu and Zajac, 1990), we expect that stress will negatively affect one’s commitment to the organization, through poor employee health.

The direct relationship between POS and commitment appears to be strong in research, with meta-analytic findings reporting a positive association (Riggle *et al.*, 2009; Rhoades and Eisenberger, 2002). The mediating effect of health on commitment can be explained through Gouldner’s (1960) norm of reciprocity. As post-merger stressors can severely affect employee health, support from the organization in order to relieve its employees from their ill-health problems can result in the latter feeling that the organization values them and cares about their well-being. As a result, appreciated employees feel indebted to return the supportive “favorable” treatment by exhibiting high levels of commitment to their employer (Eisenberger *et al.*, 2001; Lee and Peccei, 2007), thus completing a positive domino effect that was initiated by the benevolent concern of the organization to the employees. Indeed, research has shown that POS triggers feelings of obligation to its recipients which returns to the organization in the form of affective commitment (Eisenberger *et al.*, 2001).

In light of the above, we offer the following two mediation hypotheses:

- H4. Employee ill-health post M&A will mediate the relationship between stress and commitment.
- H5. Employee ill-health post-M&A will mediate the relationship between POS and commitment.

Figure 1 summarizes the hypotheses proposed in our study.

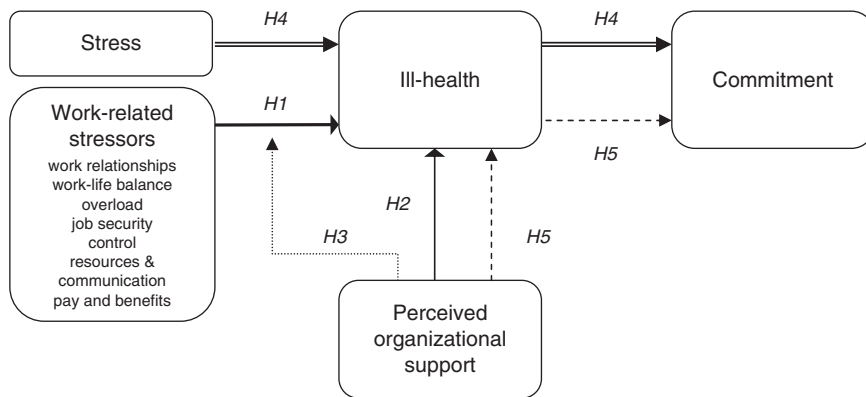


Figure 1.
Proposed conceptual
model and
hypothesized
relationships

Method

Sample

The survey was conducted during the first large wave of M&As in the Greek banking sector beginning from 2005 onwards. A structured questionnaire was distributed to employees at all organizational levels in two merged organizations, together with a cover letter guaranteeing voluntary survey participation and anonymity. Overall, 140 completed questionnaires were returned (45.2 percent response rate). The sample consisted of 55 employees from Organization A and 85 from Organization B. In total, 5.7 percent of the participants were at the senior level, 57.1 percent at middle level and 35.7 percent at the lower administrative level.

Measures

Survey variables were measured using the following scales.

Work stressors, ill-health and organizational commitment were assessed using Cartwright and Cooper's (2002, 2009) ASSET (Organizational Stress Screening Tool) questionnaire. This consists of four parts: the first part assesses respondents' perceptions of job stressors, the second examines outcomes of work-related stress (e.g. the employee's commitment to the organization), the third measures physical and psychological health and the last records biographical information.

Job stressors

Job stressors is a 37-item scale which is divided into eight subscales (Cartwright and Cooper, 2002, 2009). Sample items and their subsequent subscales are as follows: "My relationships with colleagues are poor" (work relationships), "I work unsociable hours" (work-life balance), "I do not have enough time to do my job as well as I would like" (overload), "My job skills may become redundant in the near future" (job insecurity), "I am not involved in decisions affecting my job" (control), "I do not have the proper equipment or resources to do my job" (resources and communication), "My pay and benefits are not as good as other people doing the same or similar work" (pay and benefits – one-item measure) and "My physical working conditions are unpleasant" (aspects of the job).

Participants were asked to indicate the extent to which they were affected by each stressor using a six-point Likert response scale ranging from 1 (strongly disagree) to 6 (strongly agree). All the above scales had acceptable Cronbach's α values, ranging from

0.65 (home-work balance) to 0.81 (relationships at work) (see Table I), with the exception of the aspects of the job scale ($\alpha = 0.54$), which fell far below Nunnally and Bernstein (1994) guideline of 0.70. Thus, we decided to exclude this scale from all subsequent analyses. The overall score of the index for perceived stress is calculated by summing the scores of all seven stressors used (a high score indicates high level of stress) ($\alpha = 0.89$).

Organizational commitment

Organizational commitment was measured with the commitment of the employee to the organization subscale as described in the second part of the ASSET questionnaire. This four-item measure evaluates the outcome of work-related stress in relation to employees' attitudes toward their organization. As in the measurement of stressors, employees are invited to indicate, on a six-point Likert response scale ranging from 1 (strongly disagree) to 6 (strongly agree), how devoted they are to their organization. A sample item is "I am proud of this organization" (Cartwright and Cooper, 2009). The internal consistency reliability for this scale was 0.84.

Ill-health

The overall ill-health index was calculated for the purposes of the present study as the sum of the physical and psychological health indicators described in the ASSET questionnaire. Sample items, from the 19-item scale, include "Panic or anxiety attacks," "Lack of appetite or over-eating" (Cartwright and Cooper, 2009). High scores on this scale indicate poorer physical and psychological health for post-merger employees. Cronbach's α was 0.92.

POS

POS was measured using five items adapted from Eisenberger *et al.*'s (1986) Survey of POS. Employees indicate, on a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree), whether they feel valued and supported by their organization. Example item: "The merged organization would consider my goals and values." The α coefficient of this scale was 0.93.

Control variable

Gender was used as a control variable in all regression analyses, following earlier research in M&A settings (Panchal and Cartwright, 2001).

Results

Correlations

Table I presents the means, standard deviations, α consistency reliabilities and correlations for all study variables. At the bivariate level, ill-health symptoms correlated significantly with almost all of the ASSET variables, the strongest correlation being with work relationships ($r = 0.64$) and the weakest with pay and benefits ($r = 0.05$, $p = ns$). The remaining bivariate associations were: work-life balance ($r = 0.22$), overload ($r = 0.53$), job security ($r = 0.38$), control ($r = 0.32$), and resources and communication ($r = 0.48$). POS was significantly negatively associated with ill-health ($r = -0.22$). Before proceeding with hierarchical regressions, we ensured that all prerequisite conditions related with this analysis (e.g. lack of multicollinearity, deviations from normality, influential cases) were met.

	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1. Gender	1.60	0.49	-											
2. Work relationships	3.23	0.91	0.10	(0.81)										
3. Work-life balance	3.07	1.09	0.07	0.23**	(0.65)									
4. Overload	3.34	1.16	0.07	0.55**	0.15*	(0.80)								
5. Job security	3.48	1.13	-0.22**	0.43**	0.18*	0.40**	(0.70)							
6. Control	3.31	1.07	0.16*	0.51**	0.32**	0.18*	0.38**	(0.72)						
7. Resources and communication	3.11	1.02	0.19*	0.63**	0.26**	0.46**	0.22**	0.66**	(0.70)					
8. Pay and benefits	3.67	1.55	0.08	0.16*	0.39**	0.24**	0.12	0.27**	0.36**	-				
9. Perceived organizational support	3.31	1.18	-0.10	-0.49**	-0.13	-0.29**	-0.45**	-0.44**	-0.33**	-0.12	(0.93)			
10. Stress (overall)	3.26	0.69	0.04	0.84**	0.49**	0.67**	0.66**	0.68**	0.74**	0.39**	-0.51**	(0.89)		
11. Ill-health	2.49	0.64	0.14	0.64**	0.22**	0.53**	0.38**	0.32**	0.48**	0.05	-0.22**	0.63**	(0.92)	
12. Commitment	3.82	1.27	-0.09	-0.48**	-0.45**	-0.10	-0.31**	-0.40**	-0.36**	-0.27**	0.54**	0.53**	-0.29**	(0.84)

Notes: α coefficients are presented on the diagonal. * $p < 0.05$; ** $p < 0.01$

Table I.
Means, standard deviations, intercorrelations and coefficient α 's of the study variables

Hierarchical regressions

Hierarchical regression analyses were conducted to test for the proposed *H1* and *H2*. The results from these analyses are presented in Table II. At the first step we entered the control variable (i.e. gender) and then the independent variables (i.e. work stressors). *H1* argued that work-related stressors will positively affect employee ill-health. Our results indicated a significant relationship between all ASSET variables and ill-health. In particular, ill-health was related to work relationships ($\beta = 0.40, p < 0.00$), work-life balance ($\beta = 0.12, p < 0.05$), overload ($\beta = 0.20, p < 0.01$), job security ($\beta = 0.14, p < 0.05$), control ($\beta = -0.13, p < 0.10$), resources and communication ($\beta = 0.22, p < 0.05$) and benefits ($\beta = -0.19, p < 0.01$). Thus, *H1* was fully supported.

As regards the relationship between POS and employee ill-health, regression analysis indicated that this relationship was significant ($\beta = -0.20, p < 0.05$), explaining an additional 5 percent ($F(2, 135) = 4.29, p < 0.05$) of the variance in employee ill-health. This lends support to *H2*.

Moderated regressions

Moderated regression analyses were used to examine the interactive effects of job stressors and POS on employee health (*H3*). In the moderated regressions, the control variable was entered at the first step. In the second step we entered all work stressors and employee perceptions of organizational support. In the last step the interaction effects of work stressors and organizational support were added. The results for the moderated regressions are described in detail in Table III. These analyses indicate that POS did not moderate the relationship between work stressors and the dependent variable in question, thus lending no support to *H3*.

Mediating analyses

We further examined the role of stress and POS on employee commitment through a mediating relationship. As argued earlier, stress can increase ill-health which in turn reduces individual commitment to the organization (*H4*). To overcome any problems associated with the Sobel (1982) test, we tested this hypothesis using a bootstrap approach. We bootstrapped 5,000 samples to obtain 95 percent confidence intervals (CI)

Table II.
Hierarchical regression analyses for the effects of ASSET stressors and perceived organizational support on ill-health

	β	Ill-health R^2	ΔR^2
<i>Step 1: control variables</i>			
Gender	0.05		
<i>Step 2: main effects</i>			
Work relationships	0.40***		
Work-life balance	0.12*		
Overload	0.20**		
Job security	0.14*		
Control	-0.13****		
Resources and communication	0.22*		
Pay and benefits	-0.19**	0.52***	0.49***
<i>Step 2: main effects</i>			
Perceived organizational support	-0.20*	0.06*	0.05*
Notes: * $p < 0.05$ (one-tailed); ** $p < 0.01$ (one-tailed); *** $p < 0.001$ (one-tailed); **** $p < 0.10$ (one-tailed)			

	β	Ill-health R^2	ΔR^2
<i>Step 1: control variables</i>			
Gender	0.05		
<i>Step 2: main effects</i>			
Work relationships	0.45***		
Work-life balance	0.11		
Overload	0.20**		
Job security	0.20**		
Control	-0.09		
Resources and communication	0.20*		
Pay and benefits	-0.18**		
POS	0.19**	0.54***	0.52***
<i>Step 3: interactions</i>			
Work relationships \times POS	0.18		
Work-life balance \times POS	-0.05		
Overload \times POS	0.07		
Job security \times POS	-0.01		
Control \times POS	-0.13		
Resources and communication \times POS	0.08		
Pay and benefits \times POS	-0.01	0.58*	0.04*

185

Table III.
Hierarchical
moderated
regression analyses
for ill-health

(MacKinnon *et al.*, 2004), for the indirect effect of stress on commitment through employee ill-health. Using Hayes's (2014) PROCESS 2.11 Macro in SPSS 19.0, we found the mean indirect effect to be positive (boot = 0.0747) with a 95 percent CI including zero (-0.1243 to 0.2800). Therefore, *H4* was not supported:

H5. Asserted that soon after the M&A has taken place, the support that the employees perceive that they receive from the organization reduces their ill-health (i.e. their physical and/or psychological health improves), which in turn increases their commitment to their organization. Using the same procedure as indicated above (Hayes, 2014), we found the mean indirect effect to be positive and significant (boot = 0.0438) (95 percent bootstrap CI: 0.0058-0.1219). This leads us to conclude that *H5* was supported.

Discussion

Our study aimed to explore the impact of stressors and POS on survivors' ill-health and further explore whether overall stress affects employee commitment to the organization. As hypothesized, all work stressors predicted ill-health, confirming earlier research findings regarding the relationship between stress and health (Faragher *et al.*, 2004; Fox *et al.*, 1993; Kahn and Byosiére, 1992). Post M&A stress triggered by troublesome relationships with colleagues and superiors at work, inability to accommodate personal or family responsibilities and obligations, excessive workload, uncertainty over the stability of current job position due to merger-related restructuring, and a lack of resources and communication in executing job tasks result in survivors' ill-health. Somewhat surprisingly (see also the results of Faragher *et al.*, 2004), pay and benefits and control were adversely related to ill-health.

What our results show is that employees that have less control over their job (e.g. less time devoted to decision making and planning) or are deprived of previous financial rewards feel either less pressure or less need to achieve, thus reducing the risk of health-related problems. It seems that high salaries and bonuses are the reward for the employee's investment of time (e.g. through overtime) and effort, thus causing health-related problems (Dembe *et al.*, 2005; Tucker and Rutherford, 2005).

Companies that offer substantial support to their employees so that these employees can quickly accommodate themselves in their new environment are likely to reduce symptoms of ill-health in their employees and receive a pay-off in the form of commitment. In addition, the existence of a mediation effect reveals the multiple positive side effects that organizational support can generate in its recipients. Thus the benefits of an organizational policy of support can be twofold.

We also examined the moderating effect of POS on work stressors and ill-health. We argued that organizations that care about their employees are likely to offer support in different forms in order to mitigate the impact of job stressors, thus reducing their ill-health. Earlier research has shown that offering employees support in the form of realistic job previews related to the M&A activity reduced negative outcomes, such as ambiguity, distrust and stress (Schweiger and Denisi, 1991). Our findings showed that none of the moderating regressions was deemed significant, perhaps indicating that the merged organizations investigated in our study offered poor generic support to their employees.

Finally, we asserted that ill-health plays a mediational role between overall job stress and employee commitment to the organization. Our mediation analysis did not support this hypothesis, but it did not exclude the possibility of an alternative mediator. According to the typology of Zhao *et al.* (2010), the combination of an insignificant path (i.e. $a \times b$) with a significant direct path (i.e. c) rejects the proposed mediator as a problematic theoretical framework, but does not exclude the possibility of an omitted mediator. This could be an interesting area to be investigated in a future study.

A few limitations associated with our research need to be mentioned. First, the generally moderate sample size ($n = 140$) which was used for all the analyses in this study can limit the generalizability of our results. However, the practical issues and inherent difficulties associated with data collection at the various stages of the M&A process, reflected in contemporary M&A research (e.g. Bellou, 2007, 2008; Cartwright *et al.*, 2007; Wickramasinghe and Karunaratne, 2009) must be taken into consideration. Second, the collection of data from more than one source (employees) might raise the question of contamination from a common method bias perspective (Podsakoff *et al.*, 2003). However, fairly recent research on this topic (Spector, 2006) shows that the phenomenon has been systematically overrated, creating an "urban legend" (Spector, 2006, p. 228) in behavioral research. Finally, even though our research design is in compliance with other research conducted recently in Greece (e.g. Bellou, 2007, 2008) and overall research in M&As (e.g. Wickramasinghe and Karunaratne, 2009), a longitudinal design would allow greater generalizability of our results although this is an extremely difficult and demanding research design to implement in M&As (Giessner *et al.*, 2006).

Future research can concentrate on the relationship between merger-specific characteristics and employee attitudes and reactions during M&As. For instance, deal characteristics, such as amount of integration, cultural similarity or dominance between merging partners, are factors which are "located" at the corporate level yet can

cascade and affect survivors' stress levels and health as well as their attitudes toward their work (e.g. job satisfaction, commitment).

An additional research avenue could relate to bidder types, as a means of clarifying M&A context-specific factors that contribute to merger success. Specifically, researchers could further investigate whether M&A bidder types (i.e. friendly vs hostile) affect the experience of work-related stressors and how these affect employee organizational commitment, turnover intentions and performance post-combination.

As the second large wave of M&As in the Greek banking sector is already in progress, a comparison of our current findings with those of other merged organizations in the same industry would potentially strengthen our understanding of stress-induced effects and organizational interventions employed post-combination (e.g. see Wickramasinghe and Karunaratne, 2009).

Johns (2006) argues that "the mechanics of context can be quite subtle, and small changes in context often matter greatly" (pp. 398-399). As M&As are unique corporate events with no one approach fitting all, future research needs to pay more attention to context specific issues. Thus, research taking into consideration the type of industrial sector where the merger occurs or the cultural characteristics of the organization (e.g. individualistic vs collectivistic) would provide further accuracy in our estimations regarding the dynamics of stress-related outcomes in post-merger settings.

As regards practitioner advice, our findings clearly indicate that organizational support improves employee health. Thus a systematic human resource strategy is required in order to deal effectively with the health-related repercussions of M&As in surviving employees. For example, continuous training in new job tasks and the implementation of workshops or get-togethers where employees from all levels acquaint themselves with their new environment and colleagues should be promoted and communicated openly. The latter tends to facilitate the development of a common group identity and reinforces post-merger organizational identification by handling the "us vs them thinking" which often exists in M&As (Buono *et al.*, 1985).

As all job stressors are related to ill-health in M&As, the design and implementation of stress management strategies should be valuable and of practical importance (Cartwright and Cooper, 2000). Managers should consider dealing with stress-related psychological and behavioral effects through the provision of carefully designed stress relief programs, in which, for example, employees are offered the opportunity to participate in aerobic classes in their local gym with all or part of the subscription fees paid by their company. As Buono and Bowditch (2003) argue, a sensitivity to what employees are experiencing and help in alleviating their concerns appears to be essential in reducing the consequences to both employees and organization and thus facilitating a faster integration post-combination (Goyal and Joshi, 2012).

The retention of competent employees post-combination is in itself a challenging and desirable goal for managerial authorities. Providing talented employees with challenging tasks or engaging them in cross-functional teams that handle important strategic issues, shows that the company believes in their abilities and counts on them for continued cooperation. On the basis of our research findings, we expect that these employees will reciprocate with loyalty and devotion: characteristics of a healthy contractual relationship.

Overall, our results indicate that M&A activities are stressful and can trigger or exacerbate ill-health in survivors. Nonetheless, organizations that wish to offset these

effects and work toward the successful implementation of the merger need to offer targeted support to their employees. The benefits of this approach will be felt by both the employees and the organization: an improvement in the health of employees will result in greater attachment, leading to the better functioning of the organization.

References

- Amiot, C.E., Terry, D.J. and Callan, V.J. (2007), "Status, equity and social identification during an intergroup merger: a longitudinal study", *British Journal of Social Psychology*, Vol. 46 No. 3, pp. 557-577.
- Amiot, C.E., Terry, D.J., Jimmieson, N.L. and Callan, V.J. (2006), "A longitudinal investigation of coping processes during a merger: implications for job satisfaction and organizational identification", *Journal of Management*, Vol. 32 No. 4, pp. 552-574.
- Appelbaum, S.H., Gandell, J., Shapiro, B.T., Belisle, P. and Hoeven, E. (2000), "Anatomy of a merger: behavior of organizational factors and processes throughout the pre-during-post-stages (part 2)", *Management Decision*, Vol. 38 No. 10, pp. 674-684.
- Appelbaum, S.H., Lefrancois, F., Tonna, R. and Shapiro, B.T. (2007), "Mergers 101 (part two): training managers for culture, stress, and change challenges", *Industrial and Commercial Training*, Vol. 39 No. 4, pp. 191-200.
- Bakker, A.B., Albrecht, S.L. and Leiter, M.P. (2011), "Key questions regarding work engagement", *European Journal of Work and Organizational Psychology*, Vol. 20 No. 1, pp. 4-28.
- Bellou, V. (2007), "Psychological contract assessment after a major organizational change, the case of mergers and acquisitions", *Employee Relations*, Vol. 29 No. 1, pp. 68-88.
- Bellou, V. (2008), "Exploring civic virtue and turnover intention during organizational changes", *Journal of Business Research*, Vol. 61 No. 7, pp. 778-789.
- Buono, A.F. and Bowditch, J.L. (2003), *The Human Side of Mergers and Acquisitions: Managing Collisions between People, Cultures, and Organizations*, Jossey-Bass, San Francisco, CA.
- Buono, A.F., Bowditch, J.L. and Lewis, J.W. (1985), "When cultures collide: the anatomy of a merger", *Human Relations*, Vol. 38 No. 5, pp. 477-500.
- Cartwright, S. and Cooper, C.L. (1993), "The psychological impact of merger and acquisition on the individual: a study of building society managers", *Human Relations*, Vol. 46 No. 3, pp. 327-347.
- Cartwright, S. and Cooper, C.L. (2000), *HR Know-How in Mergers and Acquisitions*, Chartered Institute of Personal Development, London.
- Cartwright, S. and Cooper, C.L. (2002), *ASSET: An Organizational Stress Screening Tool – The Management Guide*, Robertson Cooper Ltd., Manchester.
- Cartwright, S. and Cooper, C.L. (Eds) (2009), *The Oxford Handbook of Organizational Well-Being*, Oxford University Press, New York, NY.
- Cartwright, S., Tytherleigh, M. and Robertson, S. (2007), "Are mergers always stressful? Some evidence from the higher education sector", *European Journal of Work and Organizational Psychology*, Vol. 16 No. 4, pp. 456-478.
- Cooper, C.L., Dewe P.J. and O'Driscoll, M.P. (2001), *Organizational Stress: A Review and Critique of Theory, Research, and Applications*, Sage Publications, Thousand Oaks, CA.
- Cooper-Hakim, A. and Viswesvaran, C. (2005), "The construct of work commitment: testing an integrative framework", *Psychological Bulletin*, Vol. 131 No. 2, pp. 241-259.
- Covin, T.J., Kolenko, T.A., Sichter, J.W. and Tudor, R.K. (1997), "Leadership style and post-merger satisfaction", *Journal of Management Development*, Vol. 16 No. 1, pp. 22-33.

- Cropanzano, R., Howes, J.C., Grandley, A.A. and Toth, P. (1997), "The relationship of organizational politics and support to work behaviours, attitudes, and stress", *Journal of Organizational Behavior*, Vol. 18 No. 2, pp. 159-180.
- Danna, K. and Griffin, R.W. (1999), "Health and well-being in the workplace: a review and synthesis of the literature", *Journal of Management*, Vol. 25 No. 3, pp. 357-384.
- Dembe, A.E., Erickson, J.B., Delbos, R.G. and Banks, S.M. (2005), "The impact of overtime and long work hours on occupational injuries and illnesses: new evidence from the United States", *Occupational and Environmental Medicine*, Vol. 62 No. 9, pp. 588-597.
- Eisenberger, R., Armeli, S., Rexwinkel, B., Lynch, P.D. and Rhoades, L. (2001), "Reciprocation of perceived organizational support", *Journal of Applied Psychology*, Vol. 86 No. 1, pp. 42-51.
- Eisenberger, R., Huntington, R., Hutchinson, S. and Sofa, D. (1986), "Perceived organizational support", *Journal of Applied Psychology*, Vol. 71 No. 3, pp. 500-507.
- Eisenberger, R., Stinglhamber, F., Vandenberghe, C., Sucharski, I. and Rhoades, L. (2002), "Perceived supervisor support: contributions to perceived organizational support and employee retention", *Journal of Applied Psychology*, Vol. 87 No. 3, pp. 565-573.
- Faragher, E.B., Cooper, C.L. and Cartwright, S. (2004), "A shortened stress evaluation tool (ASSET)", *Stress and Health*, Vol. 20 No. 4, pp. 189-201.
- Fox, M., Dwyer, D. and Ganster, D.C. (1993), "Effects of stressful job demands and control on physiological and attitudinal outcomes in a hospital setting", *Academy of Management Journal*, Vol. 36 No. 2, pp. 289-318.
- Fugate, M., Kinicki, A.J. and Prussia, G.E. (2008), "Employee coping with organizational change: an examination of alternative theoretical perspectives and models", *Personnel Psychology*, Vol. 61 No. 1, pp. 1-36.
- Ganster, D.C. and Rosen, C.C. (2013), "Work stress and employee health: a multidisciplinary review", *Journal of Management*, Vol. 39 No. 5, pp. 1085-1122.
- Ganster, D.C. and Schaubroeck, J. (1991), "Work stress and employee health", *Journal of Management*, Vol. 17 No. 2, pp. 235-271.
- George, J.M., Reed, T.F., Ballard, K.A., Colin, J. and Fielding, J. (1993), "Contact with AIDS patients as a source of work-related distress: effects of organizational and social support", *Academy of Management Journal*, Vol. 36 No. 1, pp. 157-171.
- Geurts, S.A.E. and Demerouti, E. (2003), "Work/non-work interface: a review of theories and findings", in Schabracq, M.J., Winnubst, J.A.M. and Cooper, C.L. (Eds), *The Handbook of Work and Health Psychology*, 2nd ed., Wiley, Chichester, pp. 279-312.
- Giessner, S.R., Viki, G.T., Otten, S., Terry, D.J. and Täuber, S. (2006), "The challenge of merging: merger patterns, premerger status, and merger support", *Personality and Social Psychology Bulletin*, Vol. 32 No. 3, pp. 339-352.
- Gouldner, A.W. (1960), "The norm of reciprocity: a preliminary statement", *American Sociological Review*, Vol. 25 No. 2, pp. 161-178.
- Goyal, K.A.G. and Joshi, V. (2012), "Impact of merger on stress level of employees. A case study of Erstwhile Bank of Rajasthan Ltd", *International Journal of Business Research and Management*, Vol. 3 No. 5, pp. 234-248.
- Hayes, A.F. (2014), "PROCESS 2.11", available at: www.processmacro.org/index.html (accessed March 15, 2014).
- Jacobs, P.A., Tytherleigh, M.Y., Webb, C. and Cooper, C.L. (2007), "Predictors of work performance among higher education employees: an examination using the ASSET Model of Stress", *International Journal of Stress Management*, Vol. 14 No. 2, pp. 199-210.

- Johns, G. (2006), "The essential impact of context on organizational behavior", *Academy of Management Review*, Vol. 31 No. 2, pp. 386-408.
- Johnson, S.J. (2009), "Organizational screening: the ASSET model", in Cartwright, S. and Cooper, C.L. (Eds), *The Oxford Handbook of Organizational Well Being*, Oxford University Press, Oxford, pp. 133-155.
- Kahn, R.L. and Byosiore, P. (1992), "Stress in organizations", in Dunnette, M.D. and Hough, L.M. (Eds), *Handbook of Industrial and Organisational Psychology*, Consulting Psychologists Press, Palo Alto, CA, pp. 571-648.
- Karasek, R.A. (1979), "Job demands, job decision latitude and mental strain: implications for job design", *Administrative Science Quarterly*, Vol. 24 No. 2, pp. 285-308.
- Kohler, J.M., Munz, D.C. and Grawitch, M.J. (2006), "Test of a dynamic stress model for organisational change: do males and females require different models?", *Applied Psychology: An International Review*, Vol. 55 No. 2, pp. 168-191.
- Lee, J. and Peccei, R. (2007), "Perceived organizational support and affective commitment: the mediating role of organization-based self-esteem in the context of job insecurity", *Journal of Organizational Behavior*, Vol. 28 No. 6, pp. 661-685.
- Lodorfos, G. and Boateng, A. (2006), "The role of culture in the merger and acquisition process: evidence from the European chemical industry", *Management Decision*, Vol. 44 No. 10, pp. 1405-1421.
- Lotz, T. and Donald, F. (2006), "Stress and communication across job levels after acquisition", *South African Journal of Business Management*, Vol. 37 No. 1, pp. 1-8.
- Macik-Frey, M., Quick, J.C. and Nelson, D. (2007), "Advances in occupational health: from a stressful beginning to a positive future", *Journal of Management*, Vol. 33 No. 6, pp. 809-840.
- MacKinnon, D.P., Lockwood, C.M. and Williams, J. (2004), "Confidence limits for the indirect effect: distribution of the product and resampling methods", *Multivariate Behavioral Research*, Vol. 39 No. 1, pp. 99-128.
- Marks, M.L. (1997), "Consulting in mergers and acquisitions-interventions spawned by recent trends", *Journal of Organizational Change Management*, Vol. 10 No. 3, pp. 267-279.
- Marks, M.L. and Mirvis, P. (1985), "Merger syndrome: stress and uncertainty", *Mergers and Acquisitions*, Vol. 20 No. 1, pp. 50-55.
- Marmenout, K. (2010), "Employee sense making in mergers: how deal characteristics shape employee attitudes", *Journal of Applied Behavioural Science*, Vol. 46 No. 3, pp. 329-359.
- Maslach, C., Schaufeli, W.B. and Leiter, M.P. (2001), "Job burnout", *Annual Review of Psychology*, Vol. 52 No. 1, pp. 397-422.
- Mathieu, J.E. and Zajac, D.M. (1990), "A review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment", *Psychological Bulletin*, Vol. 108 No. 2, pp. 171-194.
- Meyer, J.P., Stanley, D.J., Herscovitch, L. and Topolnytsky, L. (2002), "Affective, continuance and normative commitment to the organization: a meta-analysis of antecedents, correlates, and consequences", *Journal of Vocational Behavior*, Vol. 61 No. 1, pp. 20-52.
- Mowday, R.T., Porter, L.W. and Steers, R.M. (1982), *Employee Organization Linkages*, Academic Press, San Francisco, CA.
- Nunnally, J.C. and Bernstein, I.H. (1994), *Psychometric Theory*, 3rd ed., McGraw-Hill, New York, NY.
- Panchal, S. and Cartwright, S. (2001), "Group differences in post-merger stress", *Journal of Managerial Psychology*, Vol. 16 No. 6, pp. 424-433.

- Podsakoff, P.M., MacKenzie, S.B., Lee, J.-Y. and Podsakoff, N.P. (2003), "Common method biases in behavioral research: a critical review of the literature and recommended remedies", *Journal of Applied Psychology*, Vol. 88 No. 5, pp. 879-903.
- Rhoades, L. and Eisenberger, R. (2002), "Perceived organizational support: a review of the literature", *Journal of Applied Psychology*, Vol. 87 No. 4, pp. 698-714.
- Riggle, R.J., Edmondson, D.R. and Hansen, J.D. (2009), "A meta-analysis of the relationship between perceived organizational support and job outcomes: 20 years of research", *Journal of Business Research*, Vol. 62 No. 10, pp. 1027-1030.
- Robblee, M. (1998), "Confronting the threat of organizational downsizing: coping and health", unpublished master's thesis, Carleton University, Ottawa.
- Schweiger, D. and Denisi, A. (1991), "Communication with employees following a merger: a longitudinal field experiment", *Academy of Management Journal*, Vol. 34 No. 1, pp. 110-135.
- Sobel, M.E. (1982), "Asymptotic confidence intervals for indirect effects in structural equation models", in Leinhardt, S. (Ed.), *Sociological Methodology*, American Sociological Association, Washington, DC, pp. 290-312.
- Spector, P.E. (2006), "Method variance in organizational research: truth or urban legend?", *Organizational Research Methods*, Vol. 9 No. 2, pp. 221-232.
- Stamper, C.L. and Johlke, M.C. (2003), "The impact of perceived organizational support on the relationship between boundary spanner role stress and work outcomes", *Journal of Management*, Vol. 29 No. 4, pp. 569-588.
- Sverke, M., Hellgren, J. and Näswall, K. (2002), "No security: a meta-analysis and review of job insecurity and its consequences", *Journal of Occupational Health Psychology*, Vol. 7 No. 3, pp. 242-264.
- Tucker, P. and Rutherford, C. (2005), "Moderators of the relationship between long work hours and health", *Journal of Occupational Health Psychology*, Vol. 10 No. 4, pp. 465-476.
- Van Dick, R., Ullrich, J. and Tissington, P.A. (2006), "Working under a black cloud: how to sustain organizational identification after a merger", *British Journal of Management*, Vol. 17 No. S1, pp. S69-S79.
- Wickramasinghe, V. (2010), "Work-related dimensions and job stress: the moderating effect of coping strategies", *Stress & Health*, Vol. 26 No. 5, pp. 417-429.
- Wickramasinghe, V. and Karunaratne, C. (2009), "People management in mergers and acquisitions in Sri Lanka: employee perceptions", *The International Journal of Human Resource Management*, Vol. 20 No. 3, pp. 694-715.
- Zhao, X., Lynch, J. Jr and Chen, Q. (2010), "Reconsidering Baron and Kenny: myths and truths about mediation analysis", *Journal of Consumer Research*, Vol. 37 No. 2, pp. 197-206.

Further reading

- Davy, J.A., Kinicki, A., Kilroy, J. and Scheck, C. (1988), "After the merger: dealing with people's uncertainty", *Training and Development Journal*, Vol. 42 No. 11, pp. 57-61.

Corresponding author

Dr Eleni Makri can be contacted at: elmakri@otenet.gr

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgroupublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com