

# **Me, You or We: Influencing ‘belonging’ in the long-term post acquisition integration of ‘acquired’ retail front-line employees.**

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## **Introduction**

Marketing, strategy and psychology academic disciplines converge in the assessment of what factors lead to the long-term success of one organisation acquiring another.

Within retail organisations, the integration of front-line employees (FLEs) is central to an acquisitions success. FLEs work with customers to co-create a mutual sense of satisfaction and value (Vargo and Lusch, 2016). Successful integration is dependent on FLEs from both the acquired and acquiring organisation holding a strong sense of belonging (Sung, Woehler, Fagan, Grosser, Floyd and Labianca, 2017). Here, FLEs internalise cues that are both internal and external to the acquiring organisation to inform the strength of their sense of belonging (Meyer, Becker & van Dick, 2006; Tourky, Syed Alwi, Kitchen, Melawar and Shaalan, 2019).

In the short-term, for FLEs from the acquired organisation, it is established a struggle commences between their sense of belonging to their old organisation and that developing for the new acquiring organisation (Rouzies, 2011). However, after this point, little is known about how in the long-term the internal and external influences on this sense of belonging differs from those who have always belonged to the acquiring organisation and if the sense of belonging differs between both groups (See appendix 1).

This paper reports the results of a quantitative study of 599 FLEs, spread across six stores, six years after the acquisition of SAFERETAILER by PARTNERCO. Using three step linear regression, the study quantitatively tests if perceived external reputation (external cue) and mission and vision dissemination (internal cue) differently influence the organisational identification of ex-SAFERETAILER and PARTNERCO FLEs. If both differ there are significant implications for retail leaders. In the long run having to treat FLEs as separate heterogeneous groups, rather than as one homogenous group. Using different methods of influence and different mixes of internal and external cues to influence the successful post acquisition integration of FLEs.

## The research study

In the organisational psychology literature an individual's sense of affiliation and belonging to an organisation is termed organisational identity (Mael and Ashforth, 1992). The organisational identity of employees is, importantly, a psychological bond between the individual and the firm (Ashforth, Harrison and Corely, 2008). It manifests with employees as an attachment to the firm, that when strong, is very likely to lead to outcomes valuable to the firm (He and Brown, 2013). Specifically, FLEs pick-up cues and signals from their day-to-day work that inform their sense of organisational belonging (Meyer, Becker & van Dick, 2006; Tourky, Syed Alwi, Kitchen, Melawar and Shaalan, 2020).

The marketing literature notably identifies FLEs work in a distinctive and unique environment. Not only do they interact with other employees in the firm, and are a consumer of many varied form of internal communications, they also span the boundary of the firm frequently interacting with customers and other external stakeholders (Zablah, Sirianni, Korschun, Gremler & Beatty, 2017). A unique place from which to assess what external stakeholders, especially customers, think of the firm and as an audience of internal signals and cues that strategically communicate what the firm stands for, its goals, its performance and so on (Helm, 2013).

It is therefore proposed FLEs construe the reputation of the firm held by external stakeholders (including customers), termed perceived external reputation (Schaarschmidt and Könsgen, 2020) and are an internal audience for the dissemination of important strategic information, for example the firms' mission and vision (Simões, Dibb, and Fisk, 2005). It is therefore proposed that:

- H1 As an external cue, perceived external reputation influences FLE organisational identity.
- H2 As an internal cue, mission and vision dissemination influences FLE organisational identity.
- H3 The strength of the relationships proposed in H1 and H2 differ between acquired and non-acquired groups of FLEs.

## Study results

We used three-step regression analysis to test our three hypotheses. All independent variables were mean centred prior to the regression analysis. We included job satisfaction, customer contact, age, job tenure and gender as covariates. Matters such as sampling, scale use, composite reliability, discriminant validity, common method variance and so on will be reported and presented at the AMI conference.

First, for H1 and H2 we only included the main effects of perceived external reputation, mission and vision dissemination and employee type as well as the covariates in the model. The model describes significant variance in employees' organizational identification ( $R^2 = .46$ ). The results show that perceived external reputation has a positive effect on employees' organizational identification ( $b = .46$ ,  $SE = .10$ ,  $p < .001$ ). Mission and vision dissemination ( $b = .5$ ,  $SE = .07$ ,  $p > .05$ ) and employee type ( $b = .18$ ,  $SE = .12$ ,  $p > .05$ ) have no effect on organizational identification.

In step 2, for H3, we added the two-way interaction terms of the independent variables and employee type to the model which significantly increased the explained variance in employees' organizational identification ( $\Delta R^2 = .02$ ,  $F(3, 294) = 3.04$ ,  $p < .05$ ). Importantly, the results reveal a significant interaction effect between mission and vision dissemination and employee type on organizational identification ( $b = -.25$ ,  $SE = .12$ ,  $p < .05$ ). To assess the nature of the two-way interaction, we examined the effect of mission and vision dissemination on organizational identification for each employee type. The results show a significant effect of mission and vision dissemination on FLE organizational identification for PARTNERCO employees ( $b = .20$ ,  $SE = .09$ ,  $p < .01$ ) but not for SAFERETAILER (acquired) employees ( $b = -.15$ ,  $SE = .09$ ,  $p > .05$ ). Also, importantly, the results also reveal a significant interaction effect between perceived external reputation and employee type on organizational identification ( $b = -.36$ ,  $SE = .17$ ,  $p < .05$ , 95% CI =  $[-.69, -.03]$ ). The effect of perceived external reputation on employees' organizational identification is stronger for PARTNERCO FLEs ( $b = .66$ ,  $SE = .12$ ,  $p < .001$ , 95% CI =  $[.42, .91]$ ) than for SAFERETAILER (acquired) FLEs ( $b = .30$ ,  $SE = .12$ ,  $p < .05$ , 95% CI =  $[.06, .54]$ ).

Finally, in step 3, we included the three-way interaction between perceived external reputation, mission and vision dissemination and employee type in the model. Including the three-way interaction significantly increases  $R^2$  ( $\Delta R^2 = .02$ ,  $F(1, 293) = 13.73$ ,  $p < .001$ ). The results reveal a significant three-way interaction between perceived external reputation, mission and vision dissemination and employee type on organizational identification ( $b = .37$ ,  $SE = .11$ ,  $p < .001$ ). Further effects on individual relationships between constructs will be reported at the AMI conference.

## **Implications**

The study indicates, six years after the acquisition, the sense of belonging of SAFERETAILER FLEs (from the acquired organisation) is only influenced by the construed external reputation of the retailer. Where as PARTNERCO FLEs sense of belonging is also influenced by internal strategic information such as mission and vision dissemination. The full research and managerial implications of these results will be presented at the AMI conference.

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**APPENDIX 1**  
**Selective Research Considering Antecedents of Organizational Identification (OI)**

Authors (Year)	Internal Drivers	External Drivers	Internal Reputation Sources	External Reputation Sources	Employee Type	Organizational transition	Sub Group	Main results
He, Wang, Zhu and Harris (2015)	Emotional instability Introversion Conscientious Openness Agreeableness				Front-line employees	No	No	The character traits of customer service agents in 10 chinese call centres i.e. agreeableness and openness to experience, positively influence OI.
Tse and Chiu (2014)	Transformational leadership				Front-line employees	No	No	The OI of customer facing employees in five Chinese ban branches is positively influenced by transformational leadership
DeConinck (2011)	Responsibility /Trust Ethical norms Peer behaviour Sales practices				Sales managers	No	No	OI of sales managers from multiple organisations is influenced by the ethical climate of the organisation. All four antecedents of OI are positive and significant.
DeConick (2015)	Ethical leadership Person /organisational fit				Sales managers	No	No	OI of sales managers from multiple organisations is directly and positively influenced by ethical leadership, a relationship that is also mediated by person organisation fit..
Lai, Chan and Lam (2013)	Moral dirtiness				Front-line employees	No	No	For a front-line employees in casinos ,moral dirtiness positively influences both their disidentification with their organisation and occupation..
Weiseke, Ahearne, Lam and van Dick (2009)	Regional Director OI Business Unit Managers OI Charasmatic leadership Dyadic Tenure				Front-line employees	No	No	The OI of front line employees is positively influenced by that of Business Unit Managers. Business Unit manager OI is positively influence by the OI of Regional Directors. This cascading effect is moderated by dyadic tenure and charismatic leadership.

Authors (Year)	Internal Drivers	External Drivers	Internal Reputation Sources	External Reputation Sources	Employee Type	Organizational transition	Sub Group	Main results
Wieseke, Kraus, Ahearne and Miklon (2012)	Distance from Head Quarters	Competitive intensity			Sales professionals	No	No	Examined threats to sales representatives OI. Distance from headquarters negatively influences salesforce OI, whereas the influence of competitive intensity is positive.
Korschun, Bhattacharya and Swain (2014)	Perceived management support for CSR	Perceived customer support for CSR Employee customer identification.			Frontline Employees	No	No	For employees OI is directly and positively influenced by perceived management support for CSR. Whereas the relationship between Perceived customer support for CSR and OI is mediated by employee-customer identification.
Amiot, Terry and McKimmie (2012) 1 years prior and 1 year post merger.	Pre-merger organisation status Perceived similarities Identity threat				Hospital employees	Yes	No	.For merging of two hospitals employees pre-merger organisation status directly influenced their OI with the new organisation. This relationship is mediated by both perceived similarity and identity threat.
Creasy, Todd and Peck (2009) Experienced an M&A within 1 to 36 months.	Management competence Procedural Justice Cultural discontinuity				Managers (multiple post-merger integrations)	Yes	No	For a cross section of managers in multiple sectors, post and M&A,Cultural discontinuity negatively influences OI, whereas the other antecedents have a positive influence.
Rouzies (2011) 6, 12, 18 months after signing of the merger	Original organisational identification Belongingness to dominant organisation. Interaction intensity				Employees	Yes	No	For employees of two merged European airlines all three internal antecedents positively influence OI.
Sung, Woehler, Fagan, Grosser, Floyd and Labianca (2017) 3 and 15 months after merger	Increases in organisational merger valence judgements				Professional Employees	Yes	No	For professional employees of an M&A of two consumer goods manufacturing firms, increases in organisational merger valence

								judgements positively influence increases in OI.
Authors (Year)	Internal Drivers	External Drivers	Internal Reputation Sources	External Reputation Sources	Employee Type	Organizational transition	Sub Group	Main results
Lipponen, Wisse and Jetten (2016) 3 months prior and 11 months post merger	Pre-merger identification Perceived Merger status Perceived status change Process Justice Distributed justice				Government Employees	Yes	Yes	For employees of two merged independent ministries of the Finnish Government, all antecedents, except pre-merger identification positively influence post-merger identification for employees of both organisations.
Elstak, Bhatt, Van Riel, Pratt and Berens (2015)  At time of merger and 12 months post merger	Attractiveness of Perceived organisational identity Agreement with the projected organisational identity Identification with parent organisation			Perceived external prestige	Managers and employees	Yes	No	Change of branding of a business unit to be part of existing parent organisation. For existing employees and managers in the business unit all four antecedents (internal and external) positively influenced OI with the business unit. Reducing uncertainty and increasing role enhancement.
Bartels, Pruyn and de Jong (2009) 4 months prior and 24 months post merger	Pre-merger university identification Identification with post merger division Communications climate			Identification previous division Perceived external prestige	University employees	Yes	No	In the merging of four divisions of a Dutch University into two, PEP did not influence employees identification with the new division whereas internal communications climate positively did. Employees pre-merger university identification and identification with the previous division both positively influenced their OI with the new division.
<b>This Study</b>  <b>Six years post acquisition</b>			Mission and vision dissemination	Perceived external reputation	Front-line Employees	Yes	Yes	Both internal and external drivers of OI positively influence OI. Both mission and vision dissemination and perceived external reputation interact and the relationships with OI are moderated by front-line employee group membership (prior SAFERETAILER employees and prior PARTNERCO employees). Each group use both internal and external antecedents differently to inform their post M&A OI.







