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1. Introduction

The purpose of the study was to prove differences in reactions to mergers and acquisitions (M/A) between Germany and Norway (Hanakam, 2003). It is presumed that these differences derive from different levels of uncertainty avoidance (UA), among other cultural factors, which refers to the level of tolerance for unstructured and ambiguous situations and the need to make these predictable. Such differences were found by Hofstede in 1980 and again in the GLOBE study in 1997 (Gupta et al., 2002), classifying Germany and Norway as rather high and low UA countries, respectively. As M/A are known to cause highly incalculable situations for the employees, it is presumed that Germans and Norwegians will show different reactions to M/A. Differences on the UA dimension will therefore serve as basis for further comparison, as they will have implications for different reactions with respect to stress, commitment, and general satisfaction with the results of M/A.

In the following, chapter 2 will deal with cultural aspects of M/A, including the differentiation between national and organizational culture and the impact of UA on national and organizational level. Chapter 3 concentrates on consequences of M/A with regard to stress and organizational commitment. Both concepts will be related to national culture. The method and results of the conducted empirical studies and analyses will be reported in chapter 4. In a final chapter first implications for practice will be drawn after some remarks on the study itself.

2. Cultural aspects by M/A

Throughout the article the terms M/A will be used synonymously, even though M/A are legally different transactions, which face different barriers. This is because the study concentrates on the connecting of two social systems, which is one of the main common features of M/A (Kieser & Kubicek, 1992). When M/A are performed at an international level, the initial problems in respect to human resource management are complicated by differences in national cultures (Cartwright & Cooper, 1996).

2.1 National and organizational culture

National culture is defined as the values, beliefs and assumptions learned in early childhood that distinguish one group of people from another (Beck & Moore 1985, Hofstede 1994). This definition implies that national culture is embedded deeply in everyday life and relatively impervious to change. Schein (1985, p. 6) defines organizational culture as “a deeper level of basic assumptions and beliefs that are shared by members of an organization”. These assumptions are learned responses to secure survival and internal integration in the organization. The influence of national culture on organizational behavior, and thereby anticipated difficulties for mutual understanding across boarders, can be described in terms of operating at such a deep level that people are not aware of its influen-
2.2 Uncertainty Avoidance as a dimension of national culture

Hofstede (1980) conducted one of the most influential studies on national differences in a cultural context and identified uncertainty avoidance as one of four dimensions of national culture. As uncertainty is a major feature of the M/A process, this dimension will form the basis for the cultural comparison in the actual study. UA is defined in terms of how people react to unpredictable and ambiguous situations. Some societies socialize their members into accepting uncertainty and not becoming upset about it. People in such societies will tend to accept each day as it comes. Such societies can be called “weak UA” societies, in which people have a natural tendency to feel relatively secure. Other societies aim to beat the future. Because the future remains essentially unpredictable, these societies will have a higher level of anxiety, which becomes manifest in greater nervousness, emotionality, and aggressiveness. Such societies, called “strong UA” societies, hold institutions that try to create security and avoid risks. Germany has an UA index score of 65, which Hofstede (1980) classifies as medium to high UA, whereas Norway has an UA index score of 50, which indicates medium to weak UA.

2.3 Uncertainty Avoidance at organizational level

UA is a decisive dimension of culture in organizations. Organizations serve to avoid uncertainty to make things predictable. Connotations of high UA in organizations are greater formalization, more rules and regulations, lower labor turnover, higher average satisfaction scores, anxiety, and stress (Hofstede, 2001). UA is the dimension presumed most relevant to organizational change and resistance to it (Harzing & Hofstede, 1996). People in high UA countries are assumed more uncomfortable with change and will show more resistance to it because of the uncertainty a change process causes, which in turn is due to uncomfortableness with an external locus of control that is characteristic for change processes. Societies with particularly low UA seem to have an emotional aversion to formal regulations. Connotations of low UA are ease, lower stress level, less formalization, and more flexible rules and regulations, higher labor turnover, and lower average satisfaction scores. Due to a stronger willingness of risk taking and more tolerance for deviant ideas it would be presumable that organizational changes will be perceived as less threatening in these societies (Hofstede, 2001). As national culture influences organizational culture to a high degree, organizational culture should not be considered without the national culture in which the organization operates (Krytsek, 1992). Weber, Shankar, and Raveh (1996) assessed the relative role of national and organizational fit in predicting effective integration between M/A partners. The findings indicated that in international M/A national culture differentials predict stress, negative attitudes toward the merger, and actual cooperation better than organizational culture differentials.

3. Consequences of M/A

The different characteristics of high and low UA societies form the foundation for the assumption that differences in UA between Germany and Norway will lead to different reactions with respect to M/A relevant concepts like stress and organizational commitment after M/A.

3.1 Stress by M/A depending on nationality

M/A can change an individual’s working life significantly and mostly, the individual is left without any control over the event. Therefore, M/A may represent a significant and potentially emotional and stressful life event for the people concerned (Anderson, 1999). Lazarus and Folkman (1984, p.19) provide a relational definition of stress: “Psychological stress is a particular relationship between the person and the environment that is appraised by the person as taxing or exceeding his or her resources and endangering his or her well-being”. Stress has also been related to nationality. In accordance to the urge of gaining control over situations and make situations predictable in high UA societies, it could be presumed that people in these societies will feel more insecure during M/A than those of low UA, which would result in a higher stress level in high uncertainty countries. Psychologists have related anxiety to stress, and the hypotheses that anxiety levels are different across boarders and that some cultures are more anxious than others has been confirmed in several studies, i.e. Kahn et al. (1964), Tannenbaum et al. (1974), and Kata (1975) (quoted from Hofstede, 1980). Hofstede conducted a long-term study (1967-1973) on nationality and stress and found that country differences in levels of stress are highly consistent over time and that there was a certain tendency towards an overall increase, without convergence between countries (Hofstede, 2001). This also corresponds with Hofstede’s descriptions of high and low uncertainty countries. In high uncertainty cultures Type A behavior is frequent and its people are characterized as bustling, restless, emotional, aggressive, active, and frequent. On the other hand, people in low UA cultures are depicted as calm, composed, sluggish, controlled, and lazy. In these countries Type B behavior is rather common. The stress scores obtained by Germany and Norway in Hofstede’s study (1976) of nationality and organizational stress also correspond to the descriptions of high and low UA countries. Germany, as a medium to high UA country had a stress score of 86, indicating a rather high stress level. In comparison, Norway ranked as a medium to low UA country, had a stress score of 52, which indicates a rather low stress level.

3.2 Organizational commitment by M/A depending on nationality

If business cycles are good and jobs are plentiful, one way to escape the stressful circumstances caused by M/A may be to leave the company. High and low uncertainty countries differ in the amount of labor turnover, which in turn is highly related to affective organizational commitment (Randall, 1993). High UA is associated with lower labor turnover and the tendency to stay longer with the employer. These characteristics give reason to relate high UA with high organizational commitment. On the other hand, empirical studies on consequences of M/A report higher turnover and reduced organizational commitment (e.g. Schweiger & DeNisi, 1991) as an effect of M/A. In relation to affective commitment, a highly committed employee may be more likely to have greater desire to
contribute meaningfully to the organization than an employee with weak affective commitment. Allen and Meyer (1991, p. 67) define affective commitment as “the employee's attachment to, identification with, and involvement in the organization”. Organizational culture is regarded as an antecedent of affective organizational commitment (Weiss, 2002). In respect to stress, Begley and Czajka (1993) showed that a high degree of affective commitment may have an absorbing effect on stressful demands. This may cause increased job satisfaction and less stress for the employees. Highly affective committed employees are likely to show desired behaviors like high motivation and performance, strong willingness to remain with the company, and lowered stress potential. These are all behaviors of great significance in a M/A process.

Randall (1993) intended to illustrate the value of an over-arching theoretical framework for interpreting variation in level of organizational commitment across cultures. Randall made the hypothesis that as employees in high UA countries are characterized by a tendency to stay with the same employer and view loyalty to the employer as a virtue (Hofstede, 1980), one might anticipate that high UA cultures would be associated with higher levels of affective commitment. Contrary to Randall’s assumption, the level of organizational commitment in low UA countries was higher than in high UA countries. However, there were several limitations to Randall’s study, which should only allow tentative conclusions to be drawn from the comparison between Hofstede’s four value dimensions and the reported organizational commitment scores of each country. As neither studies from Germany nor from Norway were included in the review, it would neither be correct to generalize Randall’s (1993) results to the countries of comparison in the current study nor to exclude that the assumed connections between UA and affective organizational commitment may exist.

As depicted in the introduction, the purpose of the current study was to prove differences in reactions to M/A between Germany and Norway under the assumption that organizational culture does not erasure the impact of national culture when it comes to reactions on M/A. In accordance to literature (Hofstede, 2001) initial differences between the two countries may derive from different levels of UA. Employee stress is a frequent consequence of M/A, which is also due to the insecurity characterizing the M/A process. As stress is also related to nationality (Hofstede, 1976), national differences in reactions to M/A with regard to stress will be investigated. Further, high and low UA countries differ in the amount of labor turnover (Hofstede, 1977), which in turn is associated with organizational commitment (Mathieu & Zajac, 1990). Therefore, the relationship between nationality and commitment will be explored. The last variable of investigation is general satisfaction with the changes due to M/A. Hofstede (1977) reports higher average satisfaction with one’s work place in high UA countries than in low UA countries. The matter of concern is if this also holds for satisfaction with the M/A process and its results. The results of the empirical analysis will be reported in the following chapter.

4. Empirical analysis

4.1 Data material

The data material originates from two independent German and Norwegian samples. The German data material was gained from the survey on the topic of “Mergers and acquisitions from an employee perspective” conducted within the context of the research project “Kulturwandel bei Fusionen” at the University of Mannheim. The Norwegian data material was collected within the international extension of the same survey. The samples forming the basis for the empirical tests of the hypothesis in this article consist of 42 German speaking employees and 42 Norwegian employees. The vast majority of the Norwegian employees work in foreign companies in Norway. The German sample was randomized from a total of 524 persons. To provide comparable samples, the randomization of the German sample was conducted in relation to the structure variables characterizing the Norwegian sample (e.g. size of company prior to M/A, proportion of managers to employees, the amount of mergers and acquisitions).

4.2 Results

The next four sections present the findings for each hypothesis. The difference between the sample means will be tested for significance for each variable by means of the t-test for independent groups. Then the effect of nationality and individual and collective work conditions on the sample differences will be explored with help of univariate ANOVA.

4.2.1 Uncertainty avoidance

In accordance to Hofstede’s findings (1980) and the results of the GLOBE study (1997), the principal hypothesis
The third hypothesis focuses on the role of individual characteristics by the assessment of stressors and postulates that the German sample experiences M/A more stressful than Norwegian employees because of higher degree of UA. The results of the analysis are conform to the hypothesis: The samples differ significantly and the means reveal that the German sample is the one that experiences the M/A more stressful (table 2). The difference is to some extent determined by higher UA levels among the German employees, as reflected in the subjective stress score. The non-significant difference in objective stress indicators implies that the changes are described similarly in the two samples, whereas the difference in subjective stress indicates that the possible stress indicators are appraised differently in the sample (table 3). The means in the samples reveal that changes and anticipated outcomes are assessed as more threatening by the German employees. This might in turn be due to individual characteristics like lower tolerance for ambiguity. The difference in objective UA level probably also finds its expression in the subjective stress variable. The changes in work conditions are approximately the same, but the difference in stress level between the samples might indicate that the assessment of the change in work conditions is different in the two samples.

### 4.2.2 Stress

As both nature of the environment and characteristics of the individual are seen as determinants of stress (Lazarus & Folkman, 1984), the operational definition of stress was also divided into an objective and a subjective scale. Table 2 shows the results of the t-test of the differences in means in the two samples with regard to stress as well as to the other dependent variables which will be discussed in the following chapters.

### 4.2.3 Organizational commitment

In addition to the impact of M/A on stress the consequences and differences concerning organizational commitment were analyzed. As employees in high UA countries are characterized by a tendency to stay longer with the same employer, the hypothesis raises the question if this also holds true in the context of M/A. The results of the analysis reveal a significant difference between the samples with regard to commitment (table 2).

Though contrary to the general characteristic of high UA societies with regard to organizational commitment, the Norwegian employees seem more committed to their company than the German sample (reversed values, i.e. lower mean level indicates higher degree of commitment). UA does have a significant effect on commitment and seems to determine it to a certain degree (table 3). The results imply that lower UA may cause higher commitment. Randall (1993) also found higher commitment scores in

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Stress</th>
<th>Commitment</th>
<th>Satisfaction with M/A results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F-value</td>
<td>Eta²</td>
<td>F-value</td>
</tr>
<tr>
<td>Nationality</td>
<td>9.12**</td>
<td>.107</td>
<td>30.71***</td>
</tr>
<tr>
<td>Collective work conditions after the M/A</td>
<td>0.00</td>
<td>.000</td>
<td>2.29</td>
</tr>
<tr>
<td>Individual work conditions after the M/A</td>
<td>4.97*</td>
<td>.061</td>
<td>34.15***</td>
</tr>
</tbody>
</table>

Legend: Univariate ANOVA, level of significance: *p<.05, **p<.01, ***p<.001

Table 2. Comparison of dependent variables by nationality.

<table>
<thead>
<tr>
<th>Country</th>
<th>Mean-Difference</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>3.10</td>
<td>0.22</td>
</tr>
<tr>
<td>Norway</td>
<td>3.08</td>
<td></td>
</tr>
</tbody>
</table>

Table 3. The effect of nationality and collective/individual work conditions after the M/A on subjective stress, organizational commitment, and satisfaction with M/A results.

Legend: level of significance: *p<.05, **p<.01, ***p<.001
low UA countries, which was contrary to her expectations. The reason for the findings in the current analysis may rather be found in the M/A context of the study. The relation between lower UA and high commitment might be due to higher receptiveness to innovations and lower stress in low UA societies, contra lower tolerance for unpredictable situations, enhanced insecurity due to M/A, and higher stress levels in high UA societies.

4.2.4 Satisfaction with M/A results

Meanwhile stress and commitment concern the consequences for the employees, the third interesting variable is the evaluation of the M/A by the employees. Regarding satisfaction with changes and results of M/A, the hypothesis claimed lower satisfaction scores in the German sample than in the Norwegian sample.

The lower satisfaction score in the German sample is probably due to the uncertainty caused by the M/A and the absence of the usually protective rules and regulations at the work place, which normally causes higher satisfaction scores with the work place in high UA societies. The results of the analysis confirm the postulated hypothesis. The samples differ significantly in respect to satisfaction with M/A and the German employees report lower satisfaction with M/A than the Norwegian employees (table 2). The analysis also reveals that the difference between the samples derive from differences in UA in the post merger period as well as other facets of nationality (table 3).

5. Discussion and implications for practice

The findings in the study support the relevance of comparative research on countries of geographical proximity. The study has proved differences in reactions to M/A between Germany and Norway and that these derive form different levels of UA, among other relevant factors. The significant differences between the German and Norwegian sample in respect to UA and its effect on the other variables indicate differences in national culture, which operate in an organizational context. This implies that management practices should be adapted to the national cultures of concern in international collaborations. The findings also support the importance of clustering of nations on basis of values. National distinctiveness is of particular importance in the context of international M/A as neglect of conflicts due to national differences may have fatal consequences if not taken seriously. Resistance to change and change strategies are of great relevancy in the context of M/A. This study concentrated on UA and its relevancy for M/A. But other dimensions are also regarded as highly relevant in this respect. The Power Distance dimension affects organizational thinking to a great extent (Hofstede, 2001). This dimension is especially related to resistance to change, whereas Collectivism is supposed to facilitate change processes. These are aspects of national culture that should be taken into consideration in further investigation on culture and its relevancy by M/A.

At this point, methodological limitations of the study should be taken into consideration. The current study represents a compromise between the fortunate opportunity to conduct comparative research within an international context and the use of secondary analysis. For further research on the topic, the use of validated scales for the particular theoretical concepts (UA, stress, and organizational commitment) is recommended to enhance the generalizability of the study results. Precise measures would probably also have an effect on the amount of variability in the dependent variable cleared up by the variables of concern, which in turn would allow for more than tentative interpretations of the findings.
References


