



# A Study on the Impact of Mergers, Acquisitions, and Strategic Alliances on the Work Performance of Employees of Various Organisations

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## Abstract

This study examines the effects of mergers, acquisitions, and strategic alliances (M&A/SA) on employee work performance across diverse organisational settings. Using responses from 150 employees from companies that have undergone recent M&A or alliance activities, the study analyses behavioural, psychological, and performance-based changes associated with organisational restructuring. A structured questionnaire captured employee perceptions related to workload, productivity, communication, motivation, job satisfaction, and adaptation to organisational change. Descriptive statistics, t-tests, ANOVA, and regression models were used to examine differences and predict performance outcomes. Results show that while strategic collaborations can improve resource integration, innovation, and operational efficiency, they also create substantial uncertainty, stress, cultural friction, and lowered morale among employees. Effective communication practices, employee involvement, and supportive leadership significantly moderated negative effects and enhanced adaptability, aligning with earlier findings emphasising the importance of human factors in M&A success. The study emphasises the need for organisations to prioritise employee-centred integration strategies to sustain performance during restructuring.

**Keywords:** Mergers, Acquisitions, Strategic Alliances, Employee Performance, Organisational Change

## 1. Introduction

Mergers, acquisitions, and strategic alliances have become core strategic tools for business expansion, market consolidation, and capability enhancement (Cartwright & Cooper, 2012; Gomes, 2020). Globalisation, technological advancement, and competitive pressures have driven organisations toward increasing collaborative restructuring, making M&A activity more frequent and complex. While these strategies are often adopted to improve organisational performance, innovation, and competitive positioning (Hagedoorn & Duysters, 2002; De Man & Duysters, 2005), their impacts on employees are significant and multifaceted. Workforce reactions range from improved motivation and opportunities to heightened anxiety, cultural clashes, and psychological strain (Marks & Mirvis, 2001; Nandal & Nandal, 2020).

Understanding employee performance in the context of M&A is crucial because employees ultimately determine the operational success of integration efforts. Previous research highlights that organisational change can disrupt workflow, alter job roles, and affect communication patterns (Angwin et al., 2016; de Oliveira Montenegro, 2016). Despite extensive corporate focus on financial and structural outcomes, less empirical work captures employee-level behavioural responses during periods of organisational transformation. Therefore, this study seeks to fill this gap by analysing employee experiences across multiple organisations that have recently implemented mergers, acquisitions, or strategic alliances.

## Objectives

1. To examine employee perceptions of organisational changes resulting from mergers, acquisitions, and alliances.
2. To assess the influence of M&A/SA activities on employee work performance.
3. To identify factors that improve or hinder employee adjustment and productivity during integration.

## Research Questions

- How do employees perceive organisational changes occurring after mergers, acquisitions, or alliances?
- What impact do these activities have on employee work performance?
- Which organisational practices contribute to better employee adaptation and productivity?

## 2. Literature Review

### 2.1 Mergers & Acquisitions Theories

Theoretical perspectives on mergers and acquisitions emphasise that organisations typically pursue restructuring to achieve economies of scale, synergy effects, competitive advantage, and resource optimisation (Cartwright &

Cooper, 1996; Gomes, 2020). In many cases, M&A activities are seen as vehicles for technological advancement, knowledge integration, market expansion, and improved organisational capabilities, especially in dynamic and innovation-driven sectors (Hagedoorn & Duysters, 2002; De Man & Duysters, 2005). However, modern M&A research increasingly recognises that the success of such organisational transformations is not solely dependent on strategic or financial alignment, but on the ability of organisations to manage human factors effectively. Scholars argue that employee attitudes, cultural compatibility, and psychological readiness play a central role in shaping the outcomes of integration (Marks & Mirvis, 2001; de Oliveira Montenegro, 2016). Communication approaches, transparency levels, and the timeliness of information dissemination significantly determine whether employees support, resist, or disengage from the post-merger environment (Angwin et al., 2016). In this sense, M&A theory has shifted from being predominantly structural and economic to becoming more behavioural and human-centre oriented, acknowledging that employees are not passive recipients of change but active contributors to integration success or failure.

## 2.2 Strategic Alliance Frameworks

Strategic alliances represent another form of organisational collaboration aimed at knowledge co-creation, resource complementarity, and mutual competitive advantage (Ulijn et al., 2010). These alliances require organisations to maintain shared goals, trust, inter-organisational learning, and culturally coherent collaboration structures, particularly when employees from diverse backgrounds must jointly execute tasks (Muthoka & Oduor, 2014; Lin et al., 2011). Literature shows that strategic alliances tend to enhance innovation capacity, operational flexibility, and knowledge diffusion, especially in industries where rapid technological change demands continuous capability upgrading (Hagedoorn & Sadowski, 1999; Shi et al., 2012). For employees, alliances may create opportunities for skill enhancement, cross-functional exposure, and broader professional networks, but they may also introduce challenges related to coordination complexity, conflicting norms, and role ambiguity. Similar to M&A contexts, communication quality, cultural alignment, and managerial support play decisive roles in determining whether employees feel supported, valued, and motivated during alliance implementation (Cerezo-Espinosa de los Monteros et al., 2021).

## 2.3 Employee Performance Models

Employee performance within restructuring contexts is influenced by psychological, organisational, and social factors. Prior research indicates that performance outcomes depend heavily on job satisfaction, motivation, leadership support, and clarity in task expectations (Siegel & Simons, 2010; Olatunji & Uwalomwa, 2009). Restructuring events such as mergers, acquisitions, and alliances can disrupt these conditions by introducing uncertainty, job insecurity, cultural clashes, and diminished role clarity—phenomena often described collectively as “merger syndrome” (Tlale, 1999; Nandal & Nandal, 2020). Employees experiencing such environments may face reduced morale, increased stress, and productivity fluctuations unless management implements appropriate support mechanisms. Studies show that the manner in which organisational change is communicated directly affects motivation, commitment, and retention, particularly in high-pressure integration phases (Marks & Mirvis, 2001; Olatunji & Uwalomwa, 2009). Ultimately, employee performance models emphasise that human reactions

to organisational restructuring are central to achieving long-term success, reaffirming the need for structured communication, cultural integration efforts, and leadership interventions to stabilise performance during transitions.

## 2.4 Identified Research Gaps

- Limited multi-organisation studies capturing employee perceptions during M&A.
- Few empirical studies using performance metrics analysed with statistical models.
- Insufficient comparative evidence across mergers, acquisitions, and alliances.

## 3. Methodology

### Research Design

A quantitative, survey-based, cross-sectional design was adopted to assess employee perceptions.

### Sample

The study included 150 employees drawn from organisations that underwent mergers, acquisitions, or strategic alliances within the past five years. Convenience sampling was used due to accessibility constraints.

### Questionnaire Structure

The instrument contained three sections:

1. **Demographics**
2. **Organisational change perceptions**
3. **Employee performance indicators** (Likert scale: 1 = Low, 2 = Moderate, 3 = High)

### Hypotheses

H01: There is no significant difference in employee performance across mergers, acquisitions, and strategic alliances.

H02: Communication has no significant effect on employee performance during organisational restructuring.

H03: Cultural integration has no significant effect on employee performance.

H04: Leadership support does not significantly influence employee performance.

H05: Role clarity does not significantly influence employee performance.

## Data Analysis Tools

- Descriptive statistics
- ANOVA and independent t-tests for group comparisons
- Regression models to test predictive relationships
- Significance level set at  $p < 0.05$

## 4. Data Analysis and Results

### 4.1 Demographic Profile

**Table 1: Demographic Profile of Respondents (N = 150)**

Variable	Category	Frequency	Percentage (%)
<b>Gender</b>	Male	92	61.3%
	Female	56	37.3%
	Other	2	1.3%
<b>Age Group</b>	18–25	48	32.0%
	26–35	62	41.3%
	36–45	30	20.0%
	Above 45	10	6.7%
<b>Education</b>	High School	18	12.0%
	Undergraduate	67	44.7%
	Postgraduate	53	35.3%
	Professional/Other	12	8.0%
<b>Experience</b>	< 1 year	20	13.3%
	1–3 years	56	37.3%
	4–6 years	49	32.7%
	> 6 years	25	16.7%

The demographic distribution of the 150 respondents reveals a diverse workforce across gender, age, education, and work experience. Males accounted for the majority of the sample (61.3%), followed by females (37.3%), indicating fairly strong representation across genders. The age pattern shows that most employees were young adults between 26–35 years (41.3%), followed by those aged 18–25 (32%), reflecting the dominance of early-career professionals in organisations undergoing mergers, acquisitions, or alliances. Educational attainment was high, with nearly 80% holding undergraduate or postgraduate qualifications, suggesting a skilled employee base navigating organisational change. Experience levels varied, though the largest group had 1–3 years of experience (37.3%), followed by those with 4–6 years (32.7%), indicating that both relatively new and mid-career employees

were well represented. Overall, the demographic profile demonstrates a balanced and diverse sample suitable for examining employee responses to organisational restructuring.

## 4.2 Descriptive Analysis

**Table 2: Overall Descriptive Statistics for 15 Statements (N = 150)**

**Likert Scale:** 1 = Low, 2 = Moderate, 3 = High

No.	Statement	Low (f)	Low %	Moderate (f)	Moderate %	High (f)	High %	Mean	Results
1	Communication during restructuring is clear	15	10.0	48	32.0	87	58.0	2.48	High
2	Employees receive timely information	18	12.0	53	35.3	79	52.7	2.41	Mod–High
3	Leadership provides adequate support	21	14.0	46	30.7	83	55.3	2.41	Mod–High
4	Teamwork improved after restructuring	27	18.0	56	37.3	67	44.7	2.27	Moderate
5	Cultural integration is smooth	31	20.7	58	38.7	61	40.7	2.20	Moderate
6	Employees understand their new roles	25	16.7	60	40.0	65	43.3	2.27	Moderate
7	Job security feels stable	38	25.3	63	42.0	49	32.7	2.07	Moderate
8	Workload is manageable after M&A	39	26.0	58	38.7	53	35.3	2.09	Moderate
9	Performance expectations are clearly defined	27	18.0	60	40.0	63	42.0	2.24	Moderate
10	Collaboration between departments has improved	30	20.0	59	39.3	61	40.7	2.21	Moderate

11	Organisational culture improved after restructuring	36	24.0	57	38.0	57	38.0	2.14	Moderate
12	Employees feel motivated after restructuring	43	28.7	61	40.7	46	30.7	2.02	Moderate
13	Restructuring increased innovation and creativity	24	16.0	52	34.7	74	49.3	2.33	Mod–High
14	Employees experience less confusion during transition	44	29.3	55	36.7	51	34.0	2.05	Moderate
15	Overall performance improved after restructuring	19	12.7	49	32.7	82	54.7	2.42	Mod–High

The descriptive results, supported by frequency data, show that the majority of employees rated communication, leadership support, and overall performance positively, with High responses ranging from 74 to 87 employees in the strongest areas. Moderate-level responses dominated items concerning cultural integration, departmental collaboration, and role clarity, indicating that around 55–60 respondents per item still feel uncertain or neutral during restructuring. Items reflecting emotional and psychological comfort—motivation, job security, and transition clarity—recorded more Low responses compared to other categories, showing concern among 35–45 respondents for each of these items. Overall, the combination of frequencies and mean scores confirms that while communication and performance indicators are strong during mergers/alliances, employee well-being and cultural alignment require deeper managerial attention.

### 4.3 Hypothesis Testing

This section evaluates whether mergers, acquisitions, and strategic alliances significantly influence employee performance and whether communication, cultural integration, leadership support, and role clarity determine employee outcomes during organisational restructuring. Five null hypotheses were tested using ANOVA and regression analysis.

**H01: There is no significant difference in employee performance across mergers, acquisitions, and strategic alliances.**

**Table 3: Employee Performance Across Mergers, Acquisitions, and Strategic Alliances**

Statistic	Value
F-value	4.87
p-value	0.009
Decision	Reject H01

The ANOVA results show an F-value of 4.87 with a p-value of 0.009, which is statistically significant ( $<0.05$ ). Therefore, the null hypothesis is rejected, confirming that employee performance differs significantly across restructuring formats. Strategic alliances demonstrated the highest performance levels, followed by mergers, whereas acquisitions resulted in comparatively lower performance. This aligns with prior findings that alliances often foster collaboration and knowledge exchange, creating a more supportive work environment (Ulijn et al., 2010; De Man & Duysters, 2005). Acquisitions, by contrast, frequently generate cultural clashes, uncertainty, and psychological stress—factors known to hamper employee effectiveness (Marks & Mirvis, 2001; Nandal, 2020). These results demonstrate that the type of organisational restructuring plays a meaningful role in shaping employee outcomes.

**H02: Communication has no significant effect on employee performance during organisational restructuring.**

**Table 4: Communication and Employee Performance**

Statistic	Value
$\beta$ (Beta)	0.41
t-value	5.12
p-value	0.000
Decision	Reject H02

Communication shows a **strong, positive, and statistically significant** effect on employee performance ( $\beta = 0.41$ ,  $p < 0.001$ ). The null hypothesis is therefore rejected. This indicates that clear communication enhances employees' ability to adapt to the fast-changing environments that result from mergers, acquisitions, or alliances. Effective communication reduces confusion, builds trust, and enhances psychological stability—consistent with

Angwin et al. (2016), who emphasise communication quality as a cornerstone of successful restructuring. These findings highlight that employees perform better when they receive consistent updates, understand organisational direction, and are informed about role changes and expectations. Clear communication also mitigates the “merger shock” often reported in large-scale organisational transitions.

**H03: Cultural integration has no significant effect on employee performance.**

**Table 5: Cultural Integration and Employee Performance**

Statistic	Value
$\beta$ (Beta)	0.33
t-value	4.02
p-value	0.000
Decision	Reject H03

Cultural integration demonstrates a positive and significant effect on employee performance ( $\beta = 0.33$ ,  $p < 0.001$ ), resulting in rejection of the null hypothesis. This suggests that successful blending of organisational cultures improves cooperation, motivation, and emotional well-being—key predictors of performance. Earlier studies found that employees’ cultural adjustment is one of the strongest determinants of M&A success (Cartwright & Cooper, 1996; Tlale, 1999). Misalignment between cultures often leads to distrust, reduced collaboration, and increased turnover intentions. The present findings confirm these theoretical expectations: when employees perceive cultural harmony and shared values, they are more likely to remain engaged and perform effectively.

**H04: Leadership support does not significantly influence employee performance.**

**Table 6: Leadership Support and Employee Performance**

Statistic	Value
$\beta$ (Beta)	0.28
t-value	3.76
p-value	0.001
Decision	Reject H04

Leadership support has a significant positive influence on employee performance ( $\beta = 0.28$ ,  $p = 0.001$ ). The null hypothesis is therefore rejected. Strong leadership helps employees navigate uncertainty, manage stress, and

maintain productivity during transitions—consistent with psychological preparation models proposed by Marks & Mirvis (2001). The results reflect that employees depend on credible leadership to interpret restructuring decisions, provide guidance, and ensure continuity. Leaders who demonstrate empathy, clarity, and visibility during mergers or alliances contribute significantly to workforce stability and performance.

**H05: Role clarity does not significantly influence employee performance.**

**Table 7: Role Clarity and Employee Performance**

Statistic	Value
$\beta$ (Beta)	0.21
t-value	2.84
p-value	0.005
Decision	Reject H05

Role clarity records a significant positive effect on employee performance ( $\beta = 0.21$ ,  $p = 0.005$ ). Thus, the null hypothesis is rejected. Clear job roles reduce ambiguity and help employees understand new expectations following restructuring. This finding aligns with Siegel & Simons (2010), who highlight role clarity as a key driver of productivity during transformational change. Unclear roles often lead to uncertainty, duplicated work, and reduced efficiency. The results confirm that employees perform better when provided with structured responsibilities, well-defined objectives, and transparent reporting lines during mergers, acquisitions, or alliances.

#### 4.4 Summary of Hypothesis Testing

Hypothesis	Result	Interpretation
H01	Rejected	Performance differs significantly across merger, acquisition, and alliance structures
H02	Rejected	Communication strongly improves employee performance
H03	Rejected	Cultural integration significantly enhances performance
H04	Rejected	Leadership support improves adaptation and productivity
H05	Rejected	Role clarity positively influences performance

## 5. Discussion

The results of this study reinforce the well-established argument that organisational restructuring has considerable influence on employee performance, psychological well-being, and work behaviour. Consistent with previous findings (Marks & Mirvis, 2001; Nandal & Nandal, 2020), employees reported heightened uncertainty, fluctuating motivation levels, and increased stress during M&A/SA processes. However, performance-related gains were also observed, particularly when restructuring introduced improved technology, clearer processes, or expanded opportunities—echoing insights from Hagedoorn & Duysters (2002) on innovation-driven benefits.

The analysis revealed that communication quality played a decisive role in moderating employee reactions, supporting Angwin et al. (2016), who emphasise the link between communication approaches and merger outcomes. Employees who experienced transparent, consistent, and supportive communication demonstrated stronger performance and quicker adaptation. In contrast, fragmented or unclear communication generated resistance and reduced productivity. These findings highlight the importance of strategic communication management during integration. Further, cultural integration emerged as a critical factor influencing job satisfaction and motivation, confirming earlier work by Cartwright and Cooper (1996). Employees who perceived cultural respect and alignment within the merged or allied entities showed higher work engagement. Those experiencing cultural conflict or ambiguity displayed reduced morale, supporting psychological perspectives on merger syndrome (de Oliveira Montenegro, 2016).

The evidence suggests that while M&A and alliances hold strong potential for enhancing organisational performance, their success is heavily dependent on human-centred strategies. Leadership involvement, employee participation, and structured change management were found essential for maintaining productivity and well-being during transitions. These findings mirror recommendations in recent strategic change literature (Gomes, 2020; Shi et al., 2012), emphasising integrated cultural and communication frameworks for sustainable post-merger performance.

## 6. Conclusion

This study demonstrates that mergers, acquisitions, and strategic alliances significantly influence employee performance across multiple dimensions, including motivation, communication clarity, job satisfaction, and adaptability. While restructuring creates opportunities for innovation, resource enhancement, and improved efficiency, the employee experience remains mixed, shaped by feelings of uncertainty and cultural adjustment. The research contributes new multi-organisation insights by analysing 150 employee responses, addressing gaps in human-focused M&A research. However, the study is limited by its cross-sectional design and reliance on self-reported data. Future work should incorporate longitudinal tracking to understand long-term adjustment patterns, qualitative interviews for deeper insight, and comparative studies across industries and organisational sizes. Organisations should prioritise employee engagement, transparent communication, and cultural integration to maximise positive outcomes from restructuring initiatives.

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