INFLUENCES OF ORGANIZATIONAL FACTORS ON ORGANIZATIONAL IDENTIFICATION AND MODERATING EFFECT OF INTERGENERATIONAL WORKFORCE IN MERGER AND ACQUISITION ORGANIZATIONS

NORDAHLIA UMAR BAKI

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By

NORDAHLIA UMAR BAKI

Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia, in Fulfilment of the Requirements for the Degree of Master of Science

January 2016
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I WOULD LIKE TO DEDICATE THIS THESIS TO;
MY BELOVED HUSBAND, MOHD KHAIRANI MD RUSLY
&
MY AMAZING MOTHER, CHE PUAN WAN AHMAD
THANK YOU FOR YOUR DUA' AND ENCOURAGEMENTS
INFLUENCES OF ORGANIZATIONAL FACTORS ON ORGANIZATIONAL IDENTIFICATION AND MODERATING EFFECT OF INTERGENERATIONAL WORKFORCE IN MERGER AND ACQUISITION ORGANIZATIONS

By

NORDAHLIA UMAR BAKI

January 2016

Chair: Professor Maimunah Ismail, PhD

Faculty: Educational Studies

Merger and acquisition (M&A) has been a rising trend observed worldwide in the past two decades. M&A refers to organizational restructuring through which an organization integrates with another organization which for business growth and expansion. This study, focusing on employees from M&A organizations, aims to: (i) determine the level of organizational factors (organizational justice and organizational culture); (ii) determine the level of organizational identification; (iii) examine the influence of organizational factors on organizational identification; and (iv) determine the moderating effects of intergenerational workforce on the relationship between organizational factors with organizational identification.

Two theories employed in this study were: (i) the Social Identity Theory to provide basic understanding of the factors associated with organizational identification; and (ii) the P-E Fit Theory that explains how ‘person’ and ‘environment’ interacts to each other that may influence organizational identification resulting from variations in organizational factors in the organizations after an M&A. The design of this study was a causal relationship research involving six organizations in which each represents five sectors in the National Key Economic Areas (NKEA) of the 10th Malaysia Plan. A total of 219 respondents participated in this study the sample of which was made through cluster random sampling. The respondents were from the Klang Valley areas of Kuala Lumpur, Petaling Jaya and Putrajaya. The data were collected using a structured set of questionnaires administered through ‘drop-and-pick’ and online survey techniques.

Descriptive statistics were used to measure the level of organizational factors and organizational identification. The results indicate that more than half of the respondents perceived moderate level of independent and dependent
variables. Using Structural Equation Modeling (SEM) procedures it was found that development, rational and group culture factors significantly contribute to organizational identification and none from organizational justice dimensions. Intergenerational workforce (senior) is found to moderate the relationship between interactional justice, development and group culture with organizational identification. This indicates that Millennials and seniors perceptions on organizational culture and justice practices are different. Therefore, this study suggests that employees should not be viewed as a one homogenous group, instead they are a heterogeneous consisting the Millennials and seniors. The SEM analysis revealed organizational factors explained as much as 62% of the variance in the organizational identification.

The implication of this study is that the advanced Social Identity Theory and the P-E Fit Theory were able to capture the moderation effect of the intergenerational workforce on the relationship between the organizational factors on organizational identification. This is a noble contribution to the theories. This study also contributed to the body of knowledge on HRD specifically on the perspectives of organization development and organization behavior which have been less explored from the perspectives of M&A. The study provides a guide for HRD practitioners who must plan interventions in the event of that organizational restructuring. HRD managers should realize that each generation has its own work expectations, organizational values and norms that they hold, therefore, managers should adequately address these organizational factors in their HRD interventions. The study suggested that future research is recommended to include employees from cross-border M&A involving multinational corporations and local companies as this would suggest investigating involving cross-cultural differences. Qualitative studies on organizational identification are suggested in future research.
Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk Ijazah Master Sains

PENGARUH FAKTOR ORGANISASI TERHADAP IDENTIFIKASI ORGANISASI DAN KESAN PERANTARA KEPELBAGAIAN GENERASI PEKERJA DI ORGANISASI PENGGABUNGAN DAN PENGAMBILALIHAN

Oleh

NORDAHLIA UMAR BAKI

Januari 2016

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Penggabungan dan pengambilalihan (M&A) telah menjadi satu trend yang semakin meningkat semenjak dua dekad yang lepas. M&A merujuk kepada organisasi yang menjalani penyatuan melalui integrasi organisasi dengan organisasi yang lain untuk tujuan pertumbuhan dan perkembangan perniagaan. Kajian ini memberi tumpuan kepada pekerja yang berkerja di organisasi M&A, bertujuan untuk: (i) mengenal pasti tahap faktor organisasi (keadilan organisasi dan budaya organisasi); (ii) mengenal pasti tahap pengenalan organisasi; (iii) mengkaji pengaruh faktor-faktor organisasi yang mempengaruhi identifikasi organisasi; (iv) mengenal pasti pengaruh tenaga kerja antara generasi sebagai moderator tentang hubungan antara faktor organisasi dengan identifikasi organisasi.

Dua teori yang diguna pakai dalam kajian ini iaitu: (i) Teori Identiti Sosial (Social Identity Theory) yang menerangkan asas pemahaman faktor yang mempengaruhi identifikasi organisasi; dan (ii) Teori Kesesuaian Individu-Persekitaran (P-E Fit Theory) yang menerangkan bagaimana ‘individu’ dan ‘persekitaran’ berinteraksi antara satu sama lain untuk mempengaruhi identifikasi organisasi hasil daripada variasi faktor-faktor organisasi di dalam organisasi selepas M&A. Kajian ini menggunakan kaedah ‘perhubungan penyebab’ (causal relationship) yang melibatkan enam organisasi yang mewakili lima sektor Bidang Ekonomi Utama Negara (NKEA) yang digariskan dalam Rancangan Malaysia ke-10. Seramai 219 responden terlibat dalam kajian ini melalui persampelan rawak kelompok (cluster random sampling). Responden yang terlibat adalah dari organisasi di kawasan Lembah Klang termasuk Kuala Lumpur, Petaling Jaya dan Putrajaya. Data dikumpulkan dengan menggunakan satu set soal selidik berstruktur dengan menggunakan teknik ‘serah-dan-kutip’ dan dalam talian.
Statistik deskriptif digunakan untuk mengukur tahap faktor organisasi dan identifikasi organisasi. Keputusan menunjukkan bahawa lebih daripada separuh responden yang terlibat mempunyai tahap yang sederhana tentang faktor organisasi dan identifikasi organisasi. Prosedur analisis \textit{Structural Equation Modeling (SEM)} menunjukkan bahawa faktor budaya pembangunan, rasional dan kumpulan menyumbang kepada identifikasi organisasi dan tiada satu pun daripada faktor keadilan organisasi. Tenaga kerja antara generasi (senior) memoderasikan hubungan antara keadilan interaksi, budaya pembangunan dan budaya kumpulan kepada identifikasi organisasi. Ini menunjukkan bahawa persepsi Milenial dan pekerja senior terhadap budaya dan keadilan organisasi adalah berbeza. Oleh itu, kajian ini menunjukkan bahawa pekerja tidak boleh dilihat sebagai satu kumpulan pekerja yang homogenes, sebaliknya mereka adalah dua kumpulan pekerja yang heterogenes yang terdiri daripada Milenial dan senior. Analisis \textit{SEM} menunjukkan sebanyak 62% variasi dalam identifikasi organisasi dipengaruhi oleh faktor organisasi.

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In the Name of Allah, the Most Merciful and the Most Benevolence. All praise to Allah for His Guidance and Mercy. Peace and Blessing be upon His Prophet Muhammad and the believers who followed His path till the Day of Judgement.

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This thesis was submitted to the Senate of Universiti Putra Malaysia and has been accepted as fulfilment of the requirement for the Degree of Master Science. The members of the Supervisory Committee were as follows:

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CHAPTER 1

INTRODUCTION

This research generally aims to investigate the influence of organizational factors (organizational justice and organizational culture) on organizational identification of an intergenerational workforce of merger and acquisition (M&A) organizations. This introductory chapter consists of the following sub-topics: background of the study, the research problem, statement of problem, objective, significance, scope and limitation, assumptions and operational definition of the study.

1.1 Background of the Study

A merger and acquisition (M&A) is referred as a type of organizational restructuring that aim to provide growth of the organization. M&A is a kind of organizational change which is almost inevitable and becomes prominent after economic crisis in 2002. M&A is a form of organizational change and organizational development which is a dimension of human resource development (HRD) (McLagan, 1989, p.6). M&A strategy is likely to disrupt organizational members’ identification with the ‘old’ pre-M&A organization by substituting the M&A organization as an alternative target for identification (Kroon, Noorderhaven & Leufkens, 2009). In this particular time, organizational identification is considered as one of the more important elements affected because it influences many employees’ outcomes such as their willingness to stay with the organization, their job satisfaction, commitment, and how they strive to achieve organizational goals.

Statistic revealed that around 167 M&A deals happened in Malaysia within the first six months in 2011 alone (Borneo Post, 2011, http://www.theborneopost.com/2011/08/28). However, statistics also found that quite a number of M&A deals fail. Papadakis (2005) found that around 50 to 70 percent of M&A organizations failed to achieve organization goals because of failure to cope with employees’ psychological and behavioural outcomes during the M&A process. One of the main reason of the M&As failure is employer tend to neglect ‘human issue’ among employees in the organization (Lee, Wu & Lee, 2009). Basically, during an M&A, two different organizations’ practices will be combined into one new organization practice. Therefore, issues in understanding one’ practice on culture and justice is always a problem. For instance, the new organization may threaten groups of employees by the ‘infusion’ of the new identities (Bartels et al., 2006, p. 49). Depending on the context, the differences in organizational identity is indicated to be the root cause of many failures as well as successes in international M&As. The results of these differences are dependent on the effectiveness of the organizations on how they instill organizational identity among their employees.
Understanding the relationships between individuals’ responses to organizational practices and their organizational identification is of fundamental interest to researchers and HRD practitioners. Knowing the relationship leads to better association between the organization and its employees. Identification has long been recognized as having important implications for the sense of justice and belongingness of employees and for the effectiveness of the actions in an organization.

Organizational identification refers to the “perception of belongingness of employees to an organization and a sense of oneness with the organization” (Kim, Chang & Ko, 2010, p. 413).

In addition, organizational identity becomes a critical aspect when it involves different intergenerational workforce in the organization. Concurrently, organizations will continue in the recruitment and maintenance of the sizeable of workforce to meet their organizational goals. As such many organizations today including the M&A organization, have a mixture generation within their workplace. An intergenerational workforce refers to the three-generation cohorts that co-exist in the organization. They are the Baby Boomers (born in 1946 to 1964), Gen-X (born in 1965 to 1979) and Gen-Y or Millennials (born in 1980 to 1995) (Department of Statistics Malaysia, 2009; Srivinasan, 2012).

Previous researchers argued that each of the three generations has specific influence, characteristic, opinion and workplace styles (Steelcase, 2009). Every generation’s work values impact employees differently (Gursoy, Chi & Karadag, 2013). The first generation, ‘Baby Boomers’ (also known as the “Me” Generation) is known for the trait of being very loyal employees. They always look for personal gain in the workplace until they have no time for rest (Bennet, Pitt & Price, 2012). They believe that in order to succeed, sacrifices and hard work is needed (Gursoy et al., 2013).

The second group of employees who stay longest in the organization is Gen-X, also known as Xers, Baby busters, Post Boomers, Slackers, MTV generation, the Shadow generation and Generation 2000 (Srivinasan, 2012). Gen-X learned to be individualistic and prefer a work-life balance environment. However, this generation tends to not be loyal to any organization compared to the Baby Boomers (Dayan, 2005). The current generation that comprises a larger group in the workplace is Gen-Y, also known as Millennials. They were raised during advancement in information and technology and are known to be the most technically educated and outspoken in voicing their concerns (Bristow, Amyx, Castleberry & Cochran, 2011). Although there are many descriptions about one generation, these criteria can be otherwise dependent on a particular country’s context and demographics.

The extension of the retirement age from 58 to 60 years old for the Malaysian Public and Civil Servant shows that most government organizations are seen to have balance of the distribution of Millenials, Gen-X and Baby Boomers (www1.utusan.com.my, 2015). However, as for private organizations have less Baby Boomer but employ more Gen-X and Millennials. Gen-X and Millennials have different ways to adapt to new organizational changes. For instance, Gen-X who had worked longer compared to Millennials tend to feel more pressurised and insecure with the new organization. This is because
employees from different generations often lack sharing the same symbols or values that allow them to connect to the organization (Wok & Hashim, 2013). There are many factors influencing organizational identification, whereby this study will consider two organizational factors viz., organizational justice and organizational culture.

There are three types of organizational justice, which are distributive justice, procedural justice, and interactional justice (Fuchs & Edwards, 2012; Di, Huang, Chen, & Yu, 2010). Distributive justice refers to the perceived fairness of the amounts of compensation and incentives employees receive. During M&A, however it is often impossible for organizations to reconsider fair distribution of resources and workload for all employees as perceptions of resource claims and workload allocations are likely to differ due to adjustment to the new system.

Procedural justice is about fairness in relation to the formal processes and procedures used to reach outcome decisions, which likely to have an impact on employee reactions to change. Interaction between group members in order to make a decision is likely to strengthen procedural justice perceptions within the employees in the organization (Epitropaki, 2013). Shared perceptions among group members in the organization help them to behave accordingly in the restructuring process.

Interactional justice refers to the “degree to which people are treated with politeness, dignity, and respect by authorities or third parties involved in executing procedures or determining outcomes” (Colquitt et al., 2001, p. 427).

This type of justice is crucial in order to handle employees with care due to their resistance to change in M&A. Scholars suggest that better communication practices could be vital in such situations of uncertainty (Schweiger & DeNisi, 1991; Bryson, 2003; Papadakis, 2005). Interactional justice emphasizes the importance of communication in relation to honesty, respect, and politeness in order to create a better workplace environment.

Research on organizational culture in M&As show heightened debates on its significant impact on organizational performance during the integration process (Carleton, & Lineberry, 2004). Pucik et al., (2013) found that cultural practices are possible to give positive and negative impact on M&A performance depending on how they manage the differences and the integration approaches adopted. Organizational culture is found as a one of the elements in making sure employees feel belonged in the new organization. One of the reasons why employees resign from a new merged organization is because of differences between the old and new cultural practices due to ‘cultural clashes’ between the two companies (Cho, Lee, & Kim, 2014, p. 423). Organizational culture refers to the sharing of the same values, symbols and perceptions. There are four types or dimensions of the organizational culture suggested by Quinn and Rohrbaugh (1983) and Cameron & Quinn (2006) which are group, development, hierarchical and rational culture. Stahl and Voigt (2008) argued that the previous study by Hofstede on differences of culture is more likely due to organizational culture than national culture.
Realizing the above background it is important for HRD managers to respond to the three aspects of organizational factors (organizational identification, organizational justice and organizational culture), particularly on the influence of organizational justice and organizational culture to organizational identification. More significant is to look at the influences from the perspectives of an intergenerational workforce that consists of Baby Boomers, Gen-X and Millennials as it is argued that the generation cohorts have different worldviews to the various organizational factors particularly in the situation of an M&A. In this context it is worthwhile to consider the intergenerational workforce in terms of its function as a moderator.

1.2 Background of the Research Problem

This study has identified some knowledge gaps that exist in the area of organizational identification. First, there has been limited study on the organizational identification particularly in M&A organizations. Previous studies on organizational identification have been based on perceptions of university students on their identification in Korea (Kim, Chang & Ko, 2010); how organizational justices influence organizational identification in research firms in the United States (Fuchs & Edwards, 2012); influences of social network to organizational identification in academic institutions in the North-eastern United States (Jones & Volpe, 2010; van Dick, Wanger, Stellmacher & Christ, 2005); and relations between organizational identification and achieving organizational objectives in multinational companies in Netherlands (Witting, 2006).

Although the number of empirical studies on organizational identification and intergenerational workforce has been increasing, so far there has been less in-depth empirical evidence on organizational identification among intergenerational workforce in M&A organizations (Kroon, et al., 2009; Bennett, Pitt, & Price, 2012). Most existing studies have ignored intergenerational perspectives (Kroon et al., 2009) despite the fact that the intergenerational workforce reacts differently to change (Twenge & Campbell, 2012). There are only few researches in this study on intergenerational issues, but focused on work values, attitudes, personality (Twenge & Campbell, 2012; Cooman & Dries, 2012); and motivation (Taylor, 2012).

Furthermore, most researchers have concentrated on organizational identification as an independent variable that affects employee attitude (Kroon et al., 2009; Witting, 2006), supportive intentions (Kim et al., 2010), and work-based social support (Wiesenfeld et al., 2001). It has also been found that there were minimal studies set on organizational identification as a dependent variable for organizational justice (Fuchs & Edwards, 2012). Kroon et al. (2009) found that organizational culture was formed from the interpretation of organizational identity resulting from a study on the relationship between organizational culture as the dependent variable and organizational identification as the independent variable.
Recently, there has been an increase in the number of organizations experiencing M&As. However, the studies on organizational identification are limited in terms of its use with other variables such as with organizational justice (Klendauer & Deller, 2009; Fuchs & Edwards, 2012; Gillet et al., 2013), and organizational culture (Santti, 2001; Grankvist, Kollberg & Persson, 2005; Yoo, Lyytinen & Heo, 2007; Makhouk & Shevchuck, 2008; Pucik et al., 2011). Furthermore, the studies were conducted without involving the intergenerational workforce. Similarly, there have been studies on the behavioural outcomes of an intergenerational workforce (Bennett, Pitt & Price, 2012; Wok & Hashim, 2013), but not in the context of M&A. Therefore, there is a clear gap in knowledge about organizational justice, organizational culture and its influence on organizational identification specifically involving the intergenerational workforce in the dynamic situation of organizations with M&A. This study attempts to fill this knowledge gap.

Earlier research on M&A were mostly conducted by consultant firms and investment banks with the primary focus being on profit and financial aspects to measure M&As effectiveness (e.g. Pucik, Bjorkman, Evans & Stahl, 2011), where the studies found many more failures compared to successful deals (Papadakis, 2005). Academic research, however, found that there were positive results of M&A, for example, around 31% of M&A deals contribute or increase the market value of the organization after the restructuring process (King et al., 2004; Dobb et al., 2006; KPMG, 2006). It is not surprising to find that after a merger, difficulties can arise because of the different norms or policies of the newly-merged firms that may result in employees’ behaviour (Montmarquette et al., 2004). Not much is known on specific employee behaviour such as organizational identification to the new M&A organization resulting from policy changes that affect organizational justice and organizational culture.

Most past studies in organizational identification have been done in M&A organizations from developed countries such as the United State (Wiesenfeld, Raghuram, & Garud, 2001), Germany (Ullrich, Wieseke & Dick, 2005), Japan (Ralf & Ismail, 2014), Belgium (Marique, Stinglhamber, Desmette, Caesens & De Zanet, 2012) and Netherlands (Witting, 2006). However, there is a limited study of organizational identification in Malaysian M&A organizations particularly regarding the influences of organizational justice and organizational culture on organizational identification involving intergenerational workforce.

Theoretically, past research on organizational identification, organizational justice and organizational culture use Social Identity Theory to study the concept of organizational identification. There is a need to use different theories such as P-E Fit Theory as this would further enhance the theoretical grounding of organizational identification in M&A organizations. Therefore this study seeks to use both Social Identity Theory and P-E Fit Theory to better explain the influences of organizational justice and organizational culture on organizational identification in M&A organizations and intergenerational workforce as a moderator.
1. What is the level of organizational justice (e.g. distributive, procedural, and interactional) and organizational culture (e.g. group, development, hierarchical and rational) among intergenerational workforce in M&A organizations?

2. What is the level of organizational identification among intergenerational workforce in M&A organizations?

3. Are there significant relationships between organizational justice (e.g. distributive, procedural, and interactional) and organizational culture (e.g. group, development, hierarchical and rational) on organizational identification in M&A organizations?

4. Does intergenerational workforce moderate the relationship between organizational justice (e.g. distributive, procedural, and interactional) and organizational culture (e.g. group, development, hierarchical and rational) and organizational identification in M&A organizations?

1.3 Objectives of the Study

The purpose of this study is to empirically examine the influence of organizational justice and organizational culture on organizational identification and the moderating effect of intergenerational workforce in selected M&A organizations. The specific objectives are:

1. To determine the level of organizational justice (distributive, procedural, and interactional) and organizational culture (group, development, hierarchical and rational) among intergenerational workforce in M&A organizations.

2. To determine the level of organizational identification among intergenerational workforce in M&A organizations.

3. To examine the influence of organizational justice and organizational culture on organizational identification.

4. To determine the moderating effect of intergenerational workforce on the relationship between organizational justice dimensions and organizational culture on organizational identification.

1.4 Significance of the Study

This study takes a multidimensional look at organizational identification in M&A companies by focusing on two predictors of organizational identification, which can be explained through Social Identity Theory (Tajfel & Turner, 1978) and P-E Fit theory (Caplan & Harrison, 1993). Despite the lack of explanations in theory on predictors influencing organizational identification, the study results could fill the gap in the body of knowledge pertaining to organizational identification in an M&A organization with the main focus on two predictors of organizational justice and organizational culture, and intergenerational workforce as moderating role. Thus, the conceptual framework resulted from this study should establish valid and reliable predictors of organizational
identification among the intergenerational workforce, which is believed to make significant contribution to the Social Identity Theory and P-E Fit Theory.

The acceptance of the changes is also dependent on the level of position and generation of workforce (Creasy, 2005; Brown et al., n.d., www.http://bush.tamu.edu/). This is due to changes happening during the M&A process that might influence intergenerational workforce identification towards the organization. Moreover, the uniqueness of each generation in the context of Malaysian setting was less covered in former studies. It is thus believed that organizations could meet M&A objectives through better understanding of intergenerational employees. Furthermore, having a variety of employees who bring different perspectives and skills of M&A organizations to grow and diversify. This study is expected to provide the data on how the intergenerational workforce perceives organizational justice and organizational culture regarding their organizational identification. Indirectly, the data will support and contribute to the effectiveness and relevancies of M&A integration. Also, this data will be used for better understanding on how managers should treat each of these generations for them to perform at their highest levels and their expectations particularly during the organizational restructuring.

The wave of M&A integration driven by organizations all over the globe was for financial and profitability, such as to gain competitive advantage through growth and entry into new market, with less focus on human issues (Seo & Hill, 2005). Carleton and Lineberry (2004) noted one of M&A’s failures as the lack of study on human development including training, practices, values and beliefs. We believe that organizational culture and organizational justice play an important role for human development and it helps employees remain and perform in their new M&A organization.

Organizational identification is an aspect relevant to many developmental organizational outcomes such as job satisfaction, intention to stay and higher performance. Understanding predictors of organizational identification will lead to new levels of productivity, better working environment and improving employer-employee practices for extension policy makers, extension organization, extension agents and extension market in particular and the world in general. As time and conditions change, organizational identification predictors used in the past become less effective among intergenerational workforces in M&A organizations. Hence, HRD practitioners, researchers and policy makers require newer and more reliable empirical information for better decision making along the way of the integration process of M&A. Thus, the results will be useful for them in the formulation of human resource development policy, proper training and procedures in the merging organizations.

1.5 **Scope and Limitations of the Study**

The scope of this study was limited into the selected Social Identity Theory levels and P-E Fit Theory group. For Social Identity Theory, only social categorization and social identity were used to determine organizational
identification. This study abandons the third level of Social Identity Theory which is social comparison. The explanation on how organizational factors (i.e. organizational justice and organizational culture) influence organizational identification stops at second level of Social Identity Theory. (Stoner, Perrewe & Munyon, 2011). Additionally, only four sub-dimensions of the P-E fit Theory was used to explain the interaction between ‘person’ and ‘environment’ in this study. The four sub-dimensions used in this study are person-job (P-J fit), person-organization (P-O fit), person-group (P-G fit), and person-supervisor fit (P-S fit).

A potential limitation of this study was the limitation to only two selected variables anticipated to relate to organizational identification, although previous studies found that several variables were significantly related to organizational identification (Cheung & Law, 2008; Yang, 2009; Jones & Volpe, 2010; Perl, 2011). This study was limited to two predictors only; organizational culture - three types of organizational justice (namely; distributive justice, procedural justice, and interactional justice), and organizational culture (namely; group culture, development culture, hierarchy culture and rational culture) practices. These variables were chosen due to its significant contribution in explaining organizational identification.

Another limitation of the study is social desirability which is also a potential common method bias. There is a great tendency for participants to give socially desirable responses in studies of this nature (Smithikrai, 2009). Hence, it is suggested that to reduce social desirability, participant’s anonymity should be used to ensure greater confidence in the results (Bennett & Robinson, 2000). The population of this study only focuses on selected M&A organization that having an M&A organization within five years from the effective date. The results, therefore, are limited for other merger organizations which cannot generalise other employees in different work sectors such as Multinational Company (MNCs) and public service organizations.

1.6 Assumptions of the Study

This study takes into account few primary assumptions. It is assumed that intergenerational workforce (Baby Boomers, Gen-X and Millennial) are two independent dimensions. Thus, respondents who participate in this study are assumed to show that Baby Boomers, Gen-X and Millennial have different reactions or identify their organization differently. For instance, Gen-X are deemed to be more loyal to the organization because they had served the organization for a very long time compared to the Millennials.

Also, this study assumed that organizational justice and organizational culture are two main predictors that influence employees’ attitudes, otherwise termed as the ‘organizational identity’ in M&A organizations. In addition, it assumed that the research model which is based on Western organizations are applicable to the Malaysian setting. Finally, the survey instruments were assumed to be valid and reliable and respondents have provided honest responses to this survey.
1.7 Definition of Terms

**Organizational identification**
Organizational identification is defined as the degree to which employees feel a sense of psychological oneness and unity with an organization (Edwards, 2005; Fuchs & Edwards, 2012). In this study, organizational identification refers to an individual's psychological attachment to an M&A organization to the extent that the individual has a sense of belongingness to the new organization.

**Organizational justice**
Organizational justice refers to the employee's perception of fairness in an organizational setting which influences their behaviour and attitude and consequently their performance and the organization's success (Coetzee, 2005). Organizational justice operationally refers to the employees' perception of fairness in the M&A organization towards procedures, allocation of outcomes, employer-employee relationship and information delivered during the M&A integration process.

**Organizational culture**
Mbeba (2014) explained that organizational culture is the fundamental psychological mindset and feelings of an organization's members that directly influence and motivate employee efforts. This study defines organizational culture as the most relevance and suitable organization practice that classifies into four – development, rational, hierarchical and group culture based on their leadership style, management style, the glue that hold employees together, what is organization emphasis and organization defines of success in the M&A organization.

**Intergenerational workforce**
Intergenerational workforce is defined as a mixed generation that has different perspectives, experiences, skills, attitude and norms (Tolbize, 2008). This study however defines intergenerational workforce as a mix of three generations born in different years; Baby Boomers (born 1946 to 1964), Gen-X (born 1965 to 1979) and Millennial (born 1980 to 1995).

1.8 Summary

The first chapter discussed the overview of the research that began with the concept and the background of the study. The background of the study identified the changes in the market trend towards M&A activities in order to gain profits, growth, productivity and entry into the new market. This study believes that organizational identification is one of the specific forms that hold employees to remain and participate to achieve organizational goals even in a new organizational environment. Thus, we listed organizational culture and organizational justice as predictors that lead to organizational identification among intergenerational workforce.
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