Coping with defensive behavior: An empirical study of M&A’s

Master’s Thesis
to confer the academic degree of

Master of Science
in the Master’s Program

General Management
SWORN DECLARATION

I hereby declare under oath that the submitted Master’s Thesis has been written solely by me without any third-party assistance. Information other than the provided sources or aids have not been used and those used have been fully documented. Sources for literal, paraphrased and cited quotes have been accurately credited.

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ABSTRACT

In the last years the importance for organizations to adapt to fast changing environments increased at a tremendous pace. The associated higher number of mergers and acquisitions also has some repercussions for employees. Defensive behavior is a common reaction of employees facing a merger or an acquisition. Hence, it is the task of the management to develop strategies in order to avoid the emergence or to decrease the scope of defensive behavior. This Master Thesis focuses on the different forms of defensive behavior that occur during a merger or an acquisition, as well as on preventive measures and coping strategies introduced through organizations. On the basis of a qualitative research, five mergers and acquisitions were analyzed. The expert interviews give evidence for a vast number of different forms of defensive behavior. Moreover the results show that companies dispose of much more distinct coping strategies and preventive measures as theory supposes. Finally it is proved that organizational circumstances influence the emergence of different forms of defensive behavior.
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M&A ............ Merger and acquisition
1. INTRODUCTION

1.1. Problem statement

Following Porras & Robertson (1992), the accelerating pace of changing environments, technologies and customer demands has forced corporations to inevitably engage in adaption processes and organizational change.\(^1\) Due to the tremendous pressure organizations are exposed to, Orsburn et al. (1990) mention that maintaining just the status quo is not enough to remain viable or even to survive.\(^2\) Although adapting to changing demands can be characterized as a timeless challenge for organizations, the fast changing economy combined with ambiguity and turbulence in the past decade has increased the necessity of this task (see Porras & Robertson, 1992).\(^3\) Therefore, it is obvious that also a shift in the strategies of organizations towards mergers and acquisitions has taken place. The existence of M&A’s is by far not an evolution of the past decade, but history shows that an increasing number of takeovers can be observed. Hence the total number of M&A’s in the 1990s has much exceeded the number occurred before.\(^4\)

However the success of an organizational change, whether a shift in intra-organizational routines or in the form of a merger, is partly dependent on employees’ commitment towards this change (see Miller, Johnson & Grau, 1994; Piderit, 2000).\(^5\) In order to manage a change successfully, Jick (1993) states that it is simply not enough to grasp an upcoming opportunity by carefully planning and implementing the change, but also to concentrate on employees’ attitudes towards a change.\(^6\) According to Wheatley (1992), during a change employees may feel threatened or highly uncertain of their personal as well as of the organizational future\(^7\) and resist to the change by both actively and passively altering their behavior (see Lewin, 1951; Wheatley, 1992).\(^8\) Resistance to change may severely restrain the success of a change project as it may lower satisfaction, moral and performance of employees again resulting in dropping turnovers or organizational failures (see Borida et al., 2004; Miller et al, 1994).\(^9\)

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\(^1\) cf. van Dam et al, 2008, p. 314
\(^2\) cf. Eby et. al., 2000, p. 420
\(^3\) cf. van Dam et al, 2008, p. 314
\(^4\) Tetenbaum, 1999, p. 22
\(^5\) cf. van Dam et al, 2008, p. 314
\(^6\) cf. Coetsee, 1999, p. 204
\(^7\) cf. Eby et. al., 2000, p. 423
\(^8\) cf. Eby et. al., 2000, p. 423
\(^9\) cf. van Dam et al, 2008, p. 314
Consequently it is of major importance for organizations to anticipate and successfully cope with employees’ behaviors during a structural change such as a merger (see Kauffman, 1993; Waldrop, 1992; Wheatley, 1992).10

In the past the issues of organizational change and employees’ resistance to change have been extensively discussed in literature. Several investigations regarding different levels and aspects of organizational change can be found (see for example DiMaggio & Powell, 1983; Meyer & Rowan, 1977). In literature change is often regarded as an incremental process in which different parts of organizations respond to their environments (see Pfeffer & Salancik, 1978; Thompson, 1967).11

In the last decade, research has focused on the analysis of psychological processes of employees dealing with organizational change. The consciousness, that employees’ reactions towards a change are a primary factor in determining the success of a change project, led to the growing interest of researchers in this topic (see Oreg, 2006; Schyns, 2004; Stanley, Meyer & Topolnytsky, 2005; Van Dam, 2005).12 Several studies link employees’ reactions towards a change to the characteristics of this change process, such as the extent to which employees are enabled to participate (see Judge et al., 1999; Miller, Johnson & Grau, 1994).13 Within the literature on organizational development, investigations extensively focused on the concept of reactions to change and especially on resistance to change (see Godstein, 1997; Beer, Eisenstein & Spector, 1990; Harvey & Brown, 1996; Nadler & Tushman, 1989).14

Very little attention however has been given to the daily work context of a change process and particularly to the issue of how companies deal with defensive behavior of employees during the change phases. The fundamental understanding of defensive behavior in this Master Thesis follows the description of Ashforth and Lee (1990), who describe defensive behavior as “reactive and proactive actions”15 that are “intended to reduce a perceived threat to or avoid an unwanted demand of an individual or group”16 as well as to “shield the status quo against some undesired stimulus”.17 According to Bommer, Rich and Rubin (2005) the daily

10 cf. Eby et al., 2000, p. 422
12 cf. van Dam et al, 2008, p. 314
13 cf. Wanberg & Banas, 2000, p. 132
14 cf. Coetsee, 1999, p. 204
15 Ashforth & Lee, 1990, p. 622
16 Ashforth & Lee, 1990, p. 622
17 Ashforth & Lee, 1990, p. 622
work context is significant for the success of a change project, as this is precisely where deviant behavior of employees becomes evident. Furthermore, the term “defensive behavior” in organizational change literature up to now is rarely mentioned.

1.2. Aim

The present Master Thesis goes beyond previous work on reactions towards change and tries to analyze defensive behavior of employees during a merger. Therefore, the main focus is placed on the awareness regarding “defensive behavior”. The research will be done on the basis of an empirical study of five mergers & acquisitions in order to find out, which forms of deviant behavior can be identified and how the specific companies find ways to handle them. The aim of the present study therefore is to gain an understanding of employees’ reactions towards an organizational merger. Furthermore, this thesis is going to explore and describe the term “defensive behavior”, which finds little attention in change literature up to now.

Based on the objectives above, the following research questions can be formulated:

**Research question 1:** Which forms of defensive behavior can be identified during a merger or an acquisition?

**Research question 2:** Which preventive steps do organizations take in order to avoid the emergence of defensive behavior?

**Research question 3:** How does a company cope with defensive behavior of employees in order to realize the full M&A potential?

1.3. Structure of the thesis

The present Master Thesis is based on a theoretical analysis of the status quo using secondary literature such as economic articles and books. The main emphasis is placed on the actual situation concerning the attention of the term “defensive behavior” in literature and other related terms that consequently contribute towards an understanding of defensiveness. Moreover, this thesis focuses on organizational premises that favor the occurrence of defensive behavior during mergers and acquisitions, as well as the associated actions and steps organizations introduce in order to avoid or to diminish any form of defensiveness.

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18 cf. van Dam et al. 2008, p. 314
Additionally the analysis of the status quo includes an insight into the motives for organizations to adapt to changing environments and to the fact, that both organizational and economic aspects as well as the human side of an organization influence the success of an organizational change. Finally the analysis of emotions behind a change process and the topic of basic motives of organizations planning mergers and acquisitions complete the theoretical literature research.

The empirical part of this master thesis is composed of a qualitative research method including eight expert interviews with persons having already experienced a merger or an acquisition where any forms of defensive behavior could be detected. Therefore, an interview guide has been developed in order to find out what forms of defensive behavior occur during mergers and acquisition, how organizations cope with defensive behavior and what organizations do against the occurrence of defensiveness of employees. The interview guide includes opening questions about the specific merger or acquisition, questions about observed and recognized forms of defensive behavior, as well as questions concerning preventive steps and actions against defensive behavior once it is detected. The results of the empirical work are summarized and compared to each other. Finally, the results will be discussed in the closing chapter.
2. DEFENSIVE BEHAVIOR

This chapter provides several definitions in order to contribute towards a better understanding of employees’ defensive behavior and defensiveness in general. Therefore, the term “defensive behavior” as well as “defense mechanisms” and “defensive routines” are defined and thus, constitute the overall framework of defensive behavior. In this Master Thesis, defensive behavior refers to the behavior exhibited by employees or other specific individuals in an organizational context, rather than to the corresponding behavior of a company.

Moreover, this chapter examines different typologies of defensiveness and discusses different forms of specific frameworks. Again, the forms of defensiveness particularly concern the terms “defensive behavior” and “defensive mechanisms”.

The subsequent chapters provide insights regarding the premises that favor the occurrence of defensive behavior as well as actions initiated through organizations in order to cope with or to diminish defensiveness. Concerning actions against defensive behavior, one can distinguish between steps organizations introduce in order to prevent defensive behavior and steps that are introduced once defensive behavior is detected in order to reduce or to cope with it.

2.1. Definition

Generally, it is essential to have a clear understanding of the topic defensiveness and more specifically of defensive behavior. This chapter provides a fundamental understanding, which is based on the definition of Ashforth and Lee (1990). Moreover, other definitions including those of Ashforth & Lee (1990), Baumeister et al. (1998), Oldham & Kleiner (1990) and Argyris (1990), contribute to the overall framework of defensive behavior. Therefore an extensive study of different types of defensiveness was conducted and the most relevant ones will be presented in the following section.

According to Ashforth and Lee (1990), defensive behaviors are defined as “reactive and proactive actions intended to reduce a perceived threat to or avoid an unwanted demand of an individual or group”\(^{19}\). Furthermore it is stated in their work, that “defensive behavior is designed to shield the status quo against some undesired stimulus”.\(^{20}\)

\(^{19}\) Ashforth & Lee, 1990, p. 622
\(^{20}\) Ashforth & Lee, 1990, p. 622
Baumeister et al. (1998) provide a comparative approach by discussing the phenomenon of defense mechanisms.\(^{21}\) In their opinion, individuals mostly have a positive view of themselves,\(^{22}\) but if “an internal or external event occurs that clearly violates the preferred view of self [...], it is necessary for the self to have some mechanism [...] to defend itself against the threatening implications of this event”.\(^{23}\) Furthermore, defense mechanisms are categorized as unconscious processes that occur unintentionally when individuals feel confronted with situations of anxiety or mental pressure.\(^{24}\) Hence, following Oldham & Kleiner (1990), the processes of defense mechanisms are “habitual and unconscious strategies used to deny, distort, or counteract sources of anxiety and to help maintain an idealized self-image [...]. They are learned and incorporated into patterns of acting because they are rewarding in the respect that tension and pressures are decreased by their use”.\(^{25}\) Defense mechanisms, unconsciously exhibited through individuals, should shield from a menacing change and any other feelings of anxiety caused through this change (see Oldham & Kleiner, 1990; de Board, 1978).\(^{26}\) Moreover, following de Board (1983, 1978), these defensive demeanors are responsible for an impediment or a mental blockade regarding an adoption to change and are, based on the work of Wade & Tavris (1996) and van der Erve (1990), more influential than conscious behaviors.\(^{27}\) Moreover, human defensiveness leads to disaccords, contortions and, in the words of Argyris (1990), to “self-fulfilling” and “self-sealing” processes.\(^{28}\) In addition, researchers suggest that individuals that rarely participate within a decision-making process regarding the objectives of a change are more likely to resist the change and exhibit defensive mechanisms.\(^{29}\)

According to the literature, defensive behavior or any other related form of defensiveness is frequently associated with anxiety operating as catalyst. More specifically, the desensitization approach discusses exactly these processes and, considering the work of Bandura and Adams (1977), is built upon the notion that the “association of neutral events with aversive stimulation creates an anxiety drive”,\(^{30}\) which again promotes defensive behavior. In order to

\(^{21}\) Baumeister et al., 1998, p. 1082
\(^{22}\) cf. Homburg & Fürst, 2007, p. 524
\(^{23}\) Baumeister et al., 1998, p. 1082
\(^{24}\) cf. Bovey & Hede, 2001, p. 536
\(^{25}\) Homburg & Fürst, 2007, p. 524
\(^{26}\) cf. Bovey & Hede, 2001, p. 534
\(^{27}\) cf. Bovey & Hede, 2001, p. 536
\(^{28}\) Argyris, 1990, p. 21
\(^{29}\) Chreim, 2006, p.328
\(^{30}\) Bandura & Adams, 1977, p. 288
embark or completely disable defensive behavior, it is inevitable to eliminate its fundamental anxiety.\textsuperscript{31} However, empirical evidence exists, that defensive behavior is not necessarily induced through anxiety and that both components are rather considered as joint effects. In fact, aversive experiences aroused from individuals or any other reasons produce detrimental effects that in turn may be responsible for fear and defensive behavior.\textsuperscript{32}

Comparatively, following the work of Argyris (1990), individuals change their behavior in order to avoid issues or actions that are likely to put blame on them or which are threatening.\textsuperscript{33} Therefore, individuals defend their position and behavior that in fact allows them to protect their own self-esteem.\textsuperscript{34} In his work Argyris investigates the subject of defensive actions, which become defensive routines when they are regularly exhibited.\textsuperscript{35} These defensive routines, which are mostly not openly exercised - especially by employees\textsuperscript{36} - should guard against blame or threat, but also “prevent [...] from identifying and getting rid of these causes of the potential embarrassment of threat”.\textsuperscript{37} Hence individuals try to bypass the errors that trigger embarrassment and threat as well as to even take this bypass for granted.\textsuperscript{38} Usually, individuals that repeatedly behave defensively, express messages that comprise inconsistencies, whereas their behavior does not infer that these inconsistencies exist at all.\textsuperscript{39} As a result, the communication in organizations gets complicated, employees more commonly deny responsibilities for caused negative outcomes and display behavior that does not correspond to the corporate objectives of an organization.\textsuperscript{40} Accordingly, Argyris (1990) characterizes defensive routines as “antilearning”, “overprotective” and “self-sealing”,\textsuperscript{41} but also indispensable for the human nature and hard to be reduced or even to be influenced. Hence, it is obvious that managers mostly respond with perplexity when defensive routines have to be changed or eliminated. Even those individuals that exhibit the highest level of defensive behavior mostly cannot explain how these defensive routines affect their actions.\textsuperscript{42} Argyris, however mentions one possible reaction towards defensive routines, namely

\textsuperscript{31} Bandura & Adams, 1977, p. 288
\textsuperscript{32} Bandura & Adams, 1977, p. 289
\textsuperscript{33} Argyris, 1990, p. 25
\textsuperscript{34} cf. Homburg & Fürst, 2007, p. 525
\textsuperscript{35} Argyris, 1990, p. 25
\textsuperscript{36} cf. Homburg & Fürst, 2007, p. 525
\textsuperscript{37} Argyris, 1990, p. 25
\textsuperscript{38} Argyris, 1990, p. 43
\textsuperscript{39} Argyris, 1990, p. 27
\textsuperscript{40} cf. Homburg & Fürst, 2007, p. 525
\textsuperscript{41} Argyris, 1990, p. 25
\textsuperscript{42} Argyris, 1990, p. 30
cynicism. Cynicism allows individuals to disregard or even sneer at defensive routines. Similarly cynicism also leads to pessimism and mistrust and as a consequence people will acquire the attitude that others have to be blamed for any unpleasant changes.

In the work of Ashforth and Lee (1990), defensive behavior is considered to be closely linked to political behavior.\footnote{Ashforth & Lee, 1990, p. 622} Porter, Allen & Angle (1981) define political behavior as influencing efforts on a social basis that should guard an individual’s self-interests or that of a group and that jeopardize the self-interests of other people.\footnote{cf. Ashforth and Lee, 1990, p. 622} Another term related to political behavior that is commonly used in literature and thus important to gather an understanding of how defensive behavior is determined in organizations is impression management. This term characterizes individuals to exhibit a specific behavior with the intent to influence another’s perception of them.\footnote{Gardner & Martinko, 1988, p. 321} Hence, individuals try to maintain a positive social reputation and self-image. On an organizational level, characteristics such as competence and worth are in focus of impression management, which at the same time are not compatible with the patronized attributes of defensiveness. Consequently individuals will perform their defensive behavior in a way that provides at least an impression of congruence with their role expectations.\footnote{cf. Ashforth & Lee, 1990, pp. 622-623.}

2.2. Typology

This chapter describes different typologies regarding defensiveness and precisely examines each type within the different frameworks. Therefore the term “defensive behavior” in this thesis is compounded of different frameworks regarding defensive behavior and defensive mechanisms. Especially the definition of defensive behavior used in the work of Ashforth and Lee (1990) which is depicted in Figure 1, accounts for an in-depth understanding of defensive behavior.

\begin{figure}[h]
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\includegraphics[width=\textwidth]{figure1.png}
\caption{Typology of Defensive Behavior}
\end{figure}
Figure 1: A typology of defensive behavior

The authors concentrated on individuals’ defenses and thus elaborated a typology of different defensive behaviors, each of them designated to prevent action, blame and/or change. Each type of defensive behavior usually results from different causes of antecedents, either on organizational or individual level. The following behaviors are shown by individuals in order to avoid action and are described in the subsequent section: over-conforming, passing the buck, playing dumb, depersonalizing, stalling, smoothing and stretching.

- Over-conforming: Individuals try to reduce action by clearly sticking to their own responsibilities and avoid executing tasks that lie outside their scope of duties (“The rules clearly say…”). Moreover, people tend to follow past work routines by saying that “It has always been done this way” (see Lipsky, 1980; Morgan, 1987). According to Hasenfeld and Steinmetz (1981), strictly following rules and guidelines as well as persisting on the fact that tasks which are not consistent with organizational rules (“I didn’t make the rules”) cannot be executed, are typical for over-conformists. Hence this form of defensive behavior mostly occurs when people

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47 Ashforth & Lee, 1990, p. 624
48 Ashforth & Lee, 1990, p. 623
49 Ashforth & Lee, 1990, p. 624
question organizational affairs.\textsuperscript{52}

- Passing the buck: Individuals pass the buck when they pretend to be too busy or that they are not responsible for the execution of a specific task and thus hand over responsibility to an associate. If the latter of these two reasons causes this type of behavior then passing the buck is considered to be closely related to over-conforming.\textsuperscript{53}

- Playing dumb: People also behave defensively when action is avoided through misleadingly conveying ignorance and lack of competence to others.\textsuperscript{54} Cole (1986) mentions two major implications that can be derived from this behavior, namely that individuals resist learning due to their insistence on ignorance and that tasks will be delegated to others, because they are perceived to own of improved abilities.\textsuperscript{55} Obviously, managers are assumed to exhibit this type of behavior less frequently as they are usually ranked higher exactly because of their superior knowledge and experience.\textsuperscript{56}

- Depersonalizing: This type of behavior refers to the attempts of individuals to treat customers, subordinates or other individuals as numbers or objectives rather than as peers.\textsuperscript{57} Especially in health care, depersonalizing is a frequently observed behavior (see Mizrahi, 1984).\textsuperscript{58} Doctors, for example, treat hospital patients impersonal by avoiding eye contact, talking about them in the third person or even referring to them by their malady as well as using incomprehensible medical terminology. The reason behind this behavior can be interpreted as an attempt to avoid the individual peculiarity of someone else and consequently that a decision-making process gets facilitated.\textsuperscript{59}

- Stretching and Smoothing: Both behaviors are exhibited by individuals in order to

\textsuperscript{52} Ashforth & Lee, 1990, p. 624
\textsuperscript{53} Ashforth & Lee, 1990, p. 625
\textsuperscript{54} cf. Ashforth & Lee, 1990, p. 625
\textsuperscript{55} Ashforth & Lee, 1990, p. 625
\textsuperscript{56} Ashforth & Lee, 1990, p. 625
\textsuperscript{57} Ashforth & Lee, 1990, p. 625
\textsuperscript{58} cf. Ashforth & Lee, 1990, p. 625
\textsuperscript{59} Ashforth & Lee, 1990, p. 625
pretend to be busy. Hence, particularly stretching implies the extension of someone’s task in order to appear heavily engaged and not having time to care for anyone else’s issues. Comparatively the practice of “busywork” refers to the performance of minor tasks especially when workload is easily manageable. Smoothing on the other hand refers to the attempt of an individual to avoid inconsistencies between their personal effort and output. Thus, particularly in the manufacturing sectors where employees get paid based on their daily production, employees try to report an average output on each day. Consequently, on less productive days the output of very productive days is going to be accounted and hence fluctuations get clouded.

- Stalling: Finally, another behavior intended to avoid action is stalling, where individuals increase their effort in times when public confrontation increases or when success is more likely to occur. However, the reverse emerges when employees perceive that an effort loses momentum.

Besides the fact that individuals behave in a certain way attempting to avoid action, it is also possible to avoid blame through a specific behavior. Avoiding blame typically goes along with conveying the impression of competence and worth, as well as the avoidance of negative outcomes. Hence, individuals avoid blame by buffing, playing safe, justifying, misrepresenting and finally escalating commitment, which is more or less used to antagonize blame.

- Buffing: According to Shem (1978), individuals want to create an image of competence and make others believe in their abilities and know-how by carefully documenting their activities. Sometimes, even activities or procedures that have not been performed get recorded and precisely documented.

- Playing safe (“defensive avoidance”): This term refers to the behavior of individuals facing situations with high levels of ambiguity and where success cannot be guaranteed. Hence people try to avoid critical situations, decisions far from

60 Ashforth & Lee, 1990, p. 625
61 Ashforth & Lee, 1990, p. 626
62 Ashforth & Lee, 1990, p. 626
63 Salehi et al, 2015, pp. 6-7
64 Ashforth & Lee, 1990, p. 626
65 cf. Ashforth & Lee, 1990, p. 627
conservative and rather request a supervisor’s final review and concentrate on tasks that are presumably crowned with success. These people are also considered to prefer group decisions in order to spread the risk of negative outcomes, balk conflicts and generally set achievable objectives (see Janis & Mann, 1977).  

- Justifying: Here, people try to diminish responsibility from events that are likely to put blame on them. Therefore, two possible tactics exist, namely accounts and apologies. Accounts are used to reduce an individual’s responsibility for a specific event or the associated extent of the event’s consequences. On the other side, apologies refer to a person’s confession of responsibility to some extent for a particular event and similarly, apologies to a certain extent are linked to repentance (see Schlenker, 1980; Scott & Lyman, 1968).

- Scapegoating: Negative outcomes of activities or events are common but not everyone is able to handle the blame associated with it. Thus, individuals may consider external factors to be responsible even though they may only partially chargeable. People exhibit this type of defensive behavior as inconsistencies regarding the accountability and justice get clarified as well as the fact that blame will be withdrawn from responsible parties and that a particular cause can be signaled to the outside. Moreover, referring to Baumeister & Scher (1988) scapegoating is executed in order to enhance both social and self-image.

- Misrepresenting: Blame can also be avoided through the manipulation of information regarding someone’s intentions, knowledge or action. Ashforth and Lee (1990) compare this type with corresponding terms such as “distorting”, “embellishing”, “deceiving”, “selectively presenting” or “withholding”. However, individuals may not necessarily have the intent to cheat. It is more that “processes of self-perception, self-deception and wishful thinking” are responsible for representing someone’s point of view (see Baumeister, 1982; Snyder & Higgins, 1988).  

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67 cf. Ashforth & Lee, 1990, pp. 627-628
68 Ashforth & Lee, 1990, p. 628
69 cf. Ashforth & Lee, 1990, p. 628
70 Ashforth & Lee, 1990, p. 628
71 cf. Ashforth & Lee, 1990, p. 628
72 cf. Ashforth & Lee, 1990, p. 628
73 cf. Ashforth & Lee, 1990, p. 628
• Escalating Commitment: In specific cases, Staw (1980) states that individuals have to choose whether to invest additional resources in a losing course of action or to recognize that a lot of costs have been incurred and that a particular objective can no longer be achieved.\textsuperscript{74} Often individuals “throw good money after bad”\textsuperscript{75} and as a consequence they try to compensate any losses incurred by their actions or even justify their decisions. Related to this discussion, Teger (1980) states that in such cases, individuals have “too much invested to quit”\textsuperscript{76} and consequently discusses the phenomenon to continue an effort even though the course of action is highly questionable.\textsuperscript{77} Especially, when individuals bear personal responsibility for an outcome it is more likely that escalating commitment occurs, as people want to defend their own status and image (see Brockner & Rubin, 1985).\textsuperscript{78}

Finally people may behave defensively in order to avoid change, as new processes are mostly linked to high ambiguity regarding future developments. Due to the accelerating pace of changing environments, organizations are forced to inevitably engage in adaption processes and organizational change, which individuals consider as a threat. Hence two types of defensiveness can be observed: resisting change and protecting turf.\textsuperscript{79}

• Resisting change: According to Ashforth and Lee (1990) this type of defensive behavior includes a variety of different behaviors, such as forms of over-conforming, stalling, playing safe and also misrepresenting.\textsuperscript{80} Oreg (2003) has proposed three dimensions of resistance to change, which cover affective, cognitive and behavioral resistance. Affective resistance covers an individual's feelings and emotions regarding a change, whereas cognitive resistance refers to someone’s thoughts.\textsuperscript{81} Finally, following Oreg (2006), behavioral resistance comprises all kinds of actions and intentions as response towards change.\textsuperscript{82} Resistance to change can be characterized as a form of refusal of compulsory actions or as evidence of counter-productive

\textsuperscript{74} cf. Ashforth & Lee, 1990, p. 629
\textsuperscript{75} Teger, 1980, p. 1
\textsuperscript{76} Teger, 1980, p. 1
\textsuperscript{77} Teger, 1980, p. 1
\textsuperscript{78} cf. Ashforth & Lee, 1990, p. 629
\textsuperscript{79} Ashforth & Lee, 1990, p. 629
\textsuperscript{80} Ashforth & Lee, 1990, p. 629
\textsuperscript{81} Oreg, 2003, p. 680
\textsuperscript{82} cf. Chung et al., 2012, p. 737
behavior,\textsuperscript{83} which according to Bemmels & Reshef (1991) is exhibited in order to block, slow down or to modify a change.\textsuperscript{84} Chawla and Kelloway (2004) define resistance to change as “an adherence to any attitudes or behaviours that thwart organisational change goals”.\textsuperscript{85} Individuals are more likely to resist change, when it is perceived to threaten someone’s status or deep-rooted habits.\textsuperscript{86} However, according to Dent and Goldberg (1999), individuals do not resist the change itself, but rather fear the expected consequences of the change.\textsuperscript{87}

- Protecting Turf: Here individuals try to protect their own task domain\textsuperscript{88} or their own psychological territory from the interference of others (see Biddle & Hutton, 1976).\textsuperscript{89} In other words individuals avoid change when they see their own role, identity or power threatened or changed. Within their psychological area they separate themselves from the daily work life and their own expertise and authority is defined. This form of defensiveness can be witnessed, for example when supervisors reject any productive ideas from their subordinates, because they are afraid of being exposed.\textsuperscript{90}

However, in literature several additional types of defensive behaviors are examined. The following behaviors refer to the term defense mechanism used in literature, which are not only exhibited in order to chronically avoid action, blame and change, but also more or less tend to guard from mental burden. However, these defensive mechanisms are cognitive processes that take place in individuals’ minds.\textsuperscript{91}

- Isolation: Here individuals try to build up “a mental gap or barrier between some threatening cognition and other thoughts and feelings”.\textsuperscript{92} Following Oldham and Kleiner (1990) individuals try to psychologically block themselves from awkward situations or issues and consequently lessen the impact triggered by these issues.\textsuperscript{93}

\textsuperscript{83} Smollan, 2011, p. 12  
\textsuperscript{84} cf. Waddel & Sohal, 1998, p. 543  
\textsuperscript{85} Chawla & Kelloway, 2004, p. 485  
\textsuperscript{86} Neck, 1996, p. 212  
\textsuperscript{87} Dent & Goldberg, 1999, p. 26  
\textsuperscript{88} Ashforth & Lee, 1990, p. 630  
\textsuperscript{89} cf. Ashforth & Lee, 1990, p. 630  
\textsuperscript{90} Ashforth & Lee, 1990, p. 630  
\textsuperscript{91} cf. Homburg & Fürst, 2007, p. 525  
\textsuperscript{92} Baumeister et al., 1998, p. 1099  
\textsuperscript{93} cf. Homburg & Fürst, 2007, p. 524
Moreover, the authors state that these people try to “flee from […] problems [in order to] achieve some protection”. 94

- Denial: This type of behavior refers to individuals that refuse to see the reality of the surrounding environment or the consequences of a current event as their self-esteem might be threatened. 95 In many cases, individuals “dispute or minimize information that threatens their self-esteem, […] discount bad feedback [or] selectively forget material that is disagreeable or esteem-threatening”. 96 Furthermore, people refuse information and responsibility as well as deny actions and their associated implications. 97

- Projection: Trivially this means that individuals see their own bad traits or deficits in other people. However, in a more specific comprehension, individuals perceive other people to exhibit exactly those traits, which they mistakenly believe not to be possessing. The defensiveness in this behavior lies in the fact that the perception of these menacing traits in others avoids recognizing them in the individual themselves. 98 Moreover, the perceptions of these poor traits, deficits or defects are sometimes exaggerated and thus seem deceptive in a more crucial way. 99

- Reaction formation: Different people have different traits and characteristics, however, not all of them being socially accepted or endured. If individuals are confronted with this situation, they behave in a way that shows them to have exactly the contrary trait. In situations of hostility or threat, especially in institutions facing an organizational change, employees may behave excessively tolerant and pretend to appreciate these changes. 100

- Displacement: This concept refers to the transfer of an unaccepted negative impulse towards a change, like, for example, into a negative attitude towards any other future changes. Comparatively an employee might have the same negative feelings about

95 Baumeister et al., 1998, p. 1107
96 Baumeister et al., 1998, p. 1112
97 cf. Homburg & Fürst, 2007, p. 524
98 Baumeister et al., 1998, p. 1090
100 Baumeister et al., 1998, p. 1085
new employees entering the organization as about current colleagues who provoked him or her.\textsuperscript{101}

- Undoing: Here individuals try to change past events in order to mask negative outcomes associated with those events. Thus, people repeat past events in their mind and imagine how things could have turned out differently.\textsuperscript{102}

Additionally, the American Psychiatric Association (1994) has investigated defense mechanisms and has differentiated between adaptive and maladaptive forms. In their study they examined how defense mechanisms are associated with resistance to change. The adaptive defenses are humor and anticipation, whereas denial, dissociation, isolation of affect, projection and acting out belong to the generic term of maladaptive defenses. However, except for humor, all defensive mechanisms are cognitive processes. Table 1 comprises these seven defense mechanisms and gives a brief description.\textsuperscript{103}

\begin{table}
\centering
\caption{Defense Mechanisms and Their Associated Resistance to Change}
\begin{tabular}{|l|l|}
\hline
Defense Mechanism & Description \\
\hline
Humor & \textit{Laughing at the pain}, self-healing through humor \textsuperscript{104} \\
Anticipation & \textit{Prevent unmanageable consequences}, planning to avoid negative outcomes \textsuperscript{104} \\
Denial & \textit{Not seeing the problem}, minimizing or ignoring it \textsuperscript{104} \\
Dissociation & \textit{Not thinking about the problem}, mentally separating oneself from it \textsuperscript{104} \\
Isolation of Affect & \textit{Not feeling the problem}, emotional detachment \textsuperscript{104} \\
Projection & \textit{Attributing the problem to others}, blaming others for one's own problems \textsuperscript{104} \\
Acting Out & \textit{Dealing with the problem through actions},表现为 through action \textsuperscript{104} \\
\hline
\end{tabular}
\end{table}

\textsuperscript{101} Baumeister et al., 1998, p. 1093
\textsuperscript{102} Baumeister et al., 1998, p. 1096
\textsuperscript{103} cf. Bovey & Hede, 2001, p. 537
\textsuperscript{104} Cf. American Psychiatric Association, 1994
Comparatively, Vaillant (1977) has created a classification of defense mechanisms and defense levels that has gained a lot of attention and support in literature. In general, defense mechanisms are unconsciously exhibited cognitive processes in order to “maintain emotional homeostasis” and to antagonize anxiety resulting from unpleasant feelings. Therefore defense mechanisms can be characterized as unconscious operations that shield individuals’ self-esteem from awkward thoughts and that avoid feelings of anxiety. Moreover, these defensive reactions are part of the human nature and each form is different in its origin compared to others. However, if defensive mechanisms are excessively used, it is likely that they may lead to abnormal behavior.

Regarding Vaillant’s classification, four different defense levels can be distinguished. Hence, pathological mechanisms refer to the process of individuals changing existing external experiences in order to avoid real situations. Immature mechanisms on the other side, should diminish sorrow and anxiety initiated through unpleasant situations, whereas mature mechanisms should shield individuals against contradictory thoughts and feelings. Individuals

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104 cf. Bovey & Hede, 2001, p. 537
105 Furnham, 2012, p. 723

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Table 1: Description of defensive mechanisms

<table>
<thead>
<tr>
<th>Defence mechanism</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humour (adaptive)</td>
<td>An individual deals with internal/external stressors by emphasising amusing and ironic aspects.</td>
</tr>
<tr>
<td>Anticipation (adaptive)</td>
<td>An individual deals with internal/external stressors by experiencing or anticipating consequences and emotional reactions in advance and considering realistic alternative responses or solutions.</td>
</tr>
<tr>
<td>Denial (maladaptive)</td>
<td>An individual deals with internal/external stressors by refusing to acknowledge some painful aspects of external reality or subjective experience that is apparent to others.</td>
</tr>
<tr>
<td>Dissociation (maladaptive)</td>
<td>An individual deals with internal/external stressors with a breakdown in the usually integrated functions of consciousness, memory, perception of self or the environment.</td>
</tr>
<tr>
<td>Isolation of affect (maladaptive)</td>
<td>An individual deals with internal/external stressors by separating ideas from the feelings originally associated with them. The individual loses touch with the feelings associated with a given idea while remaining aware of the cognitive elements.</td>
</tr>
<tr>
<td>Projection (maladaptive)</td>
<td>An individual deals with internal/external stressors by falsely attributing to another their own unacceptable feelings, impulses, or thoughts.</td>
</tr>
<tr>
<td>Acting out (maladaptive)</td>
<td>An individual deals with internal/external stressors by actions rather than reflections or feelings and includes transference which is the recreation in present relationships of experiences from earlier childhood relationships.</td>
</tr>
</tbody>
</table>
usually have acquired mature mechanisms from the beginning of their life onwards to handle present circumstances. Finally, neurotic defenses generate temporary benefits in coping, as individuals are considered to have problems with interpersonal relationships, their situations at work or with their own lives in general. With regard to the work of Vaillant, the older an individual gets the less immature and neurotic defenses occur and the more mature defense styles are shown. The four defense levels, the different defense mechanisms and the corresponding descriptions of each defense mechanism are depicted in table 2.
<table>
<thead>
<tr>
<th>Defence level</th>
<th>Defence mechanism</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pathological</td>
<td>Denial</td>
<td>Refusal to accept unpleasant aspects of an external situation because one finds it too threatening.</td>
</tr>
<tr>
<td>Distortion</td>
<td>Changing and reshaping reality as one sees fit.</td>
<td></td>
</tr>
<tr>
<td>Projection</td>
<td>Lessens anxiety by expressing undesirable desires without being consciously aware; shifting these undesirable thoughts, feelings, and impulses to someone else.</td>
<td></td>
</tr>
<tr>
<td>Immature</td>
<td>Acting out</td>
<td>Unconscious expressions/impulses without being aware of the emotion behind it.</td>
</tr>
<tr>
<td>Fantasy</td>
<td>Tendency to escape reality to resolve internal and external conflicts e.g. excessive day dreaming.</td>
<td></td>
</tr>
<tr>
<td>Idealisation</td>
<td>Perceiving individuals to possess more positive qualities than they actually have.</td>
<td></td>
</tr>
<tr>
<td>Passive</td>
<td>Expressing anger or frustration through indirect methods onto other people.</td>
<td></td>
</tr>
<tr>
<td>aggression</td>
<td>Identification</td>
<td>Role modelling; taking on behavioural patterns of another person.</td>
</tr>
<tr>
<td>Neurotic</td>
<td>Displacement</td>
<td>Shifting emotions onto another target considered more acceptable or less threatening.</td>
</tr>
<tr>
<td>Hypochondriasis</td>
<td>Perceptions of an unknown illness as a reaction to negative feelings toward others.</td>
<td></td>
</tr>
<tr>
<td>Intellectualisation</td>
<td>Using logic and intellectual components of a situation to distance oneself.</td>
<td></td>
</tr>
<tr>
<td>Isolation</td>
<td>Separating emotions from events i.e. talking about a situation without displaying any feelings.</td>
<td></td>
</tr>
<tr>
<td>Rationalisation</td>
<td>Convincing oneself that things are fine through false rationale e.g. “making excuses”</td>
<td></td>
</tr>
<tr>
<td>Reaction</td>
<td>Behaving in a manner that is opposite of how one truly feels to avoid anxiety</td>
<td></td>
</tr>
<tr>
<td>formation</td>
<td>Regression</td>
<td>Reverting to an earlier stage of development rather than handling the unpleasant situation in a way concurrent with one’s current development stage</td>
</tr>
<tr>
<td>Repression</td>
<td>Preventing uncomfortable thoughts streaming into the conscious</td>
<td></td>
</tr>
<tr>
<td>Mature</td>
<td>Altruism:</td>
<td>Behaviour that brings pleasure to others and internal satisfaction.</td>
</tr>
<tr>
<td>Anticipation</td>
<td>Knowing and accepting that future discomfort may occur.</td>
<td></td>
</tr>
<tr>
<td>Humour</td>
<td>Expressing unpleasant thoughts in a humorous way i.e. making fun of uncomfortable situations.</td>
<td></td>
</tr>
<tr>
<td>Introjection</td>
<td>Identifying with a person or object so much that it becomes part of the individual.</td>
<td></td>
</tr>
<tr>
<td>Sublimation</td>
<td>Turning negative emotions into more positive actions, behaviour, or emotions.</td>
<td></td>
</tr>
<tr>
<td>Thought</td>
<td>Consciously pushing thoughts into the unconscious i.e. not paying attention to an emotion in order to cope with the present situation.</td>
<td></td>
</tr>
</tbody>
</table>

**Table 2:** Defense levels and defense mechanisms⁷⁰⁸

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⁷⁰⁸ cf. Furnham, 2012, p. 725
Another work that is part of the research on human defensiveness is that of Argyris (1990), in which he examines how organizational defenses can be conquered. Generally, Argyris distinguishes between two kinds of defensiveness. Type I refers to individuals rigorously defending their views which additionally remain open, whereas in type II their views remain undisclosed.\textsuperscript{109} Additionally the author lists seven common defense strategies that people make use of, namely rejection, procrastination, indecision, lack of implementation follow-up, strategic ineffectiveness, sabotage and regression. Each behavior in his work is described through a specific phrase typical for the situation in which these types are executed.\textsuperscript{110}

- Rejection: “There is nothing wrong with us that a long production run wouldn’t cure.”
- Procrastination: “Tomorrow we’ll get organized and plan.”
- Indecision: “Death in the drawer.”
- Lack of implementation follow-up: “Paralysis by analysis.”
- Strategic ineffectiveness: “The more paint we sell, the more money we lose.”
- Sabotage: “What the boss doesn’t know won’t hurt him.”
- Regression: “Let’s get back to real work.”\textsuperscript{111}

Defensive behavior of employees can heavily influence the progress as well as the success of a planned merger or an acquisition.\textsuperscript{112} Hence, managers do not only have to understand employees’ reactions towards a change but also introduce preventive steps as well as coping strategies in order to avoid the emergence of defensive behavior.\textsuperscript{113}

2.3. Premises favoring defensive behavior

The following section examines external factors that are considered to favor the occurrence of defensive behavior. External stressors such as threats, ambiguity, overload, powerlessness, insecurity, anxiety and work-alienation are analyzed as well as their impact on people’s behavior.

\textsuperscript{109} Argyris, 1990, pp. 154-155
\textsuperscript{110} Argyris, 1990, p. 9
\textsuperscript{111} Argyris, 1990, p. 9
\textsuperscript{112} cf. Bovey & Hede, 2001, p. 536
\textsuperscript{113} cf. van Dam et al, 2008, p. 314
The study of Keenan (1988) and his evidence of specific communication climates having different impacts on behaviors based on whistle blowing,\textsuperscript{114} as well as the fact that organizational climate is part of organizational culture,\textsuperscript{115} allows the conclusion that organizational culture may be one aspect that favors defensive behavior.\textsuperscript{116} Especially the shared norms, values and assumptions that interact with human characteristics generate behaviors that prevent from action, blame or change.\textsuperscript{117} However, more significantly for this thesis are situations in which individuals face external stressors and threats, ambiguity, overload, powerlessness, insecurity, anxiety and work-alienation, which will be described in more detail in the following paragraphs.

Organizations are usually exposed to several external stressors, which in consequence may influence employees and their behavior. Due to the fact that defensiveness is considered to diminish the negative consequences of such stressors, Schuler (1984) describes this aspect as “stress coping”.\textsuperscript{118} External stressors may be threat, ambiguity, overload and powerlessness.\textsuperscript{119}

By definition a threat refers to the process of shielding from a possible offense. Individuals consider situations in which their job is at risk, or in which resources, their own autonomy, status or task requirements are in danger, as a threat.\textsuperscript{120} Moreover, individuals behave in a defensive way, especially when an organizational change is associated with a loss of status, pay or comfort\textsuperscript{121}, as well as when their self-interests are threatened.\textsuperscript{122}

According to Napier et al. (1989), situations characterized as ambiguous or uncertain are more likely to increase the defensiveness of individuals. Change processes usually create uncertainty regarding an individual’s future and it is precisely this uncertainty that creates stress rather than the change itself. As a consequence, people will respond with rumors or some other form of informal communication in order to reduce this uncertainty.\textsuperscript{123} Ambiguity, especially when it affects an individual’s responsibilities, tasks or in general the handling of

\begin{thebibliography}{9}
\bibitem{Keenan} Keenan, 1988, p. 248
\bibitem{Ashforth} Ashforth, 1985, p. 841
\bibitem{Keenan2} Keenan, 1988, p. 247
\bibitem{Ashforth2} Ashforth, 1985, p. 841
\bibitem{AshfortLee} cf. Ashfort & Lee, 1990, p.634
\bibitem{AshfortLee2} Ashfort & Lee, 1990, p. 634
\bibitem{AshfortLee3} Ashfort & Lee, 1990, p. 634
\bibitem{DentGoldberg} Dent & Goldberg, 1999, p. 26
\bibitem{KotterSchlesinger} Kotter & Schlesinger, 2008, p. 132
\bibitem{SchweigerDenisi} cf. Schweiger & Denisi, 1991, p. 110
\end{thebibliography}
crises, leads to the possibility that the person affected is allowed to change a certain event in a way that it correlates with the personal interests and that consequently prevents from action and blame. Moreover, ambiguity is also associated with risk or organizational changes and thus may influence an individual to avoid blame and change.\textsuperscript{124}

Work overload, may it be quantitative or qualitative, triggers defensive behavior, which again is induced in order to avoid action. This aspect is closely linked to the fact that employees extend their current work in order to protect themselves from additional work.\textsuperscript{125}

Powerlessness based on the definition of Ashforth (1989) refers to “a lack of participation and autonomy”\textsuperscript{126} and leads to the fact that most incumbents feel susceptible to specific threats.\textsuperscript{127} Hence, threatening environments that reinforce individuals’ powerlessness additionally increase the personal degree of mistrust.\textsuperscript{128} Moreover high powerlessness increases the likelihood that individuals cannot cope with their working conditions and as a consequence behave defensively.\textsuperscript{129}

According to current research, both clinical psychology literature\textsuperscript{130} and organizational behavior literature demonstrate evidence of the interrelation between defensive mechanisms and feelings of anxiety and insecurity.\textsuperscript{131} Moreover, anxiety resulting from a merger or an acquisition may for example lead to stress, unsatisfied employees and reduced trust and commitment (see Ashford, Lee & Bobko, 1989; Bastien, 1987; Buono, Bowditch & Lewis, 1985; Gil & Foulder, 1978; Marks & Mirvis, 1983; Robino & DeMeuse, 1985; Schweiger & Ivancevich, 1985; Sinetar, 1981; Shirley, 1973).\textsuperscript{132} Following Neck (1996), a change triggers anxiety as individuals fear the unknown referring to the ambiguity of their own future.\textsuperscript{133} Possible new tasks may also lead to anxiety, as they are associated with the risk of making wrong decisions and subsequently not being able to manage them. Individuals need to cope with these anxieties in order to accomplish the new task. Otherwise, defensive mechanisms arise and the task will not be successfully executed. Figure 2 illustrates the concept of Lohmer

\textsuperscript{124} Ashforth & Lee, 1990, p. 634  
\textsuperscript{125} Ashforth & Lee, 1990, p. 635  
\textsuperscript{126} Ashforth, 1989, p. 207  
\textsuperscript{127} Ross et al., 2001, p. 569  
\textsuperscript{128} Ross et al., 2001, p. 572  
\textsuperscript{129} Ashforth & Lee, 1990, p. 635  
\textsuperscript{130} Lyth, 1990, p. 443  
\textsuperscript{131} Diamond & Allcorn, 1985, p. 37  
\textsuperscript{132} cf. Schweiger & Denisi, 1991, p. 111  
\textsuperscript{133} cf. Macri et al, 2002, p. 295
and Giernalczyk (2012) of psychosocial defense mechanisms.\textsuperscript{134} However, once fear is detected it is harder to remove it instead of taking actions of prevention.\textsuperscript{135} Rosnow (1988) and Buono & Bowditch (1989) states that individuals spread rumors within an organization in order to combat anxiety, although this in fact leads to more unfavorable behaviors.\textsuperscript{136}

![Diagram](image)

**Figure 2:** Task and psychosocial defense mechanisms\textsuperscript{137}

Following Burger, Bogolyubov & Easterby-Smith (2013), another premise that is considered to favor defensive behavior, is self-efficacy.\textsuperscript{138} Individuals with a high degree of self-efficacy are convinced that they can effectively accomplish a specific task.\textsuperscript{139} According to Jones (1986) individuals with a low degree of self-efficacy are generally more likely to avoid action or change,\textsuperscript{140} especially, as Cooper (1997) and Goleman (1998) state, because they consider themselves not competent enough to handle the new situation.\textsuperscript{141} Moreover, referring to Burger et al. (2013), a high level of self-efficacy is considered to increase the possibility that cognitive and emotional resistance lead to behavioral resistance in a way so that disengagement increases.\textsuperscript{142}

According to Armstrong-Stassen (2006), work alienation cognitively isolates employees from their work or the workplace and is revealed in the form of reduced job involvement and a lack

\textsuperscript{134} cf. Lehner, 2014, pp. 67-68  
\textsuperscript{135} Stanislao & Stanislao, 1983, p.74  
\textsuperscript{136} cf. Schweiger & Denisi, 1991, p. 111  
\textsuperscript{137} cf. Lehner, 2014, p. 67  
\textsuperscript{138} cf. Sasikala & Anthonyraj, 2015, p. 30  
\textsuperscript{139} cf. Ashforth & Lee, 1990, p. 637  
\textsuperscript{140} cf. Ashforth & Lee, 1990, p. 637  
\textsuperscript{141} cf. Sasikala & Anthonyraj, 2015, p. 30  
\textsuperscript{142} cf. Sasikala & Anthonyraj, 2015 p. 30
of organizational identification. Furthermore, these individuals are considered to be highly passive and having a low intrinsic motivation as they consider work as their duty. Consequently work alienated people usually tend to avoid action. Additionally, work alienation is typical for individuals who need to mentally adapt to their work environment. As a result individuals reply with cynicism to a future organizational change and reside in their comfort zone.

2.4. Coping with defensive behavior

Finally, the closing subchapter analyzes the preventive steps organizations introduce in order to avoid defensive behavior or any other form of defensiveness and how organizations cope with defensive behavior once it is detected.

Following Andrews et al. (1993), an individual usually exhibits defensive behavior or any other type of defensiveness in order to protect themselves from a threatening change and its consequences. Furthermore, defensiveness creates a mental blockade that impedes the adoption of a change and consequently may hamper the success of a change process. Generally, Argyris (1990) suggests developing employees in such a way, that they accomplish a higher level of tolerance regarding embarrassment and anxiety in order to decrease the likelihood of defenses to occur. However, there is almost nothing worse for a company than the occurrence of any form of defensive behavior, apart from an organization that denies them. Therefore, the management of an organization does not only have to understand employees’ reactions towards a planned change and introduce actions that reduce defensiveness, but also has to take preventive steps that avoid the emergence of defensive behavior.

According to Bordia et al. (2004) and Oreg (2006), steps that diminish resistance to change or defensiveness in general are providing enough information, giving employees enough participation and conveying trust to them. Johnson et al. (1996) and Miller et al. (1994) state, that the provision of information refers to the management’s communication about the

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143 cf. Sulu et al., 2010, p. 29
144 Ashforth & Lee, 1990, p. 637
145 cf. Bovey & Hede, 2001, p. 536
146 Argyris, 1990, p. 157
147 Argyris, 1990, p. 156
148 cf. van Dam et al., 2008, p. 314
149 cf. van Dam et al., 2008, p. 317
planned organizational change, its consequences and how employees’ roles will change. Consequently, the specific knowledge may lead to reduced uncertainty and anxiety, as well as to the fact that employees will develop an attitude allowing them to be more open towards change (see Stanley et al., 2005). Additionally, following DiFonzo et al. (1994), poor communication concerning a planned change tends to enlarge possibilities for rumors to spread and, with reference to Stanley et al. (2005), to increased cynicism and resisting behaviors, as well as to increased absenteeism within the staff and decreasing turnovers (see Johnson et al., 1996). Generally, employees need to receive necessary information regarding a change process early enough in order to increase their commitment. However, as Ivancevich et al. (1987) state, it is not always possible for managers to communicate every single detail of a planned change as not all scenarios can be predicted. Therefore, managers are instructed to communicate only realistic information that employees can rely on and to clarify why some details cannot be commented on. During a conversation with an employee, managers have to concentrate on the individual’s concerns regarding the change. Particularly when leaders or managers recognize initial signs of resistance or defensive behaviors, Lohmer & Giernalczyk (2012) suggest that supervisors should seek personal conversations with concerned subordinates. Hence, communication is useful in order to discuss individuals’ anxieties and worries, as well as to identify whether these defensive mechanisms or any other existing blockades lead to worse working conditions. Especially Bastien (1987) proves that effective communication results in improved performance and decreasing uncertainty. Therefore, effective forms are realistic job previews, which generally provide job applicants with detailed and faithful information regarding a job and thus decrease uncertainty from the start (see Breaugh, 1983; Dugoni & Ilgen, 1981; Premack & Wanous, 1985). Another advantage of these job previews is that they convey to applicants that the organization cares about them and that they in turn can show trust (see Dugoni & Ilgen, 1981; Meglino et al., 1988; Schein, 1968). Moreover, Meglino et al.

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150 cf. van Dam et al., 2008, p. 317
151 cf. van Dam et al., 2008, p. 317
152 cf. van Dam et al., 2008, p. 317
153 cf. van Dam et al., 2008, p. 317
154 cf. van Dam et al., 2008, p. 317
155 van Dam et al., 2008, p. 318
157 cf. Lehner, 2014, p. 63
158 Sulz et al., 2013, pp. 39-40
159 cf. Schweiger & Denisi, 1991, p. 112
161 cf. Schweiger & Denisi, 1991, p. 113
(1988) prove that these individuals will have less pessimistic expectations concerning a planned merger or an acquisition.\textsuperscript{162}

Referring to Coch & French (1948) and Sagie & Koslowski (1996), another aspect that is generally considered to increase employees’ openness towards change and consequently may decrease the possibility that defensive behaviors occurs, is to integrate individuals into the decision making processes during the planning and implementation stages of a change.\textsuperscript{163} With regard to Giemalczyk et al. (2012), during an organizational change individuals may perceive opportunities to control or to shape organizational aspects to be threatened, which consequently triggers anxiety. Therefore leaders have to tackle these anxieties constructively in order to enhance attention on internal processes.\textsuperscript{164} Following Armenakis et al. (1993), participation of individuals leads to an increased acceptance of change as individuals gather a precise understanding of the reasons that make an organizational change necessary. Furthermore, individuals acquire basics knowledge regarding the control of a change and the commitment towards the change process gets enhanced.\textsuperscript{165} Similarly Wanberg and Banas (2000) proved that integrating employees in the decision-making processes leads to a more positive attitude towards change.\textsuperscript{166}

On the other side, referring to Kotter (1995), trust is regarded as a factor that positively influences an employee’s willingness to cooperate and is thus crucial for the change process and specifically for the attitudes of employees towards change.\textsuperscript{167} According to Kotter (1995) and Dribben (2000), employees also have to trust in the management and its abilities, because otherwise they may react defensively in any of the previously mentioned forms.\textsuperscript{168} Therefore, Obholzer (2004) suggests conveying trust and confidence regarding the organizational change in order to help employees coping with the unknown.\textsuperscript{169} Comparatively, Whitney (1994) and Kramer & Tyler (1995) show, that employees’ trust in the management may have a positive influence on their behavior and attitudes regarding the change.\textsuperscript{170}

\begin{itemize}
  \item \textsuperscript{162} cf. Schweiger & Denisi, 1991, p. 113
  \item \textsuperscript{163} cf. van Dam et al., 2008, p. 317
  \item \textsuperscript{164} cf. Lehner, 2014, p. 70
  \item \textsuperscript{165} cf. van Dam et al., 2008, p. 317
  \item \textsuperscript{166} cf. van Dam et al., 2008, p. 317
  \item \textsuperscript{167} cf. van Dam et al., 2008, p. 317
  \item \textsuperscript{168} cf. van Dam et al., 2008, p. 317
  \item \textsuperscript{169} cf. Lehner, 2014, p. 69
  \item \textsuperscript{170} cf. Weber & Weber, 2001, p. 292
\end{itemize}
Kotter and Schlesinger (2008) have suggested six strategies for managers to overcome resisting behavior. Their work “Choosing strategies for change” is one of the most recited articles in management, organizational behavior and organizational change literature. Their recommended methods cover the topics “education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and cooperation and coercion”. However, critics say that despite their in-depth investigations, their strategies face some limitations.

Specifically, Smollan (2011) provides a set of principles managers of organizations should consider regarding a change process. In their view managers have to carefully evaluate how a planned change affects different stakeholders and especially individuals. Change has to be communicated in detail and the management has to gather stakeholders’ opinions regarding the change process. Participation consequently leads to improved decisions and a high level of commitment of the affected stakeholders.

Due to the fact that change inevitably reaches those groups that benefit from the process and those that are regarded to be losers, people intuitively behave defensively in order to protect themselves from any potential loss. Therefore it is necessary to elaborate together with stakeholders how these losses can be avoided or compensated for. Lohmer and Giermalcyk (2012) suggest increasing safety during a change process in such a way that it will be still trusted in familiar organizational structures. Additionally managers have to be aware of the fact that individuals react, behave and consequently resist in a cognitive, emotional and behavioral way and that these responses do not always correspond to each other.

Hence, if defensive behavior or especially resistance can be observed, managers have to respond carefully and be aware that these behaviors are not always conscious. Especially when individuals express doubt or controversial opinions, this does not ultimately mean that they do refuse to change or that they are not loyal to the company.

171 cf. Smollan, 2011, p.14
172 Kotter & Schlesinger, 2008, p. 136
174 Smollan, 2011, p. 14
175 Dannemiller et al., 1999, p. 2
176 cf. Lehner, 2014, p. 57
177 Smollan, 2011, p. 14
178 Smollan, 2011, p. 14
Resisting behaviors should not be regarded as opposition to change process. Instead, the management should accept the proposition of alternative views and opinions. Moreover, before managers determine how to respond to resistance, they should reflect on the consequences of resistance and on the power of stakeholders in terms of the change process. Will participation lead to the desired outcomes or is it just costly and time-consuming? Will any actions or decisions intended to get a job done lead to any other forms of resistance and how will employees respond to managerial support?\(^{179}\)

Regarding the communication, Smollan (2011) suggests an honest and direct form of communication, which should inform individuals about intended processes and desired outcomes. Impersonal communication styles and methods or telling half-truths enhance resisting behaviors and defensiveness.\(^{180}\)

Finally, Argyris (1990) suggests a process in order to cope with organizational defenses. He identified six steps starting with the formulation of a diagnosis regarding a problem, followed by the combination of this diagnosis with the current behavior of individuals. After having illustrated, how the individuals’ behavior foster organizational defenses, supervisors need to support them to alter their behavior. Moreover, individuals need to oppose the defensive routine that strengthened the behavior before. In the end, organizational norms and a corporate culture need to be established in order to enhance the newly acquired behavior.\(^{181}\)

3. ORGANIZATIONAL CHANGE

This chapter provides an insight on the increasing importance for organizations to adapt to changing environments. The success of a planned organizational change does not primarily depend on organizational and economic aspects, but rather human needs and especially those participating in a change have to be considered. Therefore, this section discusses why employees’ support for a planned organizational change is important and which factors trigger resistance to change. Afterwards, the analysis of emotions behind a change process as well as fundamental information regarding mergers and acquisitions is provided. Particularly the subchapter about emotions regarding a change project contributes to a better understanding on how defensive behavior can be avoided. Hence, understanding employee’s emotions helps managers to get an idea of why particular behavioral patterns occur and how to properly react.

\(^{179}\) Smollan, 2011, p. 14  
\(^{180}\) Smollan, 2011, p. 14  
\(^{181}\) Argyris, 1990, p. 155
This again increases employees’ attitude and commitment, which consequently decreases the likelihood that defensive behavior occurs.

Within organizational change literature a change is regarded as an incremental process rather than the consequence of an upsetting event.\textsuperscript{182} Especially the work of March (1988) provides a profound understanding, as it investigates two major dimensions regarding change, which are in general interconnected. On the one hand, change can be viewed as the result from interactions with a certain environment and on the other hand as a shift in the patterns of organizational behavior.\textsuperscript{183}

Organizations are constantly facing changing environments and shifting customer demands and accordingly respond with structural adaptations. Especially for organizations striving for continuously increasing profits, the growing world population and shifting political orientations offer new opportunities regarding product and service inventions. Consequently, in order to adapt to these changes, organizations should not exclusively consider structural adjustments, but also foster support and enthusiasm from their employees. However, if the management of an organization is not able to gather full support from its employees, the success of the planned organizational change is highly threatened.\textsuperscript{184}

The fact that individuals behave defensively or react in a resisting way lies in the human nature (see Coghlan, 1993; Steinburg, 1992; Zaltman & Duncan, 1977) and has to be considered by the management when an organizational change is planned and implemented. Resistance to change mostly occurs as individuals leave their ordinary work environment and are then confronted with ambiguity.\textsuperscript{185} Especially when an organizational change is perceived to endanger organizational characteristics or norms that employees use in order to build up their valued roles and identity, resistance to change is a common reaction.\textsuperscript{186}

Kevin Craine (2007) defines the emotional situation before a dramatic change as “comfort zone”\textsuperscript{187} in which employees reside and actively control their work lives with confidence and flexibility. Hence, individuals will try to maintain this status quo. However, when a change

\begin{itemize}
  \item \textsuperscript{182} Kraatz & Zajac 1996, p. 814
  \item \textsuperscript{183} March, 1989, pp.168-169
  \item \textsuperscript{184} Piderit, 2000, p. 783
  \item \textsuperscript{185} cf. Bovey & Hede, 2001, p. 534
  \item \textsuperscript{186} cf. Chreim, 2006, p. 317
  \item \textsuperscript{187} Craine, 2007, p. 44
\end{itemize}
occurs and the comfort zones and daily routines are thus disrupted, confidence regarding work life decreases and the way actions were usually performed is getting blurred.\textsuperscript{188}

Organizational changes frequently trigger reaction processes of individuals especially when the latter feels personally affected.\textsuperscript{189} Accordingly, Scott and Jaffe (1988) provide an insight of what this process is composed of. In their work they mention four phases, namely initial denial, resistance, gradual exploration and eventual commitment.\textsuperscript{190} As an organizational change is mostly associated with a threat, individuals react with unconscious processes towards this shift. However, anxiety may not only be triggered when individuals perceive external dangers but may also be caused internally by past experiences or fears of the individual. The caused internal resistance then is a product of conflicting unconscious feelings or behaviors and new conscious thoughts and actions. These unconscious processes have evolved over time from repetition and are anchored in an individual’s mind. Regarding change however, they increase human and organizational inefficiency and are considered to be one of the main reasons for resistance to change, as individuals unconsciously waste energy for defensive behaviors instead of focusing on the crucial processes during change.\textsuperscript{191}

Concerning the adaption towards change, diverse attitudes of individuals in terms of capability and readiness can be observed. Accordingly people make different experiences during change, especially in terms of duration and barriers.\textsuperscript{192}

Nevertheless, as history showed, most of the organizational changes, especially those of extensive dimensions, failed or were impaired by employees’ resistance to change (see Maurer, 1997; Spiker and Lesser, 1995; Regar et al., 1994; Martin, 1975). According to literature, the majority of managers introducing an organizational change do not properly recognize the importance and the influential power of the human being. Commonly the implementation lacks in efficient management of change resistance and thus this challenge has to be given the greatest importance. Most of the organizational changes are managed with respect to a more technical dimension and consequently communication, training and the human dimension in general are increasingly neglected. Moreover, a successful organizational change requires a management that carefully balances both human and organizational needs

\textsuperscript{188} Craine, 2007, p. 44
\textsuperscript{189} cf. Bovey & Hede, 2001, p. 534
\textsuperscript{190} Scott & Jaffe, 1998, p. 26
\textsuperscript{191} cf. Bovey & Hede, 2001, p. 536
\textsuperscript{192} cf. Bovey & Hede, 2001, p. 534
as well as the willingness of each individual participating in a change process to alter his or her own attitude.\textsuperscript{193}

### 3.1. Emotions behind change

This chapter provides an insight into the different emotional stages behind a change process. Similarly the importance of feelings and emotions as well as their functions are described. In general it is important for managers to understand the consequences of different emotions during changes and to develop actions to avoid or reduce defensive behavior based on these different emotions.

Emotions are inevitable companions of changes and although participants are aware of the existence of feelings, these emotions mostly get consciously excluded. However, the success of a change very much depends on the fact that individuals and managers have to gather a deep understanding of these emotions and thus effectively use them for the change processes.\textsuperscript{194} In order to avoid the collapse of a change project it is necessary to include emotions rather than neglecting them.\textsuperscript{195} Therefore, the management of a company has to evaluate which factors trigger emotions of individuals. According to Argyris (1997), especially defensive attitudes act as trigger within the change process.\textsuperscript{196}

Following Elger (2009), the importance of emotions within a change process is composed of different aspects. Basically, emotions are the base line for interpersonal communication and thus may activate motivation\textsuperscript{197} and consequently control behavior that is aimed to accomplish goals.\textsuperscript{198} Furthermore, Zimbardo & Gerring (2004) state that emotions help to attract an individual’s attention directly to the accomplishment of his or her objectives.\textsuperscript{199} Similarly, Kiefer (2002) suggests that emotions and experiences are positively related to the behavior and the motivation of individuals.\textsuperscript{200} Hence, emotions have a motivational, cognitive and social function (see Zimbardo & Gerring, 2004).\textsuperscript{201} Urban (2008) has investigated the interdependencies of emotions and provides evidence that emotions are the reaction towards a

\textsuperscript{193} cf. Bovey & Hede, 2001, p. 535
\textsuperscript{194} Doppler et al., 2011, pp. 63-65
\textsuperscript{195} Ellebracht et al., 2009, p. 118
\textsuperscript{196} Argyris, 1997, p. 70
\textsuperscript{197} cf. Lehner, 2014, p. 31
\textsuperscript{198} cf. Lehner, 2014, p. 34
\textsuperscript{199} cf. Lehner, 2014, p. 37
\textsuperscript{200} cf. Lehner, 2014, p. 34
\textsuperscript{201} cf. Lehner, 2014, p. 37
specific event. Additionally, emotions act as control factor when they trigger actions, that again cause events. The process is illustrated in figure 4.\textsuperscript{202}

![Diagram of the process](image)

**Figure 3:** Emotions as control factor\textsuperscript{203}

However, Krizanits & Gamm (2004) mention that some changes are considered to be threatening and are perceived as changing the known environment.\textsuperscript{204} Hence, individuals react in a more positive way towards changes that correlate with the beliefs and norms someone holds, whereas people tend to resist against those changes that are not consistent with them.\textsuperscript{205} Obviously individuals participating in change experience different forms of emotions and feelings during such a process.\textsuperscript{206} Specifically emotions are cumulative human responses to a specific event (see Huy, 2012; Shepherd et al., 2011)\textsuperscript{207} and Scherer (2001) defines them as “an episode of interrelated, synchronized changes in the states of all or most of the five organismic subsystems in response to the evaluation of an external or internal stimulus event as relevant to major concerns of the organism”.\textsuperscript{208} In the same line of reasoning, psychiatrist Kübler-Ross (1969) has developed a model explaining the five stages of grief individuals go through during a change.\textsuperscript{209} Hence, Roth (2000) notes that change processes run through and are shaped by different stages, which trigger diverse emotions in participants.\textsuperscript{210} The stages individuals go through and the associated emotions may vary in terms of duration and intensity.\textsuperscript{211} Following Roth (2000), each emotion has its own function and energy and influences the behavior and the actions of a person. In order to realize the full change

\begin{thebibliography}{99}
\bibitem{202} Urban, 2008, pp. 43-44
\bibitem{203} Urban, 2008, p. 44
\bibitem{204} cf. Lehner, 2014, p. 50
\bibitem{205} Turck et al., 2007, p. 98
\bibitem{206} Turck et al., 2007, p. 98
\bibitem{207} cf. Friedrich & Wüstenhagen, 2015, p. 6
\bibitem{208} cf. Friedrich & Wüstenhagen, 2015, p. 7
\bibitem{209} cf. Friedrich & Wüstenhagen, 2015, p. 2
\bibitem{210} cf. Lehner, 2014, p. 73
\bibitem{211} Turck et al., 2007, p. 98
\end{thebibliography}
potential, organizations have to recognize and consider the different functions of the emotions for their decisions and actions during times of change.\textsuperscript{212}

Generally changes are perceived to be uncomfortable as they are associated with ambiguity and anxiety, which again cause defensive mechanisms or behaviors of individuals. It belongs to the tasks of leaders and the management to move individuals away from their common positions and to grant individuals patience and understanding.\textsuperscript{213}

The five stages of grief introduced by Kübler-Ross (1969) are denial, anger, bargaining, depression and acceptance and depicted in figure 5 as well as described in the upcoming subchapters. Figure 5 shows the five stages of grief over time on the x-axis and the individual’s level of self-esteem on the y-axis. The curve demonstrates how an individual’s self-esteem changes during the different stages of grief.\textsuperscript{214}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{stages_of_grief.png}
\caption{Stages of grief\textsuperscript{215}}
\end{figure}

\textsuperscript{212} cf. Lehner, 2014, p. 73  
\textsuperscript{213} Doppler, 2006, p. 39  
\textsuperscript{214} cf. Friedrich & Wüstenhagen, 2015, p. 10  
\textsuperscript{215} cf. Friedrich & Wüstenhagen, 2015, pp. 9-10
3.1.1. Denial

If a change is communicated, then the change process gets real and the individuals’ first impression is usually denial resulting from the shocking news, as anxiety gets concrete (see Kübler-Ross, 1969). Moreover, following Kübler-Ross (1974), individuals are not able to accept the change itself and the consequences it has on their personal future. Typical reactions of individuals would be “I feel fine” or “I can’t believe” as people in this stage are usually not able to imagine the consequences, as they feel that the new situation is still far away. Further reasons for the state of shock are that individuals imagine the worst case in terms of consequences, although they have not been told about them in detail. Moreover, for these situations people recognize that they do not have an adequate coping mechanism. Other individuals may feel that they do not have the required skills or enough talent in order to overcome a change. Additionally, individuals feel shocked because of negative experiences with past change processes.

3.1.2. Anger

When individuals pass the stage of denial, their subsequent emotions are anger and aggressions, directed at the whole organization or the person that is considered to be responsible for the change and consequently having triggered these emotions (see Kübler-Ross, 1969). Hence, referring to Kübler-Ross (1974), individuals usually respond with phrases such as “this is not fair” or “who is to blame” in order to defend themselves or to distance from the event. Aggressions or anger in general have the effect that energy is cut, which instead under specific circumstances could lead to psychosomatic problems and even to depression.

3.1.3. Bargaining

According to Kübler-Ross (1969), after a period of time when individuals realize that anger and frustration did not yield a huge success and the change is getting serious, people start to

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216 cf. Friedrich & Wüstenhagen, 2015, p. 8
217 cf. Friedrich & Wüstenhagen, 2015, p. 13
218 Geyer & Kohlhofer, 2008, p. 41
219 Turck et al., 2007, p. 99
220 cf. Friedrich & Wüstenhagen, 2015, p. 8
221 cf. Friedrich & Wüstenhagen, 2015, p. 13
222 Turck et al., 2007, p. 101
223 Königswieser, 2003, p. 31
negotiate in order to get more time or any other enhanced conditions.\textsuperscript{224} Bargaining in such situations is applied in order to better handle the new situation. Typical for this stage are phrases such as “\textit{yes, but...}” and in general the individuals’ emotional condition is balanced, as they are equally anxious and hopeful concerning the change.\textsuperscript{225}

### 3.1.4. Depression

Following Kübler-Ross (1969), the fourth phase individuals are passing through during a change is characterized by the feeling of depression and that they reminisce about those times when everything was fine compared to the current situation.\textsuperscript{226} Depression results from the fact that individuals realize the real consequences from the change process and the associated personal losses. Hence, feelings of despair and sadness spread because of negative future prospects.\textsuperscript{227} Roth (2000) calls this stage the “\textit{valley of tears}” as the change process is in such an advanced stage that consequences get obvious. Furthermore, moral and performance are at their lowest levels.\textsuperscript{228} Nevertheless, feelings of sadness and mourning are necessary in order to emotionally accept the change and thus reach the final stage of acceptance.\textsuperscript{229}

### 3.1.5. Acceptance

Finally, as perhaps the most important stage during a change process, Kübler-Ross (1969) mentions the stage of acceptance where individuals develop a rational insight.\textsuperscript{230} During a change process, acceptance of the new reality is crucial for individuals to absorb the experiences and to use the more positive stance over the change for their future development (see Kübler-Ross, 1969).\textsuperscript{231} Comparatively Hofmann (2007) mentions the importance of finding objectives during this process.\textsuperscript{232} However, Kübler-Ross (1969) states that “\textit{acceptance should not be mistaken for a happy stage}”\textsuperscript{233} and reveals that the achievement of this stage is not self-evident.\textsuperscript{234}

\textsuperscript{224} cf. Friedrich & Wüstenhagen, 2015, p. 8  
\textsuperscript{225} Friedrich & Wüstenhagen, 2015, p. 14  
\textsuperscript{226} cf. Friedrich & Wüstenhagen, 2015, p. 8  
\textsuperscript{227} Friedrich & Wüstenhagen, 2015, p. 15  
\textsuperscript{228} cf. Lehner, 2014, p. 83  
\textsuperscript{229} Turck et al., 2007, p. 102  
\textsuperscript{230} cf. Friedrich & Wüstenhagen, 2015, p. 8  
\textsuperscript{231} cf. Friedrich & Wüstenhagen, 2015, p. 15  
\textsuperscript{232} Hofmann et al., 2007, p. 23  
\textsuperscript{233} cf. Friedrich & Wüstenhagen, 2015, p. 15  
\textsuperscript{234} cf. Friedrich & Wüstenhagen, 2015, p. 8
3.2. Mergers & Acquisitions

Finally, this chapter deals with the motives behind mergers and acquisitions and thus provides a basic understanding regarding this type of change process.

According to several studies in the literature, the number of mergers & acquisitions has increased considerably since the beginning of the 90’s. Between 1996 and 1997 the worldwide dollar value of mergers & acquisitions almost doubled, while between 1997 and 1998 the value increased again by nearly 50%.\(^235\)

But why do mergers & acquisitions occur at an increasing rate? Fast changing customer demands and new technology trends make it indispensable for companies to survive.\(^236\) Following Basant (2000), organizations are not able to increase firm value and competitiveness without implementing any restructuring activities.\(^237\) M&A are beneficial possibilities as they are based on the characterization of Gupta and Gerchak (2002), “net value increasing activities”, because the value of both firms connected is higher than each single firm’s value.\(^238\) Specifically, M&A’s are associated to bring along several economic benefits and motives. In general these benefits concern financial, operational and managerial synergies.\(^239\) Weston et al. (1998) and Hirshleifer (1993, 1995) mention an improved efficiency, operational synergies, diversification, strategic realignment and facilitated market entries.\(^240\) Comparatively Islam et al. (2012) depict similar organizational benefits for companies planning to merge. Hence organizations think of a merger or an acquisition in order to benefit from additional entries to raw materials, increasing supplies and higher economies of scale. The associated market expansion is intended to push competitors out of the market and to protect existing markets, as well as to enable product diversification and gather control of patents and copyrights. Moreover, financial resources are strengthened due to additional liquidity, which again enables companies to access cash resources and improved gearing capacities.\(^241\)

\(^{235}\) cf. Gupta & Gerchak, 2002, p. 518  
\(^{236}\) cf. van Dam et al, 2008, p. 314  
\(^{237}\) cf. Islam et al, 2012, p. 104  
\(^{238}\) cf. Gupta & Gerchak, 2002, p. 518  
\(^{239}\) Trautwein, 1990, p. 284  
\(^{240}\) cf. Gupta & Gerchak, 2002, p. 518  
\(^{241}\) Islam et al., 2012, p. 103
Trautwein (1990) provides a more detailed conceptualization of theories investigating merger motives. The author sees financial benefits resulting from the fact that capital costs are lowered, which is accomplished by investments in independent new businesses. These investments consequently lower the risk of the company’s own portfolio. An alternative possibility of gathering financial synergies and consequently achieving lower costs of capital is to enlarge the size of the company and to profit from the access of cheap capital.\textsuperscript{242} The achievement of organizational synergies can be accomplished through an integration of already existing separate business units as well as through a transfer of knowledge.\textsuperscript{243} Hence both strategies are reasonable opportunities for a company to reduce costs for a specific business unit and to offer further products and services on the market. Managerial synergies on the other side can be achieved through special human skills such as high level of planning and monitoring skills or unique information.\textsuperscript{244}

Additionally, Trautwein (1990) proposes to “cross-subsidize” products in order to gain additional market power and market share. In his view companies should use profits from successful products in one market to antagonize competitors in a different market. Moreover, a company may tighten market entry barriers by merging with or acquiring the current market leader.\textsuperscript{245}

However, M&A’s do not only result in benefits and positive outcomes, they may also lead to negative consequences. Therefore M&A’s may also affect specific routines of employees, which leads to a high level of employee absence and actions that are not in line with organizational goals. Moreover, employees will be more dissatisfied with their job, as their moral decreases.\textsuperscript{246} These reactions majorly result from the increasing uncertainty, which again leads to stress. This stress and uncertainty are constant companions of mergers and acquisitions due to the fact that these restructuring activities are characterized by a sequence of progressive changes, for which consequences cannot be easily predicted (see Jernison & Sitkin, 1986a, b; Schweiger & Weber, 1989; Schweiger et al, 1987).\textsuperscript{247}

\textsuperscript{242} Trautwein, 1990, p. 284
\textsuperscript{243} cf. Trautwein, 1990, p. 284
\textsuperscript{244} Trautwein, 1990, p. 284-286
\textsuperscript{245} Trautwein, 1990, p. 286
\textsuperscript{246} Islam et al., 2012, p. 103
\textsuperscript{247} Schweiger & Denisi, 1991, p. 110
Besides the fact that among the numerous organizational and economic aspects a precise assessment of the target firm and the coordination of company-specific differences between the merging companies after the change process are the two most important ones\textsuperscript{248}, literature suggests that employees’ commitment and attitude towards a change are at least equally important for the M&A success (see Ashford et al., 1989; Bastien, 1987; Buono et al., 1985; Gil & Foulard, 1978; Marks & Mirvis, 1983; Robino & DeMeuse, Schweiger & Ivancevich, 1985; Sinetar, 1981; Shirley, 1973).\textsuperscript{249}

\textsuperscript{248} cf. Gupta & Gerchak, 2002, p. 518

\textsuperscript{249} cf. Schweiger & Denisi, 1991, p. 111
4. INTERIM CONCLUSION

Conclusively, referring to the literature review it can be said that defensiveness in general receives a lot of attention in organizational literature. Instead, the term “defensive behavior” finds too little consideration in literature and thus this Master Thesis tries to integrate the definitions of several forms of defensiveness to the overall framework of defensive behavior. Definitions of the terms “defensive mechanisms” and “defensive routines” as well as the corresponding types of defensiveness constitute an in-depth understanding of defensive behavior. Moreover, different aspects that trigger defensive behavior are analyzed in order to build a basis for organizations to understand the occurrence of defensiveness and therefore how to cope with it.

Concerning the steps and actions that organizations introduce in order to reduce or eliminate defensive behavior, literature does not explicitly distinguish between preventive steps in order to avoid defensiveness and steps against defensiveness once it is detected. However, a tendency regarding preventive actions in order to increase employees’ commitment towards a planned change can be observed. Generally, within literature organizational coping strategies are limited. The most common strategies that should help organizations to cope with defensive behavior are discussed and analyzed in this Master Thesis.

The fact that both the organizational and economic aspects as well as the human aspect contribute to the success of a planned change gains adequate recognition in literature. This Master Thesis analyzes why organizations have to acquire full support of their employees during change. Different emotions that occur during a change project should again help to gather an understanding of the emergence of defensive behavior and thus help to develop actions that should avoid or reduce defensiveness. However, studies analyzing defensive behavior within the context of mergers & acquisitions are limited and therefore the empirical part of this Master Thesis should close this gap.

With reference to the above defined research questions concentrating on the occurrence of different forms of defensive behavior during M&A’s, preventive steps in order to reduce defensiveness and how organizations cope with defensive behavior once it is detected, the subsequent empirical part supports this Master Thesis regarding the following aspects:
• Due to the fact that change processes and especially mergers and acquisitions favor the occurrence of defensive behavior, it is important to show which forms of defensiveness organizations have to deal with in practice and which forms are only of minor importance.

• Moreover, the empirical part of this thesis should explore how defensive behavior is detected and which steps organizations introduce in advance in order to avoid its occurrence.

• Finally, it is also important to show how organizations cope with defensive behavior once it is detected during a merger or an acquisition.
5. METHOD

For the present Master Thesis the research questions are analyzed on the basis of a qualitative research method. For this purpose four different mergers and one acquisition were analyzed and eight expert interviews were conducted in order to gather the necessary data. Additionally secondary data regarding the cases was gathered and analyzed.

5.1. Research context

Within the following subchapters the analyzed cases will be presented and described in detail. Following Pettigrew (1988), the cases were chosen in such a way that the data concerning the research questions gets clearly visible as well as to increase generalizability. Moreover the cases were chosen in order to contribute to the existing theory. The names of the persons interviewed are anonymous as well as the companies involved in three cases. Moreover, the used secondary data regarding three cases is not cited due reasons of anonymization.

5.1.1. Besam – Crawford – Albany

The Swedish Assa Abloy Group was established 1994 when the two companies ASSA in Sweden and Abloy in Finland merged. The merger has enabled the currently largest player of door opening solutions to develop from a regional company to an internationally successful group with about 46,000 employees and annual sales of about 8.5 billion dollars. In the last years, the Assa Abloy Group has achieved a leading position in the areas of access control, identification technology and entrance automation. Since 1995 the Group has steadily expanded their business through several mergers and acquisitions around the world and is thus highly experienced in company associations. Hence, in 2011 and 2012 the Assa Abloy Group merged with Besam Automatiktüren, Crawford Tor GmbH and Albany Door Systems and formed the Group Assa Abloy Entrance Systems GmbH at the new location in Vienna. The Swedish company Besam belongs to the leaders in the area of automatic pedestrian door solutions and was located in Vienna, 14th district. On the other side

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250 cf. Eisenhardt, 1989, p. 537
251 Eisenhardt, 1989, p. 537
255 cf. Interview Weber, p. 1
Crawford, situated in Wiener Neudorf, is an expert for industrial doors and Albany has a leading position in the field of high performance doors. The new business unit Assa Abloy Entrance Systems GmbH of the Assa Abloy Group with its 55 employees was formed in order to offer doors as well as gates and consequently achieve worldwide market leadership through the merge of the leading companies in both business areas. Finally, the company serves three divisions, automatic doors, industrial doors and high performance doors.

This merger is part of the analysis due to the fact that the organization shows a very broad experience regarding mergers. Additionally, this merger included three companies where two of them were market leaders. Moreover the company introduced several preventive measures and coping strategies regarding the avoidance of defensive behavior.

The interviews were held with Heinrich Weber, general manager of Assa Abloy Entrance Systems GmbH, Peter Keller, head of Human Resources and Corporate Finance, and Sandra Neumann, responsible for the acquisitions. Heinrich Weber has been working for the company for three years and is in general responsible for the overall performance. Before he was appointed general manager of Assa Abloy Entrance Systems GmbH he was general manager of Crawford Tor GmbH, one company that was part of the merger. Peter Keller started to work for Besam Automatiktüren in 2011 and has been responsible for the divisions Human Resources, Finance, Controlling and Administration since. Sandra Neumann has been working for the company for 15 years now and is responsible for the acquisition and the service agreements.

5.1.2. Two Austrian banks

In October 2005, two banks in Austria merged and formed a new Austrian big bank. Today this bank ranks among the five biggest bank groups in Austria and forms the largest private customer bank for the Austrian middle class. The new concern has more than 1.3 million

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257 cf. Interview Weber, p. 3
258 cf. Interview Neumann, p. 25
261 cf. Interview Weber, pp. 2 - 3
262 cf. Interview Neumann, p. 24
264 cf. Interview Weber, p. 1
265 cf. Interview Keller, p. 15
266 cf. Interview Neumann, p. 24
private customers, 60,000 business clients and 4,200 employees. Two-thirds of their customers are from Austria, whereas the other third comes from countries such as Germany, Great Britain, France and the United States. Their operating segment includes the Retail Banking sector, small businesses, the Corporate Lending sector as well as Investments, Treasury Services and Markets. Cerberus Capital Management LP holds 52% and Golden Tree Asset Management LP holds 40% of the assets.

This merger was analyzed due to the fact that it became one of the most well-known change processes in Austria in the last years. Moreover, the merging banks employed a large number of personnel, which could be an indicator for the emergence of a high number of defensive behavioral patterns. Barbara Winkler was employed as a trainee for one year and hence has had a more detailed contact to other employees and their behavior. At present she is working as head of recruiting and employer branding at a large Austrian bank.

5.1.3. Softlab – Anite

In 2005 the two IT-consulting companies Softlab and Anite announced that they would merge their operations. When Softlab decided to buy Anite, the company employed 33 employees. The change process enabled Softlab GmbH to double both the turnover and their experts\textsuperscript{267} in the field of consulting and projects.\textsuperscript{268} The acquisition was inevitable in order to serve more branches and thus fulfill the requirements of the market.\textsuperscript{269} Moreover, the company could gain additional know-how in the banking and insurance area.\textsuperscript{270} Since 1982 the Softlab Group is situated in Vienna and today the company generates a turnover of about 11.5 million USD and employs 70 people. The company is experienced in process consulting, conception, integration and implementation of individualized IT-solutions.\textsuperscript{271}

This acquisition was characterized by two complete differently companies, as one of them was entirely family owned whereas the other company was totally embedded in strict organizational structures. Moreover, the management introduced several preventive mergers in order to avoid the existence of defensive behavior. These aspects were crucial factors to

\textsuperscript{267} cf. Interview Winter, p. 47
\textsuperscript{268} http://www.monitor.at/index.cfm/storyid/9126_Firmenjubilaeum-25 Jahre Softlab Oesterreich, retrieved on May 3\textsuperscript{rd}, 2016
\textsuperscript{269} cf. Interview Winter, pp. 47-48
\textsuperscript{270} cf. Interview Winter, p. 48
\textsuperscript{271} http://www.monitor.at/index.cfm/storyid/9126_Firmenjubilaeum-25 Jahre Softlab Oesterreich, retrieved on May 3\textsuperscript{rd}, 2016
analyze this acquisition. Clara Winter was working in the company for four years as controlling and human resource assistant. Today, she is the head of human resources at NTT DATA in Austria.

5.1.4. Two pharmaceutical companies

The fusion of two British companies in the pharmaceutical industry took place in March 1995. At that time one company bought the other for equaling 14 billion USD and the merger topped the list of the global turnover in the pharmaceutical industry with about 15 billion USD. At that time, it was the largest merger ever in the United Kingdom. The merger was executed in order to increase the level of efficiency and to offer new products in new areas.\(^{272}\) However, the merger was accompanied with numerous job reductions and several cutbacks as the management strived for an increased market share. The subsequent restructuring processes enabled savings of about 538 million USD by 2003, although the restructuring processes themselves amounted to a total of 756 million USD.

This merger was part of the empirical study due to the fact that it was the largest merger in the pharmaceutical industry at that time. Moreover, the aspects that both companies are British and that the merger included various job reductions justified the analysis. Marissa Schreiber has been working for one of the two companies for 13 years now as sales manager.

5.1.5. Two Austrian hospitals

In 2012 two hospitals in Vienna started the formal merge, which will be finished by 2017. Both hospitals have been located in Vienna for more than 150 years. The new hospital will concentrate more on the needs of older patients and thus offer experienced care. At the beginning it was planned to close one hospital due to rationalization measures. However, the management was told that they could look for a new partner in order to keep on doing business.\(^{273}\) In the end, the merger enabled further operations of the hospital as well as a more extensive package of offers.

This merger was very surprising, but at the same time a forward-looking project that should enhance the complete medical care of both companies. Moreover, the fact that the merger is still not completed also justifies the inclusion of this merger to the empirical study. Regarding the interviews, two persons were interviewed at the same time. However, Norbert Brunner is

\(^{272}\) cf. Interview Schreiber, p. 56
\(^{273}\) cf. Interview Fischer, p. 68
the manager of one of the two hospitals and Thomas Fischer is a strategic consultant of the management.

5.2. Data collection

Regarding the data collection each interview was recorded and transcribed afterwards. Prior to this an interview guideline was developed that included besides introductory questions regarding the change process and the person interviewed also questions about forms of defensive behavior, preventive measures and coping strategies of companies. Following Froschauer and Lueger (2003) these interviews provide transcriptions that are appropriate for analyzing specific issues.²⁷⁴

5.3. Data analysis

Concerning the analysis of the interviews a procedure for the text interpretation of Froschauer and Lueger (2003) was chosen. Hence the theme-analysis is used to summarize the quintessence of a particular extensive topic. Moreover it is suitable for differentiating between various subtopics.²⁷⁵ Within the theme-analysis the interviews were analyzed on the basis of the coding method in order to systemize the opinions and statements of the eight experts concerning defensive behavior of employees during mergers and acquisitions. Starting with the transcriptions of the interviews for every single merger or acquisition, the passages have were coded regarding five theme categories. Hence the theme categories cover the three research questions, namely forms of defensive behavior, preventive measures and coping strategies, as well as the two other categories “general facts and challenges” and “aspects favoring defensive behavior”. Afterwards, the passages of the transcriptions were analyzed on the basis of different subcategories. These subcategories describe specific characteristics or aspects of the theme categories. Hence, subcategories for the category “forms of defensive behavior” were amongst others specific situations in which defensive behavior was clearly visible, for example when employees preferred spending their time with colleagues of their former company or more generally different forms of defensive behavior. Other subcategories were specific preventive measures and coping strategies. The structure of the theme categories started with general facts and challenges as well as aspects favoring defensive behavior. The subsequent theme categories include the research questions ranked by their relevance, starting with forms of defensive behavior, followed by preventive measures and

²⁷⁴ Froschauer & Lueger, 2003, p. 51
²⁷⁵ Froschauer & Lueger, 2003, p. 158
The subcategories for each theme category were then connected on the basis of similar characteristics, for example the most common forms of defensive behavior shown. Finally the hierarchical category-system for each merger or acquisition was interpreted.

6. RESULTS

The following chapter considers the results for each merger or acquisition individually as every case has specific circumstances that in the end result in different findings.

6.1. Besam – Crawford - Albany

The organizational history of Assa Abloy shows the experience the company has regarding mergers and acquisitions. Nevertheless, the uniqueness of a change process is always challenging for the management and the subordinates of a company, also in the case of Assa Abloy Entrance Systems GmbH. The mergers of the three companies Besam, Crawford and Albany was challenging as it was a huge effort to combine these three companies into one business unit, especially as there were three managers of each company and only one could take over this position in the final company Assa Abloy Entrance Systems GmbH. Another aspect that rendered the situation more complex, was that the three companies were very similar concerning the structures, but on the other side quite different regarding their cultures, norms and values, which made it difficult particularly to merge each department to a single one. Furthermore, the aspect that all three companies were market leaders in their areas complicated the process, as each company perceived themselves as perfect and independent. Moreover, the new company building was located in Schwechat and thus employees from the former company Besam, located in the 14th district had to spend additional 45 minutes to get to their new working place. Solely the fact that Assa Abloy Entrance Systems GmbH had a new location lead to an employee fluctuation.

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276 Froschauer & Lueger, 2003, p. 163
277 Froschauer & Lueger, 2003, p. 164
279 cf. Interview Weber, p. 2
280 cf. Interview Keller, p. 16
281 cf. Interview Weber, p. 3
282 cf. Interview Weber, p. 2
283 cf. Interview Weber, p. 3
The merge itself was partially regarded as a hostile takeover, as two companies were also competitors.\textsuperscript{284} Obviously, especially at the beginning of the merger this aspect created a feeling of separation, as on the one hand there was one part that would buy the others and on the other hand there was a part that was bought.\textsuperscript{285} Hence, the working climate within the companies was not good, especially during the post-merge time and also later when all three companies were located in one building.\textsuperscript{286} The new location generally led to the fact that employees were torn out of their familiar surroundings and their personal comfort zones.\textsuperscript{287} Moreover, a merge is generally associated with employee dismissals, especially when the corporation does not communicate any objectives\textsuperscript{288} or a plan regarding the change process. Therefore, as the corporation did not specify how the merger of the three companies should take place\textsuperscript{289}, the management of Assa Abloy Entrance Systems GmbH could not communicate a detailed and structured course of events.\textsuperscript{290} This again, referring to Mister Keller, resulted in a state of being leaderless, as the management of Assa Abloy Entrance Systems GmbH was left alone with its decisions.\textsuperscript{291} At the beginning the management communicated only the fact that the companies would merge per se, but that no extensive changes would follow. Gradually further steps, such as the amalgamation of the two wage departments, or that exactly similar positions but named differently would from now on be named identically, were communicated via internal messages.\textsuperscript{292} Additionally it was not able to fully involve employees in the planning and the implementation of the change process.\textsuperscript{293} Hence employees were not able to create any processes regarding the merger on their own, as everything was planned and pretended by the management.\textsuperscript{294} Obviously changes regarding leadership styles and internal communication methods occurred due to different organizational cultures. Two different leadership styles, namely laissez-faire and authoritarian, clashed with each other, which again constituted a challenge for the management.\textsuperscript{295} Regarding the communication, it was a challenge to combine three different communication styles into one common for the new company, as also differences in the

\textsuperscript{284} cf. Interview Weber, p. 2  
\textsuperscript{285} cf. Interview Keller, p. 16  
\textsuperscript{286} cf. Interview Keller, p. 15  
\textsuperscript{287} cf. Interview Keller, p. 17  
\textsuperscript{288} cf. Interview Weber, p. 4  
\textsuperscript{289} cf. Interview Weber, p. 11  
\textsuperscript{290} cf. Interview Keller, p. 20  
\textsuperscript{291} cf. Interview Keller, p. 16  
\textsuperscript{292} cf. Interview Weber, p. 10  
\textsuperscript{293} cf. Interview Weber, p. 12  
\textsuperscript{294} cf. Interview Weber, p. 3  
\textsuperscript{295} cf. Interview Weber, p. 4
frequencies could be noticed. Obviously the employees had to adapt to these internal changes as well.296 Consequently, all these aspects influenced the change process in a way, as they lead to ambiguity and anxiety, which in turn create an unfavorable organizational atmosphere and thus increase the likelihood that defensive behavior occurs.297

However, regarding the implementation of the change process, the management decided not to hire a change agent or a consultant298 and tried to execute the merger incrementally by systematically merging different offices and departments.299 Hence, the management and especially Heinrich Weber tried to avoid that employees were confronted with too many changes.300

6.1.1. Forms of defensive behavior

The merger between those companies was characterized by the occurrence of several forms of defensive behavior. First of all, when Heinrich Weber talked about the company’s Christmas party, he noticed that one employee threatened another employee by saying: “My boss is going to dismiss you when he is in power”. This sentence implies that employee 1 menaces employee 2 and that he clearly manipulates information as he clearly deceives his counterpart, which can be interpreted as a form of “misrepresenting”.301 Another aspect that indicates that “misrepresenting” existed was that employees increased informal communication302 and hence, consciously or unconsciously distributed rumors and superficial knowledge.303 This behavior can be compared to terms such as “distorting”, “selectively presenting” or “withholding” regarding the manipulation of information. The existence of this form of defensive behavior is also supported by another fact, when Heinrich Weber said that employees switched from one company to the other and then heavily complained about the other company and the terrible working condition there. Employee 1 could also have the intention to protect his own territory from the interference of his colleague, which is an argument for “protecting turf”. It is also a form of “passive aggression” as employee 1 expresses his aggression to employee 2.304 Heinrich Weber mentioned another two situations

296 cf. Interview Keller, p. 17
298 cf. Interview Weber, p. 3
299 cf. Interview Weber, p. 8
300 cf. Interview Weber, p. 8
301 cf. Interview Weber, p. 4
302 cf. Interview Keller, p. 18
303 cf. Interview Keller, p. 21
304 cf. Interview Weber, p. 5
that imply the existence of “protecting turf”. First, when employees who had already been working for the company for 10 years insisted on sitting closely to the window and similarly rejected new employees to have the same privilege, although they had also been working for the other company for the same time. Second, one employee wanted to extend his tenancy agreement for another 10 years in order to not being forced to leave the old building. The second situation can also be interpreted as behavioral resistance, as the employee consciously wanted to slow down the merger and resisted against moving to the new building. “Protecting turf” according to the interviews was very commonly executed form of defensive behavior, as also Sandra Neumann mentioned its existence by saying that some employees worried about their own position and standing when the members of the different staffs were brought together.

Heinrich Weber also mentioned that employees clearly spent their lunchtime together with colleagues they had been working with in the old company, instead of with employees of the new company. This form of defensive behavior can be characterized as “isolation”, where individuals build up a mental gap and protect themselves from the perceived threat, which in this case is symbolized by the new employees. This situation may also be interpreted as a form of “denial”, as employees consciously refuse the encounter with colleagues of the new organization, as they consider them as threatening. Heinrich Weber acknowledged the existence of “denial” as well as forms of “passive aggression” and “acting-out”. Regarding “passive aggression” he mentioned that some employees acted rude in the presence of other colleagues. Therefore, phrases such as “Don’t’ you have anything to work” when someone was just making coffee, give the subliminal impression of rudeness and aggression. The existence of “isolation” is supported by Peter Keller who stated that some employees were withdrawn particularly at the beginning of the merger.

The general manager of Assa Abloy Entrance Systems GmbH also mentioned that the management of the company wanted to provide employees with additional responsibilities by empowering them to merge different divisions or areas within the company. However, nobody volunteered for being responsible, which again is an indicator for defensive behavior.

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305 cf. Interview Weber, p. 9
306 cf. Interview Weber, p. 10
307 cf. Interview Neumann, p. 28
308 cf. Interview Weber, p. 5
309 cf. Interview Weber, p. 7
310 cf. Interview Neumann, p. 29
311 cf. Interview Keller, p. 19
This type of behavior is related to “over-conforming”, where individuals refuse tasks that lie outside of their scope of duties in order to protest against organizational changes. However, it can also be interpreted as “playing safe”, where individuals avoid situations or tasks for which outcomes are difficult to predict. Furthermore, this behavior shows aspects that can be characterized as “behavioral resistance” in order to slow down the organizational change process. However, this was not the only situation in which resistance could be observed. According to Peter Keller, some employees resisted particularly with regard to new IT-systems or in general new topics. Heinrich Weber stated that they initially wanted to grant employees more responsibilities regarding some tasks, but some of them refused the execution on the grounds that this would not be part of their job description. Sandra Neumann on the other side mentioned, that some employees responded with “you won’t get this from me” or “have a look were you get that from”, when they were asked for help, which is again a sign for resistance and passive aggression. However, she concluded that refusing additional or more tasks lies in the human nature.

Generally, Heinrich Weber confirmed the existence of different forms of defensive behavior during the change process. He mentioned that “over-conforming” was clearly visible, especially when individuals where confronted with new processes and tasks and responded by saying things like “the rules clearly say” or “it has always been done this way”. “Passing the buck”, pretending to be busy or not accountable for the execution of a task and thus hand it over to colleagues was also observable, particularly when employees were convinced of no longer being responsible for the execution of tasks due to the fact that the overall number of employees increased. Sandra Neumann attributes this behavior down to the fact that individuals are overtaxed in stressful situations. Another form of defensive behavior that was observed during the merger was “playing dumb” as certain employees pretended not to have the proper training regarding special IT-systems and thus were not suitable for executing the work. Other employees mentioned that they do not have the knowledge or the necessary skills and thus do not want to assume responsibility. Heinrich Weber also mentioned that

312 cf. Interview Weber, p. 6
313 cf. Interview Keller, p. 19
314 cf. Interview Weber, p. 7
315 cf. Interview Neumann, p. 29
316 cf. Interview Neumann, p. 30
317 cf. Interview Weber, p. 6
318 cf. Interview Neumann, p. 29
319 cf. Interview Weber, p. 6
320 cf. Interview Neumann, p. 29
one department was led in an authoritarian way and that employees neglected responsibilities for certain tasks as their boss was responsible for it. This behavior is an indicator for the existence of “justifying”, where individuals avoid being responsible for certain tasks, as they might fear the consequences.\textsuperscript{321} Peter Keller could also observe that people consciously diminished responsibilities in order to avoid the occurrence of failures.\textsuperscript{322}

“Scapegoating”, in which individuals make external factors accountable for negative outcomes, was also obvious. Heinrich Weber mentioned a situation in which one employee complained about his office and that he was not able to work in there because of other employees frequently walking past his office.\textsuperscript{323} Others complained about prices at which products were not able to be sold.\textsuperscript{324} Additionally, he talked about two statements of employees, which imply that “rationalization” existed during the change process. In this people persuade themselves that things are acceptable through false rationale. Especially when employees state that “we have always done it this way” and that “we stick to our processes” although it has never been done this way or these processes never existed, it can be supposed that these people behaved defensively in that very special form. However this behavior can also be interpreted as “over-conforming”.\textsuperscript{325}

With regard to the interview with Sandra Neumann, it becomes visible that the merging process is still ongoing, as she sometimes used phrases such as “colleagues from the high performance doors” or “the left group, the automatic doors”, where she talks about employees from former Albany and Besam. These phrases are a clear indicator for a specific form of defensive behavior, namely “depersonalizing” as she categorizes her colleagues with the affiliation to their companies of origin. She also mentions that people for a long time preferred to speak with colleagues of their own company instead of others from different companies, which again visualizes the existence of the forms “denial” and “isolation”.\textsuperscript{326} Other forms of defensive behavior that were clearly observable were “thought suppression”, were individuals try to ignore negative feelings in order to cope with the present situation and the use of humor in order to mask stressful or uncomfortable situations.\textsuperscript{327}

\textsuperscript{321} cf. Interview Weber, p. 7
\textsuperscript{322} cf. Interview Keller, p. 19
\textsuperscript{323} cf. Interview Weber, p. 7
\textsuperscript{324} cf. Interview Neumann, p. 29
\textsuperscript{325} cf. Interview Neumann, p. 8
\textsuperscript{326} cf. Interview Neumann, p. 25
\textsuperscript{327} cf. Interview Neumann, p. 29
Sandra Neumann also mentioned that the management regularly demanded results, which again exerts pressure on employees that consequently question the purpose of still remaining in the company or simply leaving it. This stress consequently supports defensive behavior, especially those forms that should avoid blame.\(^{328}\) Additionally, the fact that the staff generally expected a fluctuation of employees increased the existence of forms of defensive behavior exhibited in order to avoid blame or negative outcomes increases.\(^{329}\) Finally, the occurrence of defensiveness in general might have been favored by the fact that employees usually do not have to fear strict consequences when their behavior results in negative outcomes for the organization.\(^{330}\)

### 6.1.2. Preventive measures

From the beginning on the management of ASSA ABLOY Entrance Systems GmbH tried not to change a lot for their employees and do the merge step-by-step.\(^{331}\) However, after the companies merged, the management suggested team-building events, where employees have the possibility to get to know each other and learn something about their new colleagues. However, some managers considered this plan to be not beneficial and thus the team-buildings did not take place.\(^{332}\) Nevertheless the management organized some employee events, such as a tabletop soccer tournament, a darts tournament\(^ {333}\), a bicycle tour, joint-dinners after work\(^ {334}\) and participating in the Business-run in Vienna. Moreover, the company Christmas party got enlarged in order to enable the employees to get to know each other better.\(^ {335}\) At the first Christmas party the management provided a PowerPoint presentation about all employees and their functions in the company, particularly because other employees should learn about their colleagues.\(^ {336}\) According to Sandra Neumann who is somehow representative for the staff, the idea to introduce every single employee was very useful to get first contacts to others.\(^ {337}\) However, some employees instead were more confident residing within their own comfort zone.\(^ {338}\) Obviously, the different working titles for actually the same positions had to be adjusted in order to avoid organizational preferences.\(^ {339}\)

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\(^{328}\) cf. Interview Neumann, p. 29

\(^{329}\) cf. Interview Neumann, p. 27

\(^{330}\) cf. Interview Weber, p. 11

\(^{331}\) cf. Interview Weber, p. 8

\(^{332}\) cf. Interview Weber, p. 3

\(^{333}\) cf. Interview Weber, p. 8

\(^{334}\) cf. Interview Weber, p. 12

\(^{335}\) cf. Interview Weber, p. 8

\(^{336}\) cf. Interview Weber, p. 10

\(^{337}\) cf. Interview Neumann, p. 32

\(^{338}\) cf. Interview Neumann, p. 33
Before the merger took place, some staff appraisals took place where employees could talk about their feelings and possible worries regarding the planned merger.\textsuperscript{340} Within these staff appraisals, supervisors obviously also talked about the fact that the new company was located in a new area and that employees who then needed more time to get to work were paid for this additional effort.\textsuperscript{341} Especially the whole accountancy department had a meeting together but without any manager in order to get to know each other and to talk about the planned merger.\textsuperscript{342} However, Heinrich Weber stated that he is not sure whether these appraisals took place in all three companies. Nevertheless, within these conversations employees were explained to what was going to happen and what they were expected to do. These staff appraisals also took place in the new company\textsuperscript{343}, as well as monthly employee information regarding the change process.\textsuperscript{344}

Finally, Heinrich Weber mentioned that he installed a so-called “heartiness-agent”, a person who is responsible for creating an atmosphere within the company in which employees and clients feel comfortable. Moreover, she has to actively talk to and take care of employees when they are sad or moody and tries to solve this problem in consultation with Heinrich Weber.\textsuperscript{345}

\textbf{6.1.3. Coping strategies}

The management of Assa Abloy Entrance Systems GmbH was aware of the partially negative working atmosphere after the three companies had merged.\textsuperscript{346} Therefore they consulted an external trainer who was responsible for bringing together key personalities in order to work on the same project. This course of action was introduced in order to show that if key personalities from all areas of the company can work together, all employees are able to equally contribute to a pleasant working climate in the whole company.\textsuperscript{347} However, although

\begin{itemize}
  \item \textsuperscript{339}cf. Interview Weber, p. 10
  \item \textsuperscript{340}cf. Interview Weber, p. 10
  \item \textsuperscript{341}cf. Interview Neumann, pp. 30-31
  \item \textsuperscript{342}cf. Interview Weber, p. 11
  \item \textsuperscript{343}cf. Interview Weber, p. 10
  \item \textsuperscript{344}cf. Interview Neumann, p. 27
  \item \textsuperscript{345}cf. Interview Weber, p. 12
  \item \textsuperscript{346}cf. Interview Weber, p. 1
  \item \textsuperscript{347}cf. Interview Weber, p. 9
\end{itemize}
the working climate within the company considerably improved.

Heinrich Weber stated that this measure was introduced one or two years too late.

Additionally, as already mentioned, teambuilding activities and diverse trips were planned in order to bring employees together and for them to get to know each other better. These activities were planned especially when defensive behavior or in general a negative working climate was observed, but also in order to prevent the occurrence of defensiveness.

Similarly, individual staff appraisals were and still are a common strategy in order to cope with defensive behavior of employees. In these conversations the management talked about problems, tried to solve them by showing employees how changes can be accepted and how these changes may positively change their lives. However, also group appraisals were held in order to communicate and exchange experiences about different problems. Moreover, once defensiveness was detected, the management clearly had the vision to find a proper solution for both parties, the company and the employee. Accordingly, it was not the intention to dismiss employees when they had shown defensive behavior, which again caused negative outcomes or generally slowed the merging process. Instead, one way of dealing with defensiveness was that the concerned employee was assigned to another department or to another function. Defensive behavior is very often associated with uncertainty, anxiety and worries and thus supervisors have to take away these worries and exemplify that changes have a positive influence. According to Peter Keller, there are also employees that speak to their colleagues when they observe any form of defensive behavior. Therefore, both management and staff have to be aware of coping strategies in order to avoid defensive behavior.

6.2. Two Austrian banks

The merger of two large banks, implemented due to economic reasons, did not only involve structural changes but also a cultural cut. One of the two banks, for which Barbara Winkler was working, disposed of an excellent working climate and a good atmosphere within the personnel. The staff was characterized by a strong cohesion, which did not change and was

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348 cf. Interview Weber, p. 1
349 cf. Interview Weber, p. 9
351 cf. Interview Keller, p. 21
352 cf. Interview Neumann, p. 31
353 cf. Interview Keller, p. 21
354 cf. Interview Keller, p. 22
355 cf. Interview Winkler, p. 36
independent of the occurrence of any external events or influences. Although some employees who were quite suspicious regarding the change and thus spread a negative mood, the merger did not influence the good working atmosphere, which can be regarded as one crucial factor of the whole change process. Certainly, some employees were in favor of the planned merger and the chances the process offers. Nevertheless, the merger obviously evoked a lot of tension, anxiety and ambiguity within the company. Moreover, employees questioned whether or not they would keep their jobs and what would happen to the company in general. Obviously one essential aspect that was accountable for this state was that especially at the beginning the complete change process was predetermined by the management and that employees were not allowed to actively create any processes. Gradually however, employees were allowed to play an active part. However, the plan of the management certainly included that work procedures massively changed in a way that employees that used to be responsible for a whole process were then only in charge of single steps of the process. Thus, every individual operation was part of the overall process, which can be compared to the production process in a factory. Unsurprisingly, this was regarded as a serious cut in their day-to-day work, as employees from now on did not experience the whole process, because they only saw their own part. Besides new work processes and tasks, employees were confronted with new divisions or the amalgamation of divisions. Naturally, this change made employees replaceable, which was apparent in the appointment of key positions. Changing leadership styles as well as the fact that some employees were partially confronted with several new supervisors also contributed to the increasing uncertainty within the company. The fact that this merger triggered a lot of uncertainty, worries and anxieties especially within older employees is supported through the high number of burnout cases. Nevertheless, the management decided from the beginning of the merger onwards not to hire an external change agent due to economic reasons.

356 cf. Interview Winkler, p. 35
357 cf. Interview Winkler, p. 36
358 cf. Interview Winkler, p. 35
359 cf. Interview Winkler, p. 38
360 cf. Interview Winkler, p. 36
361 cf. Interview Winkler, p. 37
362 cf. Interview Winkler, p. 38
363 cf. Interview Winkler, p. 37
364 cf. Interview Winkler, p. 41
365 cf. Interview Winkler, p. 37
366 cf. Interview Winkler, p. 38
367 cf. Interview Winkler, p. 37
368 cf. Interview Winkler, p. 43
6.2.1. Forms of defensive behavior

Especially at the beginning, it was increasingly observable that individuals tried to ignore the current situation and automatically showed a negative attitude towards the merger although they might felt differently. The latter behavioral pattern would be an indicator for “reaction formation”, whereas when individuals occasionally escape reality in order to avoid any conflicts, literature here refers to the form “fantasy”.\(^{369}\)

Generally, defensive behavior was more likely to occur for older employees who feared of getting replaced or losing their jobs. The high amount of sick leaves, the increasing number of employees that made use of teleworking\(^ {370}\) or burnout cases can be interpreted differently. Obviously most people suffering from a burnout are actually emotional and physically exhausted.\(^ {371}\) Some of them also left the company, as they could not cope with the current situation.\(^ {372}\) However, on the other side there might be some cases where people were on sick leave or suffered from a burnout who wanted to build up a mental gap towards threatening situations. Hence, affected individuals tried to flee from organizational problems in order to achieve protection, which again would be an indication for “isolation”. Another form of defensive behavior that fits in this context is “denial”, as individuals clearly refuse to see the reality and to acknowledge painful aspects. On the other side these people try to prevent uncomfortable and threatening thoughts streaming into the conscious and thus stay away from the workplace. This interpretation would suggest that “repression” would be a suitable behavioral pattern in this context.\(^ {373}\) Finally, it is possible that individuals shift their emotions onto another topic, for example the burnout syndrome, just because it seems to be less threatening compared to the merger. This behavior can be classified as “displacement”. However, gradually the number of sick leaves decreased and employees even came to work ill, as they feared to lose their jobs. A reasonable interpretation of this behavior could be that employees turn their negative emotions into a more positive behavior, such as working instead of fleeing from the change process. The proper term for this behavioral pattern is “sublimation”. Moreover, this behavior also fits to the form “reaction formation”, as employees behave in exactly the opposite way as they really feel in order to avoid anxiety.

\(^{369}\) cf. Interview Winkler, p. 40
\(^{370}\) cf. Interview Winkler, p. 41
\(^{371}\) cf. Interview Winkler, p. 37
\(^{372}\) cf. Interview Winkler, p. 41
\(^{373}\) cf. Interview Winkler, p. 37
Therefore individuals tackle the merger and consequently the associated worries and thus are able to decrease anxiety. 374

According to Barbara Winkler, a lot of resistance could be observed for example when employees had to move to another office but resisted because they then could not take their flowers with them. 375 Furthermore, resistance was visible particularly regarding new employees and new supervisors. 376 Comparatively a separation between employees from both banks could be observed. Thus, employees were automatically classified by their company of origin, which would be an indicator for the existence of “depersonalizing”. Moreover, some employees tried to protect their own territory by saying pejoratively phrases like “you can see in his walk that he is from bank X”. These employees “protect turf” by actively separating themselves from other colleagues who they consider to be threatening. However, this form of defensive behavior can also be interpreted as “passive aggression”, especially when employees try to indirectly express anger or frustration. Obviously the fact that these employees consciously distributed rumors about their new colleagues proves the existence of the form “misrepresenting”. Similarly, employees avoided situations with employees of the other bank, solely due to the fact that the one bank was associated with negative characteristics. Hence, individuals transfer negative feelings towards the bank into negative attitudes towards its employees, which consequently illustrates the existence of “displacement”. 377

Another form of defensive behavior that was clearly visible was “humor” and in an ironic form “cynicism”. In general, Barbara Winkler acknowledged the occurrence of a high number of different forms of defensive behavior, such as “over-conforming”, “passing the buck”, “playing dumb”, “stretching”, “acting out” or “rationalization”. However, she states that this was majorly not attributable to the merger itself as instead to the uncertainty during the process. 378

374 cf. Interview Winkler, p. 41
375 cf. Interview Winkler, p. 41
376 cf. Interview Winkler, p. 38
377 cf. Interview Winkler, p. 39
378 cf. Interview Winkler, p. 40
6.2.2. Preventive measures

In general, the management was aware of the fact that some forms of defensive behavior might occur within the staff and that it would be difficult to avoid them.\(^{379}\) Therefore, the management did not place high priority on a detailed communication of the planned merger and thus to talk with employees about their worries and anxieties in advance.\(^{380}\) However, at the beginning when it was clear that the two banks would merge, the management tried to answer the first questions which occurred within the staff.\(^{381}\) Gradually large employee events and also smaller meetings for single divisions took place, where employees could inform themselves about the merger\(^{382}\). Particularly those smaller meetings for different division had an informal character and were introduced for employees in order to inform themselves about their personal future. Moreover, employees could find some information in the intranet as well as a question-and-answer-questionnaire.\(^{383}\)

6.2.3. Coping strategies

Whenever the management noticed changes in the working atmosphere, it tried to get through the problems, occasionally also in consultation with the human resource department. However, the supervisors did not provide a general solution. Much more, the main objective was to offer individually coordinated solutions for every single topic.

One strategy against defensive behavior were dismissals.\(^{384}\) This approach was enhanced by the drastic change of the work processes, which made it easier for the management to replace or dismiss employees.\(^{385}\) Nevertheless this strategy was not common. Instead, the management offered employees the possibility to work some days form home-office in order to get some distance to the change process. Consequently employees were able to completely concentrate on their work and were not distracted from work-unrelated issues.\(^{386}\) Moreover, in some cases the management decided that some employees had to change departments. The strategy of job-rotation enabled employees to engage in new tasks and to gain new

\(^{379}\) cf. Interview Winkler, p. 40
\(^{380}\) cf. Interview Winkler, p. 42
\(^{381}\) cf. Interview Winkler, p. 38
\(^{382}\) cf. Interview Winkler, p. 39
\(^{383}\) cf. Interview Winkler, p. 42
\(^{384}\) cf. Interview Winkler, p. 40
\(^{385}\) cf. Interview Winkler, p. 37
\(^{386}\) cf. Interview Winkler, p. 41
responsibilities. However, when both measures, home-office and job-rotation, did not succeed the management decided to replace or dismiss employees.\textsuperscript{387}

Within the company it was common for employees to inform others about their company of origin during a conversation. Therefore the management prohibited mentioning where employees were coming from. During meetings some buzzers were placed on tables that employees could push when a colleague mentioned his or her old company. However it took some years until all employees had completely put down this behavior.\textsuperscript{388}

The most powerful aspect concerning the handling of defensive behavior but also regarding the reduction of worries, sorrows and anxieties and thus the prevention of the occurrence of defensive behavior was the strong employee cohesion. According to Barbara Winkler the staff acted like a big collecting tank concerning any form of worries of their colleagues. Especially when some employees were not doing well, they immediately got support from their colleagues.\textsuperscript{389}

6.3. Softlab – Anite

The acquisition included both structural as well as cultural changes, especially because the acquired company was family-owned and thus represented different norms and values. Moreover, in this company employees regularly had private meetings, which resulted in strong staff cohesion. On the other side, Softlab also had a considerate and friendly working atmosphere and fewer hierarchies, but was still embedded in core processes and structures.

Generally the whole acquisition did not constitute a clear and structured process, as much of the steps had a spontaneous character. Nevertheless, employees were enabled to play an active role in the planning and implementation stages of the change process.\textsuperscript{390} However, one major challenge was the failure of not determining clear roles within the management after the acquisition. The company Anite originally had one CEO and two executive directors that were all transferred to the new company, but with the difference that they could not hold the same positions. Therefore, the management of Softlab was confronted with the challenge of

\textsuperscript{387} cf. Interview Winkler, p. 43  
\textsuperscript{388} cf. Interview Winkler, p. 39  
\textsuperscript{389} cf. Interview Winkler, p. 43  
\textsuperscript{390} cf. Interview Winter, p. 49
somehow integrating them into the organizational structures. One way was for the management to decide to take employees of both parties in order to work together on some projects. Additionally the management had to solve issues regarding the organizational hierarchies and salaries. Another fact that made the acquisition much more complicated was the existence of different communication styles. Employees of Anite were told that Softlab had some financial troubles and that it was their objective to solve them. Their colleagues of Softlab were not aware of this fact and just knew that the company would buy another organization. Hence, employees tried to make the acquisition as pleasant as possible for the Anite staff. Obviously both parties had different views on their standings and roles. However, all these challenges and problems as well as the lack of structure of the change process favored the occurrence of defensive behavior.

6.3.1. Forms of defensive behavior

The first problems occurred when Softlab tried to integrate the employees of Anite, especially with those that held a leading position. Particularly one supervisor demanded a comparable position within the new company, which obviously led to conflicts with prevailing supervisors. This again led to the fact that the one supervisor left the new company. The behavior of the existing supervisors can be interpreted as “protecting turf”, as they clearly protected their territory from the interference of new colleagues. These people see their own status or role threatened, which leads to defensive behavioral patterns.

Generally, from the beginning on the acquisition led to several small conflicts within the staff. Hence, new colleagues complained about the existing office furniture, although they could have brought their own things to the new location. This is only one example that illustrates the existence of “passive aggression”, where individuals indirectly express anger or frustration to other persons.

According to the interview with Clara Winter, some employees were still talking about their old company and that they were not able to mentally separate from it. Hence, some employees

391 cf. Interview Winter, p. 48
392 cf. Interview Winter, p. 49
393 cf. Interview Winter, p. 48
394 cf. Interview Winter, p. 49
395 cf. Interview Winter, p. 48
396 cf. Interview Winter, p. 49
still used folders with the old company name on them or used other similar brandings.\footnote{cf. Interview Winter, pp. 49-50} Moreover, some employees organized private meetings with colleagues they had been working together with in the former company. This problem existed for a long period and the slight improvement which occurred over the last years was mainly due to the fact that about three quarters of the staff left the company.\footnote{cf. Interview Winter, p. 51} However, this behavior can be interpreted as “isolation”, because individuals build up a mental gap in order to protect themselves from threatening thoughts and feelings, which in this case might have been the new company and the new situation in general.\footnote{cf. Interview Winter, pp. 49-50} During the interview with Clara Winter, it became clear that the separation of the staff concerning the two companies was a huge problem as she mentioned phrases such as “our parent company” or “regular staff”. These phrases are a clear indicator for this type of behavior, but also that “depersonalizing” existed, because she categorized her colleagues with the affiliation to their companies of origin and that her colleagues did this as well.\footnote{cf. Interview Winter, p. 52} Additionally, Clara Winter mentions that some employees heavily insisted on agreements they originally had with former supervisors on the flimsy grounds that it is common law. Hence, this behavior can be regarded as “over-conforming”, where individuals follow past work routines, rules or guidelines, just because it was always done this way.

Another behavior that could be observed and that fits to defensive forms such as “over-conforming” and “isolation”, was that some employees stuck to the very same customer and the very same project for years. Indeed they did a got job, but generally they were hardly reachable and also reduced the contact to the organization. Hence, there are several reasons explaining this behavior. First, these employees may intend to avoid executing tasks that were outside their scope of duties, which would be an explanation for “over-conforming”. Second, these persons wanted to avoid ambiguous and critical situations, where success cannot be guaranteed by strictly performing within well-known areas. This would be an evidence for “playing safe”. Third, individuals reduce the contact to the organization to a minimum because they want to build up a mental gap to the change process, which they perceive as a threat. Moreover, it is likely that they want to flee from unpleasant situations. This would be an argument for “isolation”. Finally and fourth, employees concentrate on familiar issues because they want to shift their emotions and feelings onto other objectives that are
considered to be more acceptable or less threatening. Hence this would be an indication for “displacement”\textsuperscript{401}

Finally, Clara Winter acknowledged the existence of other forms of defensive behavior, such as “scapegoating”, “reaction formation” and particularly “humor”.\textsuperscript{402} Furthermore, especially when employees had more responsibilities or when they had to carry out more or different tasks, resistance and withdrawal could be observed.\textsuperscript{403}

### 6.3.2. Preventive measures

At the beginning the company Softlab arranged several events, kick-off parties and barbecues for their employees during which they informed them about the planned change process. After the acquisition took place the new colleagues were also part of these events.\textsuperscript{404} Therefore, the staff of Softlab prepared a CD containing general information and guidelines concerning the company for their new colleagues.\textsuperscript{405} Additionally, the company offered several internal workshops, primarily regarding customers and other general topics but also to offer new colleagues to work together with the prevailing staff.\textsuperscript{406} Regarding the location, the prevailing staff together with the management tried to adopt as much as possible of the new colleagues’ work environment in order to avoid too extensive changes and to make the acclimatization easier for them.\textsuperscript{407}

Another important step in order to prevent the occurrence of defensive behavior was the introduction of employee forums and platforms, where employees could talk about the change process and in concrete about personal worries and anxieties. However, Clara Winter mentioned that the management did not offer any staff appraisals during which they explicitly prepared the staff regarding their sorrows.\textsuperscript{408}

\textsuperscript{401} cf. Interview Winter, p. 51  
\textsuperscript{402} cf. Interview Winter, p. 51  
\textsuperscript{403} cf. Interview Winter, p. 52  
\textsuperscript{404} cf. Interview Winter, p. 53  
\textsuperscript{405} cf. Interview Winter, p. 49  
\textsuperscript{406} cf. Interview Winter, p. 51  
\textsuperscript{407} cf. Interview Winter, p. 50  
\textsuperscript{408} cf. Interview Winter, p. 53
6.3.3. Coping strategies

In order to cope with defensive behavior the company regularly offered workshops where employees of both companies worked together on the same topics. Particularly when defensive behavior could be observed, individual staff appraisals took place where the reason for the occurrence of defensiveness was analyzed as well as where it came from and what could be done in order to avoid or reduce it in the future.

Another strategy regarding the dealing with defensive behavior was the realization of employee events and other parties. Hence, the company pursued strategies also in the context of the prevention of defensive behavior. According to Clara Winter the events and staff appraisals were actually successful measures, although not all staff appraisals led to the expected results.

In those cases where employees recognized defensiveness of other colleagues, some complained about and talked to their supervisors whereas others ignored it and thinking that it will gradually disappear.

6.4. Two pharmaceutical companies

The change process was associated with several challenges, especially because both companies were completely different regarding structures, cultures and norms. On the one hand, one company only had a few bureaucratic structures, a very good and friendly working atmosphere as well as a very open-minded staff. On the other hand the employees of the other company expressed quite a critical position regarding the merger. Therefore, in order to adapt both companies to each other in terms of cultural as well as structural aspects, the amount of work for every single person heavily increased. Furthermore, employees had to improve their skills concerning the new therapeutic possibilities the new company offered to its customers. Hence, employees also had to invest a lot of energy in the customer acquisition and the customer support. Nevertheless, both companies disposed of a rather young and
very dynamic personnel\textsuperscript{417} and thus, in the long run, most employees saw the potential behind the change process.\textsuperscript{418}

From the beginning on, the management decided to delay the notification for the staff that the two companies would merge. Hence, even the staff of one company was not informed early enough of the planned relocation.\textsuperscript{419} Within one single day, the staff was informed about leaving the current location and giving up the familiar surroundings.\textsuperscript{420} However, the management precisely communicated top-down the specific functions\textsuperscript{421} and the planned most important milestones regarding the merger.\textsuperscript{422} Generally, the organizational growth resulted in more formal rules and new leaders with new leadership styles, which again changed the organizational structure as well as the atmosphere.\textsuperscript{423} Obviously, this again contributed to the fact that the merger was associated with stress, ambiguity and anxiety, especially as employees were not informed whether they would stay in the new company and if they would still be employed and in which department they would work.\textsuperscript{424}

6.4.1. Forms of defensive behavior

Forms of defensive behavior could be observed particularly in those cases where older employees were involved. According to Marissa Schreiber, these employees take a more negative view of changes and they prefer not being part of the change process. However, especially this attitude within a very dynamic environment visualized the existence of defensive behavior.\textsuperscript{425} Generally this dynamic and lively working atmosphere did not support the occurrence of resistance, as the pressure of being successful was too high.\textsuperscript{426}

Obviously, mergers and acquisitions are associated with serious personnel changes and that employees get dismissed or replaced. According to Marissa Schreiber, in this case employees responded with an increase in work effort in order to show how important they were for the company and consequently to remain employed in the future. This behavior can be

\begin{flushleft}
\textsuperscript{417} cf. Interview Schreiber, p. 60 \\
\textsuperscript{418} cf. Interview Schreiber, p. 59 \\
\textsuperscript{419} cf. Interview Schreiber, p. 57 \\
\textsuperscript{420} cf. Interview Schreiber, p. 59 \\
\textsuperscript{421} cf. Interview Schreiber, p. 62 \\
\textsuperscript{422} cf. Interview Schreiber, p. 57 \\
\textsuperscript{423} cf. Interview Schreiber, p. 58 \\
\textsuperscript{424} cf. Interview Schreiber, p. 57 \\
\textsuperscript{425} cf. Interview Schreiber, p. 60 \\
\textsuperscript{426} cf. Interview Schreiber, p. 61
\end{flushleft}
categorized as “stalling”, where employees increase their effort during public confrontation. However, most of the time employees reduce their effort when they perceive that their effort loses momentum. On the contrary, other employees are more conservative, skeptical or annoyed concerning the change in general and particularly regarding the new employees. Hence, they build up a mental gap between themselves and the threatening change process, which would be an indicator for “isolation”. Another indicator regarding the existence of “isolation” was, that from the beginning on a separation within the staff could be observed. Hence, two parties from each company developed and the condition lasted for a very long time. Through this the employees somehow wanted to flee from their colleagues in order to be protected. Another interpretation of this behavior can be that both parties tried to separate from each other because they perceived the other side as threatening and consequently protected their own territory from the interference of others. Thus, this behavior can be described as “protecting turf”. Comparatively, this behavior is also related to “thought suppression”, were individuals are trying to avoid negative feelings in order to cope with the current threatening situation.⁴²⁷

During the change process conflicts were the order of the day and thus different forms of aggression were also part of it. Therefore “passive aggression” was also observable during the merger. Some of these conflicts as well as the aggression behind these conflicts might occurred because some employees unconsciously expressed impulses without being aware of the emotions behind them. Consequently, “acting out” was another form of defensive behavior which was typical for this merger.⁴²⁸

Whenever the existing staff was confronted with new employees entering the company they replied with skepticism. Moreover, when one of the new colleagues said something wrong, he or she automatically had a bad reputation and other employees questioned whether it was possible to work with them. Hence, individuals transfer the first negative expression towards a specific person in a general and durable rejection. This form of defensive behavior is called “displacement” and it was commonly executed, especially at the beginning of the change process. Another interpretation for this behavior can be “passive aggression”, as individuals might indirectly express frustration to others. However, it might also be the case that new

⁴²⁷ cf. Interview Schreiber, p. 58
⁴²⁸ cf. Interview Schreiber, p. 60
colleagues are generally perceived as a threat and thus individuals behave in a way opposite to the actual feelings, which would be an indicator for “reaction formation”.\footnote{cf. Interview Schreiber, p. 62}{429}

Finally, Marissa Schreiber explicitly mentioned the occurrence of “playing safe”, “scapegoating”\footnote{cf. Interview Schreiber, p. 60}{430}, “denial”, “humor”, “reaction formation”, “acting out”, “passive aggression” and “rationalization”.\footnote{cf. Interview Schreiber, p. 61}{431}

6.4.2. Preventive measures

Generally, employees were informed about some overall facts of the merger but the management did not explicitly go into details concerning employees’ sorrows or anxieties. Consequently the management had no strategies regarding the prevention of defensive behavior or defensiveness in general.\footnote{cf. Interview Schreiber, p. 63}{432}

6.4.3. Coping strategies

From the beginning on, the management tried to minimize conflicts as much as possible in order to improve the working atmosphere. Hence, meetings were organized during which supervisors illustrated the importance of good teamwork and how this could be achieved. Nevertheless, over a period of several months the conflicts and the defensive attitudes within the staff accumulated until the big bang followed. However, the management was aware of the fact that such an event could be used in order to openly and honestly discuss all apparent and hidden problems.\footnote{cf. Interview Schreiber, p. 59}{433} The management used this opportunity in such a way that from this point on a very strong cohesion and team spirit has developed.\footnote{cf. Interview Schreiber, pp. 59-60}{434}

On the contrary, employees did not really have to fear any consequences when they behaved defensively or when their behavior resulted in negative outcomes. Additionally, when other employees noticed defensiveness, individuals did not have to fear any interventions. Obviously the management did not openly communicate, that employees did not have to expect any consequences and thus employees could not entirely rely on that fact. However, it was part of the corporate vision and culture that the organization was open towards new ideas and that employees could actually implement them. Hence, the management was aware of the
fact that some actions might go wrong or that negative outcomes were likely. Therefore, this strategy definitely avoided forms of defensive behavior and particularly forms that were intended to avoid blame.\(^{435}\)

### 6.5. Two Austrian hospitals

The merger of the two hospitals included a lot of structural changes as well as several crucial sub-projects that had to be managed.\(^{436}\) Generally the working atmosphere depends on the scope of information as well as progress of the change process. Obviously, at the beginning when it was planned to close one hospital the atmosphere was terrible. However, when it was clear that the management wanted to preserve both hospitals, the atmosphere steadily increased.\(^{437}\)

The merger of both hospitals, which will be completed formally by January 1\(^{st}\), 2017, had to get through a first critical point as the management originally planned to close one of the two hospitals. Specifically this aspect triggered a lot of uncertainty within the management and the staff of both companies.\(^{438}\) Furthermore, it was not clear which areas both hospitals should concentrate on. Hence employees also faced ambiguity in terms of the working contents and had to expect monthly or even daily changes.\(^{439}\) Naturally, the change process itself resulted in an increasing workload for the employees.\(^{440}\) Uncertainty was also favored by the fact that especially at the beginning different stakeholders had different interests regarding the structures, power and influence. According to Norbert Brunner there were also two parallel processes, namely the merger itself and a structural change within the fraternity, which both constituted a huge challenge.\(^{441}\) Another fact that triggering uncertainty and anxiety concerned decisions regarding the personnel development, as some employees had to move to another department whereas others even had to leave the company. Obviously, also in the next months some critical decisions regarding the personnel development will be taken.\(^{442}\) Thus, the same function in both hospitals will only be individually occupied after the merger.\(^{443}\) Additionally, when two units merge, both start to communicate and employees

\(^{435}\) cf. Interview Schreiber, p. 63
\(^{436}\) cf. Interview Brunner, p. 69
\(^{437}\) cf. Interview Brunner, p. 67
\(^{438}\) cf. Interview Brunner, p. 67
\(^{439}\) cf. Interview Brunner, p. 70
\(^{440}\) cf. Interview Brunner, p. 72 & cf. Interview Fischer, p. 73
\(^{441}\) cf. Interview Fischer, p. 68
\(^{442}\) cf. Interview Fischer, p. 69
\(^{443}\) cf. Interview Brunner, p. 71
have to face formal and informal communication. This complexity heavily influences the aspects of motivation and security as well as again uncertainty.\footnote{cf. Interview Brunner, p. 70} Due to the fact that the owners had no clear plan regarding the fusion, it was also not possible to communicate details about the change process.\footnote{cf. Interview Fischer, p. 70}

### 6.5.1. Forms of defensive behavior

According to the interview, except for some forms of defensive behavior, Thomas Fischer and Norbert Brunner could not clearly acknowledge the existence of specific defensive behavioral patterns. Nevertheless, both mentioned organizational aspects that indicate that there was evidence of defensiveness. Hence, whenever a change process is associated with dismissals it is more likely that forms of defensive behavior intended to avoid blame exist. Therefore, during this change process forms of defensiveness such as “buffing”, “playing safe”, “justifying”, “scapegoating”, “misrepresenting” or “escalating commitment” occurred, although the interviewees did not explicitly mention them.\footnote{cf. Interview Fischer, p. 69}

Generally, defensive behavior can be executed in order to avoid action, blame or change. Due to the fact that this merger required a lot of additional work of the employees, the likelihood for forms of defensive behavior avoiding action to exist was almost certain. Presumably, defensiveness in form of “over-conforming”, “passing the buck”, “playing dumb”, “depersonalizing”, “smoothing”, “stretching” and “stalling” occurred. However, additional workload may also be responsible for the occurrence of defensive behavior that is executed in order to avoid blame, as employees were not familiar with work outside of their daily routines.\footnote{cf. Interview Brunner, pp. 72-73; cf. Interview Fischer, p. 73}

However, during the merger a lot of conflicts occurred. Some of them were clearly visible whereas others, with reference to Thomas Fischer, existed although they were not observable. Thus, the existence of conflicts indicates that “passive aggression” was common. Specifically, when a position in both hospitals was reduced to only one position due to the change process, it is likely that individuals tried to protect their territory from the interference of others. Hence individuals “protect the turf”, because they see their own role or power threatened.\footnote{cf. Interview Brunner, p. 71} Moreover, both interview partners particularly acknowledged the existence of “justifying”,

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\footnote{444 cf. Interview Brunner, p. 70} \footnote{445 cf. Interview Fischer, p. 70} \footnote{446 cf. Interview Fischer, p. 69} \footnote{447 cf. Interview Brunner, pp. 72-73; cf. Interview Fischer, p. 73} \footnote{448 cf. Interview Brunner, p. 71}
“scapegoating”\(^{449}\), “denial”\(^{450}\), “reaction formation”\(^{451}\), “acting out” and “passive aggression”\(^{452}\).

### 6.5.2. Preventive measures

As originally it was planned to close one of the hospitals due to rationalization measures, the atmosphere was terrible. However, when the management was told to look for a new partner in order to keep up the business, they did not hesitate to start looking for a merging partner. The decision that the management was willing to keep on working was a first step towards conveying trust and confidence to their employees and stakeholders.\(^ {453}\)

During the change process, the management from the beginning on tried to assign different employees to different subprojects. This cooperation on the one hand was to increase the team spirit and on the other hand employees were able to actively create\(^ {454}\) these projects and to have decision-making power. This in fact gives the impression of being an active part of the change process.\(^ {455}\) Moreover, it was of major importance for the management to intensify internal communication,\(^ {456}\) as well as to openly and honestly communicate particular details of the change process. Therefore it was also important for the management to be honest in terms of unclear details or regarding decisions that had not yet been made.\(^ {457}\) Additionally employees were allowed to communicate with the owners of the hospitals whenever questions occurred.\(^ {458}\)

### 6.5.3. Coping strategies

The management including Norbert Brunner and Thomas Fischer, from the beginning on pursued the crucial strategies. First, the management was aware of the fact that defensiveness during a merger lies in the human nature. Hence it is normal that employees avoid negative feedback, unpleasant news, ambiguity, pressure or blame. Obviously, also conflicts or

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\(^{449}\) cf. Interview Fischer, p. 73
\(^{450}\) cf. Interview Fischer, p. 74
\(^{451}\) cf. Interview Brunner, p. 74
\(^{452}\) cf. Interview Fischer, p. 74
\(^{453}\) cf. Interview Fischer, p. 68
\(^{454}\) cf. Interview Brunner, p. 69
\(^{455}\) cf. Interview Fischer, p. 72
\(^{456}\) cf. Interview Brunner, p. 70
\(^{457}\) cf. Interview Fischer, p. 71
\(^{458}\) cf. Interview Brunner, p. 76
emotions are normal to a certain extent.\textsuperscript{459} Second, the management expected that consequently employees might consciously reduce complexity in order to handle new tasks. Maybe, it was particularly this given freedom that made this originally complicated merger in terms of structural changes much less uncomplicated regarding employees’ defensiveness.\textsuperscript{460}

Obviously, the management had a very strict attitude concerning employees that did not fully internalize the corporate strategy or slowed down the progress of the merger.\textsuperscript{461} Accordingly, one strategy was to dismiss employees in order to avoid that these employees dragged down their colleagues, which would result in a general slowdown of the change process. However, it was much more common to assign employees to different tasks or divisions\textsuperscript{462}, as well as to give them more responsibilities.\textsuperscript{463}

Whenever the management noticed changes in employees’ attitudes towards work or any other form of defensiveness, they tried to create incentives in order to make tasks more attractive. This again should lead to the fact that employees should again fully identify with their tasks, which again results in reduced defensive behavior.\textsuperscript{464}

\textsuperscript{459} cf. Interview Fischer, p. 74
\textsuperscript{460} cf. Interview Fischer, p. 75
\textsuperscript{461} cf. Interview Brunner, p. 76
\textsuperscript{462} cf. Interview Fischer, p. 77
\textsuperscript{463} cf. Interview Brunner, p. 73
\textsuperscript{464} cf. Interview Fischer, p. 77
7. SUMMARIZING RESULTS

The results of the qualitative research show that during a merger or an acquisition a vast number of different forms of defensive behavior emerges. However, each change process has its own characteristics and circumstances and thus has to be considered individually. Therefore, different organizational aspects of a change, depending on their scope and influence, can lead to different forms of defensive behavior. Hence most change aspects for example trigger uncertainty, which consequently represents the most common reason for the occurrence of defensive behavior. Uncertainty or ambiguity particularly arises at the beginning of a merger or an acquisition, for example when no clear plan regarding the change process exists or when the location of the company is changed. Moreover, the fact that a change process is associated with employee fluctuations or that the management communicates only insufficient details regarding the change to its staff triggers uncertainty. Additionally, a merger or an acquisition of companies with different cultures, norms and values as well as new managers or a change of the work process increase uncertainty and ambiguity. Whenever employees are confronted with uncertainty and ambiguity, the likelihood increases, that they show defensive behavior designated in order to avoid the change. The intention behind these reactions is that employees want to protect their comfort zone as well as to satisfy their safety requirements. Specifically, a lack in clear organizational change structure leads to the fact that employees cannot assess how the change will affect them personally. As a consequence individuals have to worry that their comfort zone is going to change and thus behave defensively. The same applies to a change of the location and the work processes.

Comparatively, organizational circumstances such as employee fluctuations, the requirement of new work skills or knowledge as well as the fact that the merger or the acquisition is perceived to be a hostile takeover triggers anxiety. Additionally, individuals perceive new managers or colleagues as well as massive changes to their work processes as threats. Therefore when employees feel threatened, they also behave defensively in such a way that they want to avoid blame or change. They specifically they want to protect their own personnel future, their self-efficacy as well as their common responsibilities and consequently shield from any mental burden. Regarding employee fluctuations, people fear unemployment and in some cases that their existence is menaced. Hence, employees react in a defensive way as they want to avoid any failures and consequently any blame. Comparatively, the requirement of new skills and knowledge in some cases leads to the fact that employees feel
that they are not able to acquire these new abilities. As a consequence, employees fear that this could be the reason for a dismissal. Additionally, blame weakens an individual’s status and self-efficacy and thus the individuals’ defensiveness should also avoid change.

Finally, a merger or an acquisition is associated with a massive change in the amount of work for employees. Hence, individuals are demanded to execute tasks that are accompanied with a merger or an acquisition in addition to their normal work. As a consequence, individuals show defensive behavior in order to avoid action as they want to protect their responsibilities and their daily work routines. However, the fact that individuals intuitively react reserved or opposed to an increase in workload lies in the human nature.

The following table summarizes the results of the qualitative study. For each merger or acquisition the table shows the general facts or challenges as well as the aspects that favor the emergence of defensive behavior. Moreover, each change process shows different forms of defensive behavior and the specific corresponding preventive measures and coping strategies companies introduced.
<table>
<thead>
<tr>
<th>Indications / M&amp;A's</th>
<th>Facts / Challenges</th>
<th>Aspects favoring defensive behavior</th>
</tr>
</thead>
</table>
| Two Austrian banks  | • cultural and structural change  
• good working atmosphere  
• strong staff cohesion  
• burnouts  | • perceived hostile takeover  
• strained working climate  
• new location  
• inadequate communication  
• insufficient plan / structure of change process  
• partial involvement of staff  
• stress, pressure  
• rumors |
| Softlab – Anite     | • different cultures, structures, norms  
• different attitudes regarding the merger  
• young, dynamic staff  | • increasing amount of work  
• requirement of new knowledge  
• no information that the companies the merge  
• changing work atmosphere  
• uncertainty regarding jobs |
| Two Pharmaceutical companies | • massive structural changes  
• changing work atmosphere  
• simultaneous processes  | • planned closing  
• no clear plan  
• additional work  
• different interests  
• unclear personnel development  
• different communication styles |
| Two Austrian Hospitals | • massive structural changes  
• changing work atmosphere  
• simultaneous processes  | • planned closing  
• no clear plan  
• additional work  
• different interests  
• unclear personnel development  
• different communication styles |

**Table 3:** Summarizing results

Two Austrian Hospitals

• massive structural changes
• changing work atmosphere
• simultaneous processes

Two Pharmaceutical companies

• different cultures, structures, norms
• different attitudes regarding the merger
• young, dynamic staff

Softlab – Anite

• different cultures, structures, norms
• different attitudes regarding the merger
• young, dynamic staff

Two Austrian Hospitals

• massive structural changes
• changing work atmosphere
• simultaneous processes

Two Pharmaceutical companies

• different cultures, structures, norms
• different attitudes regarding the merger
• young, dynamic staff

Softlab – Anite

• different cultures, structures, norms
• different attitudes regarding the merger
• young, dynamic staff

Two Austrian Hospitals

• massive structural changes
• changing work atmosphere
• simultaneous processes
<table>
<thead>
<tr>
<th>Forms of defensive behavior</th>
<th>Preventive measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>• passive aggression, protecting turf, justifying, defending, acting out</td>
<td>• motivation to avoid closing, cooperation of employees, active participation and creation</td>
</tr>
<tr>
<td>• stalling, isolation, protecting turf, thought suppression, passive aggression, acting out</td>
<td>• no preventive measures</td>
</tr>
<tr>
<td>• protecting-turf, displacement, over-conforming, reaction formation, over-conforming</td>
<td>• employee played an active part in planning and implementation</td>
</tr>
<tr>
<td>• isolation, denial, repression, displacement, sublimation, reaction formation, resistance, over-conforming, reaction formation</td>
<td>• cooperation regarding projects, events, kick-off parties, welcome-CD customer workshops</td>
</tr>
<tr>
<td>• misrepresenting, protecting turf, passive aggression, isolation, denial, reaction formation, over-conforming, behavior resistance, passive misrepresenting, displacement, over-conforming, reaction formation, passing the buck, playing dumb, acting out</td>
<td>• Q&amp;A rounds employee events, introductory events, informal meetings for divisions, information in intranet</td>
</tr>
<tr>
<td>• incremental changes, team-building events, introductory events, staff appraisals, monthly employee information</td>
<td>• “heartiness”agent</td>
</tr>
</tbody>
</table>

Preventive measures:
- • motivation to avoid closing, cooperation of employees, active participation and creation
- • no preventive measures
- • employee played an active part in planning and implementation
- • cooperation regarding projects, events, kick-off parties, welcome-CD customer workshops
- • Q&A rounds employee events, introductory events, informal meetings for divisions, information in intranet
- • “heartiness”agent

Preventive measures include:
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| Coping strategies | \- collaboration of key persons  
|                | \- teambuilding events  
|                | \- employee appraisals  
|                | \- group appraisals  
|                | \- job rotation, job enlargement | \- possibility of home-office  
|                | \- job rotation  
|                | \- meetings  
|                | \- prohibition of mentioning the company of origin  
|                | \- strong staff cohesion  
|                | \- dismissals | \- workshops  
|                | \- individual staff appraisals  
|                | \- employee events, parties | \- attempt to bridle conflicts  
|                | \- meetings  
|                | \- open & honest discussion after clash  
|                | \- openness towards new ideas  
|                | \- failures are human | \- defensiveness is human  
|                | \- reducing complexity  
|                | \- motivating people  
|                | \- job rotation, job enrichment, job enlargement  
|                | \- dismissals |
8. CONCLUSION AND DISCUSSION

The tremendous pace of changing environments and customer demands has forced organizations to inevitably engage in adaption processes. Therefore, in the last years a shift in organizational forms and particularly an increase in mergers and acquisitions has taken place. Due to the fact that the success of a merger or an acquisition also heavily depends on employees’ reactions as well as on their commitment towards a change process, the behavioral aspect of a change process gains more and more attention.

However, as a basically restrained reaction towards a change lies in the human nature, defensiveness and especially defensive behavior of employees receive special attention during a change process. Hence, the aim of the present Master Thesis is to answer the question about which forms of defensive behavior occur during a merger or an acquisition. Moreover, it is investigated which preventive steps organizations take in order to avoid the emergence of defensive behavior as well as how companies cope with defensive behavior of employees once it is detected.

Regarding the emergence of different forms of defensive behavior during a merger or an acquisition, the empirical part gives evidence that a series of different types of defensiveness occur. Generally, a merger or an acquisition is often associated with an insecure personal future or even dismissals. Therefore, the resulting ambiguity and uncertainty regarding someone’s personal development increases the likelihood for forms of defensive behavior to be executed in order to avoid blame. Hence, as the results from the qualitative research show, forms of defensive behavior such as “buffing”, “playing safe”, “justifying”, “scapegoating”, “misrepresenting” or “escalating commitment” are common for a merger or an acquisition. This uncertainty and ambiguity combined with a perceived threat that becomes tangible through the change process obviously enables the emergence of forms of defensive behavior shown in order to prevent a merger or an acquisition. Resistance, may it be affective, cognitive or behavioral, as well as “protecting turf” are natural for a change process. Moreover, the associated additional workload employees face results in an increasing probability for defensive behavior intended to avoid work. Thus, again the results give evidence for the existence of “over-conforming”, “passing the buck”, “playing dumb”, “depersonalizing”, “smoothing”, “stretching” and “stalling”. Additionally, defensive behavior that is unconsciously and habitually executed or that happens rather on the mental or cognitive level is also common, although difficult to recognize. These forms of behavior, for
example, “denial”, “isolation”, “reaction formation”, or “projection”, should again prevent from threats and any mental burden.

Specifically, the most common situations are those, in which it becomes visible that some employees have not fully accepted the ongoing change process. The results show that quite often employees are not able to mentally separate from their company of origin. Hence, during the change process they prefer talking and spending time with their colleagues of the old company instead of actively contributing to strong employee cohesion. Moreover, in some cases employees even privately meet solely with colleagues they were working together with in the former company, which again increases the separation of the staff. These situations are a clear indicator that defensive behavior existed. First, this behavior can be interpreted as “isolation”, which according to Baumeister et al. (1998) is executed in order to mentally block from thoughts and perceptions that trigger threat. Obviously other colleagues from whom employees wanted to flee symbolize the threat. Second, referring to Vaillant (1977), this behavior can also be classified as “denial” because these employees deliberately refuse the acceptance of situations in which they meet people of the other company, as they are a perceived threat. Third, the behavior is comparable with “protecting turf”, a form of defensive behavior mentioned in the classification of Ashford and Lee (1990) and executed in order to avoid change. Therefore, individuals withdraw to their own psychological area just because they want to separate from specific situations or, with reference to Biddle & Hutton (1976), protect themselves from the interference with other colleagues. Fourth, spending most of the time with colleagues of the same company of origin can also be interpreted as “thought suppression”. Referring to Vaillant (1977), here individuals try to suppress thoughts in order to cope with a specific situation.

Another evidence regarding existence of defensive behavior during a merger or an acquisition is the fact that some employees do not fully internalize the change process as in some cases employees are called with regard to their company of origin. According to Asforth and Lee (1990), this behavior would prove that “depersonalizing” is common during a merger or an

465 Baumeister et al., 1998, p. 1099
466 cf. Furnham, 2012, p. 725
467 Ashforth & Lee, 1990, p. 630
469 cf. Furnham, 2012, p. 725
acquisition. Here, individuals for example treat colleagues as objectives rather than as equal in order to avoid the change process.\textsuperscript{470}

Comparatively, during a merger or an acquisition a lot of rumors are spread resulting in uncertainty and anxiety. Therefore, it is likely that some employees avoid situations with employees of the other company, as they are associated with negative characteristics, which would be an indication for the existence of “displacement”. Hence, referring to the definition of Baumeister et al. (1998) employees transfer negative feelings towards one company into negative attitudes towards its employees.\textsuperscript{471} According to the definition of Vaillant (1977), this behavior can be interpreted in such a way that individuals consciously move emotions onto an objective that is regarded to be less threatening.\textsuperscript{472} However, the aspect that rumors are common during mergers or acquisitions proves that “misrepresenting” exists, as employees regularly selectively present, withhold or spread distorting information.

However, individuals do not only spread rumors or react in a humorous way. During a merger or an acquisition it is also common that aggression and conflicts occur. Acting rude in the presence of other colleagues would thus be an indicator for the existence of “passive aggression”. Obviously, the consequence of aggression is that conflicts occur. Additionally conflicts also occur when employees unconsciously express impulses without being aware of the underlying emotions. Hence, “acting out” is another common form of defensive behavior, which was typical for mergers and acquisitions.

Whenever a merger or an acquisition is implemented, employees are confronted with an increasing workload. However, employees react differently towards this changing amount of work. First, some employees refuse tasks that lie outside of their scope of duties simply because they are not satisfied with the new organizational structure, which can be interpreted as “over-conforming”. Second, it is also common that some employees pretend not having suitable skills or knowledge for the execution of new tasks. This would be an indicator that “playing dumb” exists during a change process. Third, it was observed that employees resist executing a task and thus decelerate the progress of the change process, which proves the existence of “behavioral resistance”. Fourth, another reason for employees refusing the execution of new tasks is that they want to avoid tasks, where the results are highly uncertain.

\textsuperscript{470} Ashforth & Lee, 1990, p. 625
\textsuperscript{471} Baumeister et al., 1998, p. 1093
\textsuperscript{472} cf. Furnham, 2012, p. 725
or where success cannot be guaranteed. Thus, individuals “play safe” as they implicitly want to avoid any blame. Fifth, in contrast, some employees appreciate the additional workload due to the fact that mergers or acquisitions are often associated with dismissals and they can thus show how important they are for the organization. According to Ashforth and Lee (1990) this behavior can be categorized as “stalling”, as employees increase their effort during public confrontation. Furthermore, according to Vaillant (1977) employees actively turn their negative feelings into a more positive attitude towards the change process, which is evidence for “sublimation”. At the same time, these individuals behave in a way that is exactly the opposite of how they actually feel in order to avoid anxiety. This behavior can be interpreted as “reaction formation”.

Generally, following Napier et al. (1989), a merger or an acquisition is associated with the fact that uncertainty regarding someone’s personal future gets increased, which again triggers stress for individuals. As a consequence, people respond differently. Therefore, if people are not able to cope with this stress, the likelihood of suffering a burnout increases during a change process. Specifically these people are emotionally and physically exhausted and thus have to escape from the incriminating environment. However, there are individuals that just do not want to cope with the new situation and hence create a mental gap to the threatening unknown. Moreover, they seek protection by consciously fleeing from the organizational realignment. Following Oldham and Kleiner (1990), this behavior again would be an indication for “isolation”. Comparatively, another interpretation would be that individuals create their own reality in order to reject the threat associated with a merger or an acquisition, which indicates the existence of “denial”. With reference to Vaillant (1977) and his description of “repression”, people facing a change process strictly avoid threatening thoughts streaming into their minds and thus stay away from the workplace. On the other side, the author states that some individuals shift their emotions on a less threatening objective, which in this case would be the burnout syndrome compared to a merger or an acquisition. Here individuals show indications of “displacement”.

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473 Ashforth & Lee, 1990, p. 626
474 cf. Furnham, 2012, p. 725
476 Baumeister et al., 1998, p. 1099
478 Baumeister et al., 1998, p. 1107
479 cf. Furnham, 2012, p. 725
In the end, in trying to answer, which forms of defensive behavior occur during a merger or an acquisition, it can be stated that a vast number of different forms occur. Generally some defensive behavioral patterns are clearly visible, whereas other actions or behaviors enable only interpretations. However, empirical research proves that particularly at the beginning of a merger or an acquisition, when the management does not yet have or communicates a clear plan to the staff, the amount of forms of defensive behavior is higher. This majorly results from the high uncertainty during this change phase. Moreover, another increase in defensiveness can be observed when employees are brought together in the shared office. Obviously, specific circumstances of mergers or acquisitions have different influences on the existence of defensiveness. Hence, particularly a perceived hostile takeover, a merger of competitors as well as mergers that are very complicated regarding cultural and structural changes favor the existence of defensive behavior. Comparatively, a good working atmosphere can antagonize defensiveness.

Following deBoard (1983), the more frequently and intensively employees show defensive behavior during a merger or an acquisition, the more likely it is that organizational inefficiency rises which in the end may result in an organizational standstill. Therefore, from the beginning on organizations have to take steps to avoid the occurrence of defensive behavior and make full use of the M&A-potential. Hence, referring to the second research question, which preventive steps do organizations take in order to avoid the emergence of defensive behavior?

However, the organizational literature does not clearly differentiate between preventive measures implemented in order to avoid the occurrence of defensive behavior and coping strategies once defensiveness is recognized. However, Argyris (1990) suggests increasing employees’ levels of tolerance concerning embarrassment and anxiety right from the beginning on in order to reduce the possibility that defensive behavior occurs. According to Bordia et al. (2004) and Oreg (2006) it is much more important to provide employees with detailed information and participation concerning the change process, as well as to convey trust. Especially Coch & French (1948) and Sagie & Koslowski (1996) mention the importance of integrating employees into the decision making process of a merger or an acquisition. Hence, employees’ levels of commitment increase and thus the likelihood that

480 cf. Bovey & Hede, 2001, p. 536
481 Argyris, 1990, p. 157
482 cf. van Dam et al., 2008, p. 317
defensive behavior occurs decreases. On the other side Johnson et al. (1996) and Miller et al. (1994) mention that during a merger or an acquisition, detailed information will diminish uncertainty and anxiety which in the end obviously triggers defensiveness. On the other side, following DiFonzo et al. (1994), a lack in communicating merger details fosters the spreading of rumors. Comparatively, Stanley et al. (2005) mention an increase in cynicism and resisting behavior. However, it is not only important to provide employees with enough information regarding the change process, but furthermore the point of time when employees are informed is significant. Concerning the provision of information, Ivancevich et al. (1987) mention that managers have to consider, that not all details can be predicted and that this uncertainty too, has to be openly communicated to the employees.

Besides the importance of providing detailed information and enabling participation, Lohmer & Giernalczyk (2012) emphasize the significance of personal conversations, where employees can talk with their supervisors about their sorrows and anxieties regarding the change process. Specifically, supervisors have to be aware of the fact that it is normal for employees facing a change process to resist in a cognitive, emotional and behavioral way. However, these reactions are not always conscious and thus the management has to explicitly evaluate how to properly cope with defensive behavior.

The results of the empirical research rather allow a differentiation between preventive measures and coping strategies after defensive behavior has been detected. However, considering research question two, analogies between the literature and preventive measures of the five cases can be identified. Hence, in practice companies try to avoid the emergence of defensive behavior by communicating information about the planned change process to their employees. Moreover, it is common to make staff appraisals as well as to integrate employees into the planning and implementation processes of a merger or an acquisition.

Nevertheless, in practice companies dispose of a much wider range of preventive measures. Thus, during a merger or an acquisition managers try to make only small incremental changes.

483 cf. van Dam et al., 2008, p. 317
484 cf. van Dam et al., 2008, p. 317
485 cf. van Dam et al., 2008, p. 317
486 cf. van Dam et al., 2008, p. 317
487 van Dam et al., 2008, p. 318
489 cf. Lehner, 2014, p. 63
490 Smollan, 2011, p. 14
as far as the change process allows this procedure. Consequently employees face only small changes that follow step by step and through this are not overtaxed by the change. Moreover, from the beginning on managers try to raise the working atmosphere as well as staff cohesion by organizing parties, team-building or social events, also in absence of the management. The reason behind these preventive measures is that the overall satisfaction should be increased in order to avoid the occurrence of defensive behavioral patterns. Within one case of the empirical study, the management even hired a person that is responsible for improving the working atmosphere. Besides this, supervisors deliberately consolidate key personalities of different companies of origin to work for particular projects in order to create an image of strong cohesion and cooperation. Hence, the management also wants to reduce employees of another company being perceived as a threat. Finally, in one case where the working atmosphere was extremely good already before the acquisition took place, employees provided their new colleagues with useful company information in order to facilitate their setting in.

The results of the empirical study show that companies undertaking a merger or an acquisition and similarly facing defensive behavior of employees developed an even wider range of coping strategies. Hence, teambuilding events, staff appraisals and the cooperation of key personalities are measures that are taken to avoid the emergence of defensive behavior as well as to cope with it once it is detected. Additionally, common coping strategies in practice are the methods job rotation, job enlargement and job enrichment. In some companies it is possible for employees to work from home-office, which should help them to clear their heads and to refrain from trying the new work environment. Due to the fact that during a merger or an acquisition a clear separation between employees of the merging companies is quite common, the management of one company explicitly forbade employees to mention their companies of origin during conversations. The intention behind this rule was to stop the proceeding separation and similarly increase staff cooperation. Another company held the vision of being open towards new ideas of employees and that failures are human. Consequently, employees did not have to fear strict consequences which obviously reduced the likelihood that employees had to avoid blame and thus showed defensive behavior. Whenever, employees are confronted with additional workload or other requirements, it is useful for the management to be aware of the fact that a reduced complexity might facilitate the change process and thus reduce employees’ defensive attitudes. Finally, in those cases where the extent of defensive behavior is unbearable or where employees’ defensiveness
becomes pathological, the supervisors’ last resort is dismissals and the exchange of single employees.

As shown in the empirical results several forms of defensive behavior occur during mergers and acquisitions. However, the specific merger or acquisition itself is not the underlying reason for the emergence of defensive behavior. Even more so it is the associated uncertainty, ambiguity as well as the perceived anxiety. Hence, individuals will wonder whether they will stay in the company or if they will be dismissed. This ambiguity concerning employees’ future triggers a massive amount of uncertainty, which again increases the likelihood that defensive behavior occurs. Nevertheless, there are other aspects of a merger or an acquisition that are perceived to favor the occurrence of defensive behavior. According to the literature these are work overload\(^{491}\), powerlessness\(^{492}\), insecurity\(^{493}\) as well as work alienation according to Armstrong-Stassen (2006).\(^ {494}\) Additionally, referring to Burger, Bogolyubov & Easterby-Smith (2013), different levels of self-efficacy lead to diverse forms of defensive behavior.\(^ {495}\) However, the qualitative research gives evidence that further aspects exist increasing the possibility of defensiveness during a change process. Hence, whenever a merger or an acquisition is perceived as hostile or associated with extreme stress and pressure, defensive behavior is likely to occur. Similarly a strained working climate, new location or the fact that the management does not have a clear plan or structure for the change process can trigger uncertainty. Comparatively poor communication of the management regarding merger details, massive changes in work routines and changing leadership styles are organizational circumstances that favor defensiveness. Additionally, different positions of two merging companies may influence the emergence of defensive behavior. Hence, regarding an organizational acquisition the staff of the bought company is more likely to show defensiveness compared to the staff of the buying company. Therefore, specific organizational circumstances can lead to different forms of defensive behavior. However, empirical research concludes that regarding the correlation between organizational circumstances and the occurrence of different forms of defensive behavior no clear pattern can be considered.

\(491\) Ashforth & Lee, 1990, p. 635
\(492\) Ross et al., 2001, p. 569
\(493\) Diamond & Allcorn, 1985, p. 37
\(494\) cf. Sulu, 2010, p. 29
\(495\) cf. Sasikala & Anthonyraj, 2015, p. 30
Generally a merger or an acquisition implicates a lot of changes for individuals and their familiar work environment. The fact that individuals avoid changes lies in the human nature. Hence, humans associate changes with ambiguity and uncertainty which consequently leads to the fact that changes are generally perceived as something threatening. However, a merger or an acquisition always evokes losers and winners within the staff. As a result, jealousy and dissatisfaction occur, which obviously trigger conflicts and defensive behavior. Hence, older employees are perceived to be more likely to show any form of defensive behavior, which results from the fact that they fear to be dismissed and thus face an insecure personal future.

However, the individual character of every single employee has to be considered. Due to the fact that not all humans are equal, the management has to somehow respond individually to employees’ reactions towards a change process. Thus, understanding employee’s emotions can help managers to get an idea why defensive behavior occurs and how to properly respond. Without any efficient and adequate coping strategies, may they be preventive or introduced afterwards, defensive behavior of employees during the merger or the acquisition can result in a standstill and thus the overall success of the change process can be threatened. On the other side, referring to the empirical study the managements of companies planning the implementation of a merger or an acquisition have to carefully prepare the change process in advance. A clear plan amongst other things includes clear objectives, responsibilities, tasks and roles as well as appropriate and experienced human resources. Whenever the management is not confident of leading its staff through a change process, external consultants have to be engaged. Moreover, this clear plan has to be communicated as detailed and as far as possible to the staff. Even when milestones are not fixed, employees have to be informed in order to reduce uncertainty and anxiety, which are the major sources for the emergence of defensive behavior. As a result, employees will have much more trust in the management and in the fact that the change process will be successful for them. Additionally, if possible the management should only introduce small incremental changes in order to not overtax employees too much with the new situation. Similarly, an early involvement of employees into the planning and implementation processes signals that individuals play an active and important role during a change process. However, employees’ involvement has to be limited. Otherwise a merger or an acquisition might get too cost intensive and too much based on individual concerns. The intention behind an increased involvement is that employees’ self-confidence gets raised and it contributes to an improving working atmosphere, which again lowers the risk of defensiveness. Generally, the working atmosphere within a company is considered to positively affect the emergence of defensive behavioral
patterns. Another measure that increases the overall working atmosphere and thus decreases the likelihood for defensive behavior to occur is the organization of staff events and teambuilding activities.

However, the present Master Thesis also has its limitations. Hence, in practice the term “defensive behavior” is not very common and consequently people can hardly assign it to a corresponding behavior. This again made it more complicated during the qualitative research determine which forms of defensive behavior occur during a merger or an acquisition. Additionally, some forms of defensive behavior are simply not observable and can if at all be identified on the basis of deep relationships to individuals. Particularly those forms of defensiveness that happen in an individual’s mind cannot be recognized and are thus not listed in the empirical results. Moreover, some statements during the interviews only allow concluding some possible interpretations instead of clear evidence of defensive behavior.

Nevertheless, this Master Thesis helps to underline the importance individuals get awarded during a change process and that their attitude and behavior is crucial for the organizational success. The multilevel perspective on different mergers and acquisitions gives evidence for the existence of defensive behavior and also which coping strategies companies develop in order to ensure the success of the change process.
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10. APPENDIX-A: INTERVIEW GUIDE

EINFÜHRENDE FRAGEN

- Wie lange arbeiten Sie bereits bei XY?
- Beschreiben Sie bitte kurz Ihre Funktion.
- Wie würden Sie derzeit das Arbeitsklima innerhalb der Belegschaft beschreiben? Gab es Veränderungen?
- Wenn Sie jetzt noch einmal die bisherige(n) Unternehmensfusion(en) betrachten, was waren die Beweggründe für die jeweilige(n) Unternehmensfusion(en) und was war(en) Ihre Rolle(n) dabei?
- Es gibt Unternehmensfusionen, die eher kontinuierlich und unkompliziert vorangehen, und andere, die eher mit Komplikationen verbunden sind und bei denen es immer wieder Auf und Abs gibt. Wie würden Sie die Unternehmensfusion in diesem Unternehmen beschreiben?
- Wie bewerten Sie persönlich deren Verlauf? Warum?
- Inwiefern konnten Mitarbeiter Abläufe bei der Unternehmenszusammenlegung selber gestalten und was wurde vom Unternehmen vorgegeben?
- Inwiefern hat sich das Arbeitsumfeld für die Mitarbeiter geändert?
- Wie haben Sie die Mitarbeiter hinsichtlich ihrer Arbeitseinstellung während der Fusion(en) wahrgenommen?
- Welche Unterschiede gab es im Unternehmen im Hinblick auf Kommunikation und Führungsstile? Und wie wirkten sich diese Unterschiede aus?

FORMEN VON DEFENSIVEN VERHALTEN

- Wie wurde die Nachricht von der bevorstehenden Fusion in der Belegschaft aufgenommen? Gab es Unterschiede? Welche?
- Ist es während der Fusion(en) zu Konflikten zwischen den Mitarbeitern gekommen?
- Konnten bei Mitarbeitern Verhalten beobachtet werden, welches von deren üblichem Verhalten abweicht?
- Konnten Sie oder Kollegen während des Prozesses der Unternehmensfusion defensives Verhalten bei Mitarbeitern beobachten? Welche negativen Auswirkungen hatte dieses auf den Gesamtprozess? Welche noch?
- Inwieweit wurden einzelne Mitarbeiter während der Fusion(en) in die Entscheidungsfindungsprozesse eingebunden?
– Wie haben sich Arbeitsaufwand, Verantwortlichkeiten sowie Tätigkeiten für die Mitarbeiter im Zuge der Fusion(en) geändert, und wie wurde seitens der Belegschaft damit umgegangen?
– Gab es während der Fusion(en) mehr Fehlstunden (Krankenschreibungen)?
– Wie wurden neue Mitarbeiter von den bestehenden Mitarbeitern aufgenommen?

**WAS WURDE PRÄVENTIV GEGEN DEFENSIVES VERHALTEN UNTERNOMMEN**
– Wie und wie detailliert wurde der Belegschaft die jeweilige Fusion kommuniziert?
– Inwiefern wurden die Mitarbeiter auf die Fusion(en) vorbereitet? Wie wurde mit (möglichen) Sorgen, Ängsten und Befürchtungen der MA umgegangen?
– Bei Veränderungen kommt es ja häufig zu Widerständen oder abwehrendem Verhalten. Was wurde präventiv dagegen unternommen?

**WIE WIRD MIT DEFENSIVEM VERHALTEN UMGEGANGEN**
– Mit welchen Konsequenzen müssen Mitarbeiter rechnen, wenn sie ein Verhalten zeigen, das negative Auswirkungen für das Unternehmen mit sich zieht?
– Was wurde und wird gegen defensives oder nicht konstruktives Verhalten von Mitarbeitern unternommen? Von wem?
– Wie erfolgreich ist Ihnen die Bewältigung dabei gelungen?
– Was gelang/gelingt gut? Was weniger?
– Wie sind andere Mitarbeiter damit umgegangen, wenn Kollegen defensives Verhalten zeigten?
– Was wurde gegen negative Stimmung im Unternehmen unternommen?

**ABSCHLIEßENDE FRAGEN**
– Wenn wir die Fragen noch einmal kurz Revue passieren lassen: Worüber haben wir in diesem Zusammenhang noch nicht gesprochen, das für die Thematik jedoch noch von Relevanz wäre?
– Abschließend möchte ich gerne noch fragen, worauf Sie während der Fusion(en) besonders stolz waren? Und was Sie anderen Unternehmen in Hinblick auf die Vermeidung von und den Umgang mit defensivem Verhalten bei Fusionen empfehlen würden? Was noch?

**Vielen Dank für das Gespräch!**