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Ralf, Bebenroth

Maimunah, Ismail

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Cultural Openness, Interpersonal Justice, and Job Satisfaction among Millennials and Seniors: Evidence from Japanese Target Employees Following M&A

Ralf Bebenroth
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This study compares the perceptions of Millennials with those of senior employees in a cross border acquisition. Literature on Millennials argues that since they are open-minded, it can be assumed they would enjoy greater job satisfaction after their firm is acquired by another company. We investigated how employees perceived interpersonal justice and its influence on job satisfaction, and to what extent employees' culturally open mindedness mediated this relationship. The results showed that employees, regardless of age, enjoyed greater job satisfaction after an acquisition when they perceived that they were being treated fairly by the new management. This study also showed that senior employees, not the Millennials of the target firm were more culturally open-minded. However, culturally open minded seniors were the less job satisfied. Implications for human resource practices are discussed.

Keywords Millennials, M&A, Cultural Openness, Interpersonal Justice, Job Satisfaction

1 Introduction

Merger and Acquisitions (M&As) are a common strategic tool for multinational corporations (MNCs) to provide a rapid gain in market share and external growth. M&A is a means to create value by (i) acquiring technologies, products, and market access, (ii) creating economies of scale, and (iii) establishing global brand presence (Miller & Fernandes, 2009). In a cross border deal, there is fast entry into potential foreign markets. Researchers have examined numerous cases of successful strategic and organizational performances of M&A (Creasy, 2005; Senn, 2008). Nevertheless, a considerable number of M&As fail to fulfill their strategic goals in many countries

(Dauber, 2009; Knilans, 2009), and end as failures. Hence, while target firm shareholders normally enjoy a higher price for their shares, bidder firm shareholders may experience a decline of their share value after the deal is signed (Cartwright & Shoenberg, 2006). Schoenberg (2006) further reports that the overall success rate of cross border deals is usually less than 50%.

Recent attention has shifted to the "human side of M&A", i.e. where it concerns the experiences of employees in terms of behavioral outcomes (Creasy, 2005; Seo & Hill, 2005; Gerpott & Neubauer, 2011), particularly among employees of various age groups. It is found that the post-merger integration period could turn out to be one of the most challenging issues for the new team to move forward as a whole after the acquisition (Appelbaum et al., 2007). Therefore, to ensure that the acquisition achieve its objectives, it is important to have in place a successful combination of resources between the bidder firm and the target firm, so that this would lead to an increased firm value (Weber, Tarba & Reichel, 2009, p. 205). These resources, which have to be treated with care, are the employees involved in the process at both sides, the bidder as well as the target. Hence, to ensure successful integration after the acquisition, it is vital that the new firm is made aware of the perceptions of the target employees towards this process.

Our first stream of investigation, therefore, was to examine the perceptions of the whole sample of target employees along these lines: (i) how does interpersonal justice influence job satisfaction, and (ii) how does cultural openness mediate this relationship? Much research has been carried out in this field. There are studies on psychological outcomes of employees after an acquisition (for example Guerrero, 2008), and employee perceptions within German firms as acquirer and target (Gerpott, 2009; Mueller-Stewens, 2010). Gerpott & Neubauer (2011), for example, found evidence that a higher level of perceived fairness by employees led to smoother integration, resulting in a better financial performance of the new firm. In their study, the bidder and target employees were grouped together in order to have a bigger sample size. However, in our study, the focus was solely on the perceptions of employees of the target firm i.e. whether they felt they were treated fairly after the acquisition, and how that feeling of fairness together with their cultural openness, affected job satisfaction. Furthermore, to date, there has been no study on an Asian target firm with a German acquirer, particularly in a Japanese context. Hence, the findings here would bridge the information gap in this area.

Our second stream of investigation was to identify the perceptions of employees in the Millennial generation. Based on the generational theory (Ng, Lyons & Schweitzer, 2012) Millennials refer to those who were born between 1980 and 1995 (now aged between 19 to 34 years) who will become the backbone of the working society in many countries in the next five years and

beyond. In Japan, however, Millennials refer to those who were born in 1983 to 1995 (Hays. com, 2013). Attention needs to be paid to this group in relation to how they respond after an organizational restructuring (acquisition) takes place. According to Sheahan (2005), 'Millennials' are estimated at 660 million in Asia; they are upwardly mobile and ultra-connected. In China, the number of Millennials is 200 million. In Japan, Millennials are known as yutori generation and there are around 15 million of them. Singapore has well over 500,000. In India, there are about 5 million Millennials graduating from universities annually. These entire numbers combine to make them a vitally important force impacting Asia's economies and cultures (Sheahan, 2005). In addition, the Millennials will make up 75% of the global workforce by 2030, 50% of American workforce by 2020, and 45.5% of the Malaysian workforce by 2020 (Lowyat.net, 2013).

In this study, we compared the perceptions of Millennials and senior employees regarding interpersonal justice, cultural openness and job satisfaction. These two groups were Japanese employees of a target firm which had been acquired by a German bidder in Japan. The questionnaire was designed to collect data regarding employees' perceptions on: (i) how fairly they were treated by the new bidder management; ii) how satisfied they were with their job after the acquisition; iii) how culturally open-minded they were. Questions were also posed to gauge whether perceived fair treatment (referred to henceforth as interpersonal justice) and cultural openness influenced job satisfaction, and also whether Millennials differed in their job satisfaction, cultural openness and interpersonal justice as compared to senior employees.

The remainder of this paper is structured as follows: In the subsequent section, the theoretical background of three theories is briefly discussed. This is followed by the development of our hypotheses, after which there is a description of the study sample and procedures. Next, the results of the study are presented, followed by a discussion of the findings and its implications. In the final section, conclusions and suggestions for future research are made.

2 Theoretical Background

We identified three theories that formed the basis for explaining the behaviors of target firm employees from the perspectives of job satisfaction, interpersonal justice, and cultural openness. The theories are: (a) role conflict theory, (b) organizational justice theory, and (c) acculturation theory. Each theory identifies distinct sources of challenges that frequently emerge during M&A organizational change process (such as perceived interpersonal justice and cultural openness), and predicts their psychological outcomes (such as perceived job satisfaction). This section also briefly discusses relevant literature on the relationships of interpersonal justice, cultural open-

Table 1 Theories Used, Challenges and Negative Behavioral Outcomes

Underlying Theory	Sources of challenges to employees	Negative behavioral outcomes
Role Conflict Theory	New job demands, remaining loyal to old customers or co-workers, threat of job loss	Lower work motivation and job satisfaction
Organizational Justice Theory	Perceived fair treatment of surviving and displaced employees	Psychological withdrawal, intention to quit due to low job satisfaction.
Acculturation Theory	Adjustment to different organizational culture	Cultural clash, acculturative stress and resistance, or less cultural openness

Sources: Adapted from Seo & Hill (2005, p. 425); People & Culture (2009), available at: www.peopleandculture.co.uk

ness and job satisfaction. The core elements of the above theories are summarized in Table 1.

2.1 Role Conflict Theory

Among the pioneers of the Role Conflict theory are Katz & Kahn (1978), who indicate that psychological tensions occur when individuals are involved in different roles that are new to them. This tension is further compounded when individuals are engaged in multiple new roles that are unexpectedly thrust upon them, either at the interpersonal or intergroup level. Recent studies indicate that one of the organizational factors that may lead to role conflict among employees is the M&A event (Seo & Hill, 2005; Rubin & Oehler, 2013). Employees may experience role conflicts when they are unsure of how they will fit in the new organization and how they should remain loyal to both the previous managers and the new management of the bidder firm. Role conflicts may also result from a perceived threat of job loss. The damaging consequence of role conflicts is low job satisfaction (Guerrero, 2008), which may then lead to other negative behavioral outcomes such as a lack of motivation and having an intention to quit. Hence, it is crucial that the new management enlighten their target employees about role expectations. As Cheng & Seeger (2012) suggest, strong managerial leadership can help to develop and clarify employees' new roles in the organization; this will lead to enhanced performance following the acquisition.

Many studies, for instance, Sanda & Adjei-Benin (2011), Rubin & Oehler (2013) note that role conflict of employees in the M&A process could negatively affect their job satisfaction, commitment and trust. Moreover, cultural and psychological integration takes a longer time to be attained. This implication, if not adequately understood and handled by managers at the beginning

of the integration process, could prolong anxiety and uncertainty among employees, with adverse consequences on their productivity and firm performance.

2.2 Organizational Justice Theory

The organizational justice theory provides important theoretical insights regarding how managerial decisions can affect the employees' psychological behaviors. Theoretically, employee reactions to organizational M&A decisions fall under three types of justice (fairness) perceptions: (a) distributive justice, which is considered as the original concept of organizational justice that deals with the fairness of outcomes including pay, rewards, and promotions; (b) procedural justice, which is the fairness of procedures, i.e. whether employees have a say in the processes involved; and (c) interpersonal justice, which is how organizational members are perceived to be treated by those responsible for determining outcomes and procedures (Colquitt, Greenberg & Zapata-Phelan, 2005). In this study, we are interested in the perceived treatment of employees, namely interpersonal justice. The focus of our investigation was on how employees perceived they were being treated by the bidder management, whether they were treated with dignity and respect. We believe that interpersonal justice has a strong impact on an employee's job satisfaction and performance.

M&A literature has consistently shown that the manner in which both surviving and displaced employees were treated during the post-merger integration period substantially influence their attitudes as well as levels of psychological withdrawal and job satisfaction, and intention to quit (Miller & Fernandes, 2009; Dauber, 2009; Goyal, & Joshi, 2012). Interpersonal justice or fairness calls for a handling of all employees with respect, regardless of age, providing adequate explanations of the need for change, and acknowledging the difficulties the employees might face (Colquitt et al., 2005; Rubin & Oehler, 2013).

2.3 Acculturation Theory

Culture refers to the long-standing, largely implicit shared values, beliefs, and assumptions that influence behavior, attitudes, and meaning in a company (or society) (Miller & Fernandes, 2009). Acculturation indicates a cultural learning process experienced by individuals who are exposed to a new culture or employment background. The Acculturation theory examines the exchange of cultural attributes between individuals or groups. The Acculturation theory propounds that when the integration process between two groups starts, the original culture of one or both groups alters, but the groups still remain distinct from each other. Chun, Organista & Marin

(2003) prefer to think of acculturation as a more complex phenomenon or bi-dimensional with interactive perspectives instead of a unidirectional school of thought simply known as assimilation. Acculturation theories could potentially offer insights into multifaceted and often versatile interactions between the absorbed target culture and the dominant bidder culture that considers at least two cultural dimensions where an individual may retain some aspects of the culture of origin and also learn and favor aspects of the new culture. In the context of M&A, acculturation involves the overall combination of corporate values, beliefs and norms that define an organization (Kottak, 2005; Appelbaum et al., 2007). The primary reason mergers and acquisitions often do not deliver longer-term value is owing to the lack of a strong cultural-integration plan (Knilans, 2009). Hence, culture has emerged as one of the dominant barriers to effective integration (Miller & Fernandes, 2009).

The complexity of acculturation is because organizations comprise individuals and groups; each is described as a network of integrated subcultures (Elsass & Veiga, 1994; Senn, 2008). Within these networks, the degree and rate of acculturation vary between individuals, and between subgroups, and among those based on age or seniority. The process of acculturation can occur in several different ways. There are four modes in which acculturation takes place, and these modes have been adapted to the context of M&A to describe the different ways in which the two groups adapt to each other and resolve emergent conflicts (Senn, 2008). These four modes include de-culturation (members of an organization do not retain their old culture or replace it with a new one), assimilation (members of an organization adopt the culture of another), separation (members of both organizations retain their original cultural identity), and integration (there is some degree of change in both organizations). Which acculturation mode is triggered depends on the relative strength of factors that bring about the need for organizational integration (e.g. degree of relatedness of the firms or acquisition motive) and the strength of factors that drive cultural differentiation (e.g. strength of organizational identity or attractiveness of the other culture). In our research, we took into account the first mode, *viz*. de-culturation. This is because we felt that target employees could not possibly retain their old culture and would need to adopt the bidder culture. Moreover, if the bidder firm were the focus of investigation, there would also be issues of assimilation to consider because some bidder employees may be affected by changes.

Researchers have proposed that when members of two combined organizations disagree on the desired mode of integration; this will result in acculturative stress (Chun et al., 2003; Knilans, 2009). Stress and tensions may lead to acculturative conflict, also known as *culture clash*, a phenomenon that is well documented in M&A literature (Senn, 2008; Knilans, 2009). Culture clash

is even more likely when people feel threatened by the risk of losing their accustomed way of doing things. An important intervention to avoid culture clash is a structured and purposeful interaction between combining organizational members; this will lead to either intercultural tolerance or assimilation (Schweiger & Walsh, 1990). Employees should be sensitized about the dynamics of cultural clash; they need to learn to appreciate differences, such as during cultural sensitization sessions.

In this study the concept of acculturation is simply represented by an optimistic perception of acculturation, i.e. cultural openness. Cultural openness refers to the extent to which employees are allowed to navigate without social constraint within and across different cultural groups, absorbing the elements that work within their preferred lifestyle but not necessarily at the cost of pride and participation in their native culture (http://www.added-value.com).

3 Hypothesis Development

Job satisfaction refers to how satisfied respondents (at the target firm) feel about their work environment after the M&A deal. According to the Role Conflict theory, job satisfaction generally declines among target firm employees because new job demands mixed with anxiety and changes in routines tend to adversely affect job satisfaction. Hence, it will be challenging for the target employees to stay loyal to the old management if the new one has different ideas on how to conduct business.

While there is evidence in the literature to suggest that procedural justice positively affects job satisfaction (Tyler & Blader, 2000), in this study our focus was on investigating whether fair treatment, represented by interpersonal justice, would lead to higher levels of the target employees' job satisfaction. This is also be supported by the Organizational Justice theory that a higher degree of fairness would lead to a higher job satisfaction; this is probably due to a lower rate of psychological withdrawal, such as the intention to quit.

The construct of "cultural openness" refers to "how open minded employees of a target" firm are. Often, the bidder firm tries to impose their work culture onto the target, and according to the acculturation theory, this can easily lead to a cultural clash. If the bidder firm is not able to overcome this clash after the transaction, the whole acquisition will result in failure (Weber & Drori, 2008, p. 123-124; Weber et al., 2009, p. 5). For a successful integration, it would therefore be advantageous to have more open minded employees at the target firm. In addition, with regard to perceived fairness, we believe that better treated employees should be more culturally open to the new work environment after the acquisition. We therefore hypothesized that:

H1.1: Employees with higher perception of fair treatment are more job satisfied employees.
H1.2: Employees with higher perception of fair treatment are culturally more open.

In regard to the Millennials, we assumed that they would be more satisfied with their jobs than senior employees. The reason for this is that Millennials are not only younger but also more flexible in their ways than their senior colleagues. Millennials can adjust more easily to new circumstances; they are more positively exposed to an international atmosphere due to their hyper-connectivity; they have easy access to digital technology or social media (Sheahan, 2005). As such, the Millennials seem to have an advantage over their senior colleagues. Similarly, young people are still trying to discover their identity and are much more open to new things than people in their 40s and 50s. Teens especially are using unique content to explore and experience different cultures (http://brandiq.biz/cultural-openness-and- millennials/). There is not much support in the literature to argue that seniors would be the more satisfied employees. Nevertheless, it is logical to assume that senior employees who have worked at the target firm for a long time may feel that since they have a better connection with the management, their jobs will not be at risk. Hence, that would make them comparatively satisfied employees. In a study by Wilson et al. (2008), it was found that senior nursing employees, not the Millennials, were more satisfied in their job. In this study we investigated, in a Japanese context, how the Millennials differed in job satisfaction compared to their senior colleagues after their firm had been acquired by a German bidder.

The same argument can be applied to cultural openness. Younger employees are said to be more culturally open than senior employees (http://brandiq.biz/cultural-openness-and-millennials/). We applied this to our case of M&A investigation, examining if the Millennials were culturally more open compared to their seniors at work. We therefore hypothesized that:

H2.1: Younger employees are more satisfied in their job compared to senior employees.
H2.2: Younger employees are more culturally open compared to senior employees.
H2.3: Younger employees are more fairly treated compared to senior employees.

4 Sample and Procedures

This research investigated perceptions of Japanese target employees in a cross border acquisition. The German bidder firm was in the technical testing advice industry with the deal closed by

the Japan-based German subsidiary in Tokyo. The top management of the German subsidiary was already in Japan long before the acquisition took place. The leading executive of the Japan-based German subsidiary was a German who had lived in Japan for many years and spoke the Japanese language fluently. Although some other managers at the German bidder subsidiary were non-Japanese, they were also equipped with a good knowledge about Japan and its people. In contrast, Japanese managers at the bidder firm could be considered as being influenced by the German culture as many of them had worked for several years at the German subsidiary. Nevertheless, the management of the bidder firm differed from that of the local firm. Target employees are usually affected by different forces in cross border acquisitions and also different domestic transactions. Therefore, a study of employee perceptions after a cross-border acquisition seemed timely as it would yield significant findings on the responses of target employees that the new management should be aware of.

This was an in-depth and specific study involving a single target firm. The disadvantage of having only one single firm was offset by the advantage of having a deeper knowledge of employee perceptions. Besides, there is recent evidence that the approach of an in-depth study is more appropriate than investigating several firms using feedback from a small number of key employees from each (Glaum & Hutzschenreuter, 2010, p. 94; Gerpott & Neubauer, 2011).

The measurements of the three constructs were assessed using an instrument described in Appendix. Interpersonal Justice was measured with 4 items. Cultural Openness was measured with 5 items (Wanberg & Banas, 2000). Job Satisfaction was measured with six items related to the short version of the Minnesota Satisfaction Questionnaire (Igalens & Roussel, 1999) but adapted to M&A integration process of employees at a target firm.

A 5-point Likert scale was used to gauge responses to statements in the questionnaire. A score of 1＝full disagreement with the statement (or: "not at all") to 5＝full agreement with the statement (or: "totally agree"). A score of 3 would mean a "more or less" agreement with the statement. Therefore, if the score is below 3, it means less agreement, and a score above 3 would mean more agreement with the given statement.

The same questionnaire was administered on three occasions. The first questionnaire was distributed right after the acquisition was announced in July 2012. The second round of distribution took place half a year later, in December 2012 after some strategic changes were implemented at the target firm. The third round was done in August 2013. This paper used only the data collected from the last round. It was felt that a year after the acquisition, the target employees should feel more settled physically and psychologically compared to the earlier first and second

round of data collection.

The decision to use the data from the questionnaire 12 months after the acquisition was further supported by a previous study. Based on a survey involving Hillier Architecture, one of the biggest architecture firms in the United States, which was taken over by a U. K.-based global architectural powerhouse in 2007, 40% of the respondents said that it took them three months or more before they understood how the deal would affect them in terms of departmental reorganizations, new responsibilities, layoffs, and other changes, (http://www.nbcnews. com/id/27118545/ns/business-careers/). Change after a corporate marriage sometimes comes within several months, but it can also take longer duration depending on the financial circumstances. Likewise, the bigger the difference between two cultures (for instance, German and Japanese), the longer the time needed to stabilize. Findings from numerous studies indicate that the ultimate success of M&As in terms of time taken to get back on track is determined by how well the cultural aspects of the transition are managed and the types of organizations involved (Senn, 2008; Bengtsson, 2012).

In this study, a link to an online questionnaire was sent out from the subsidiary management to all (72) employees of the target firm. Before sending out the questionnaire, the manager of the German subsidiary personally reminded all the employees in a special meeting to participate in the survey. From 72 employees in our 3rd run, 61 answered the questionnaire. We took out three respondents because their questionnaires showed too much missing data, leaving us with 58 workable questionnaires for analysis. Descriptive analyses were used and they were substantiated with correlation and multiple regression analyses to answer the objectives and hypotheses.

A brief profile of the respondents is shown in Table 2. Nineteen out of 58 respondents were aged 30 and below, while 39 of them were aged 31 and above. Those aged 30 and below were categorized as Millennials and the rest were considered senior employees. This division is important because it is our interest to also see the differences in the above-mentioned constructs between the two groups of employees in the firm after the acquisition. Among the seniors, about 33% of them had been working in the firms for more than 16 years, and about half of the Millennials had been employed there for at least five years. Forty of the total respondents are in the software and product testing sections, while the remaining is in the administration and sales sections. It is noticeable that almost all the Millennials are in the sections that require technology-based knowledge and skills, which aptly describes among their characteristics.

Table 2 Demographic and Job Profile of the Sample (n=58)

Variables	Age Dummy=0 (n=39)		Age Dummy=1 (n=19)	
	Frequency	Percentage	Frequency	Percentage
Age (Years)				
<30	-	-	19	100
31-40	19	48.7	-	-
41-50	18	46.2	-	-
51-60	2	5.1	-	-
>61	-	-	-	-
Gender				
Male	28	73.7	18	94.7
Female	10	26.3	1	5.3
Duration in Firm (Years)				
until 1 year	1	2.6	4	21.1
until 5 years	2	7.7	9	47.4
until 10 years	11	28.2	6	31.6
until 15 years	11	28.2	-	-
over 15 years	13	33.3	-	-
Department				
Software testing	8	20.5	9	47.4
Product testing	15	38.5	8	42.1
Sales	3	7.7	1	5.3
Administration	13	33.3	1	5.3

5 Results

We investigated whether employees' perception of interpersonal justice led to higher job satisfaction and to what extent cultural openness moderated this relationship. The results of our analyses showed that interpersonal justice positively correlated with job satisfaction. This was confirmed in our regression analysis that a higher perceived interpersonal justice led to higher job satisfaction among the target employees, regardless of age. In other words, more fairly treated employees showed higher job satisfaction during the integration period. This is supporting evidence for H1.1. However, for our whole sample, we could not find any evidence that job satisfaction was influenced by cultural openness, or that cultural openness was influenced by interpersonal justice.

For the second set of hypotheses, we contrasted perceptions of the Millennials against those of senior employees. We conducted independent t-tests and found weak evidence ($p<.10$) that the Millennials perceived themselves to be treated better than senior employees as well as differed in cultural openness (Table 3). Similarly, cultural openness loaded significantly but

Table 3 Means, Standard Deviations of Job Satisfaction, Interpersonal Justice and Cultural Openness, and T-Test Result

	Description				t-test result
	AgeDummy 0 (Seniors) 1 (Millennials)	N	Mean	Std. Deviation	
Interpersonal Justice	0	39	3.49	0.67	sig. (10%)
	1	19	3.81	0.63	
Job Satisfaction	0	39	2.98	0.65	ns
	1	19	3.24	0.81	
Cultural Openness	0	39	3.54	0.59	sig. (10%)
	1	19	3.09	0.98	

Table 4 Correlation Matrix of the Variable (n＝58)

Variables	Mean	SD	Job Satisfaction	Interpersonal Justice	Cultural Openness
Job Satisfaction	2.95	.65	(*.91*)		
Interpersonal Justice	3.33	.89	.54**	(*.90*)	
			.00		
Cultural Openness	3.27	.93	-.19	-.04	(*.85*)
			.15	.76	
Age (Dummy)			.17	.22	-.28*
			.20	.09	.03

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
Note: Figure in parenthesis is the reliability (Cronbach's alpha) value of the variable.

negatively with the age dummy ($p<.10$). This is confirmed in Table 4 where cultural openness was found to correlate negatively with the age dummy. Hence, the results indicated that contrary to what was hypothesized, it was not the Millennials but the senior group of the target employees who were the culturally more open-minded. However, these culturally more open minded seniors ended up being the less job satisfied.

Further regression analyses were conducted independently for both groups of employees (Table 5). The results showed that for senior employees, their perception of justice correlated more significantly with job satisfaction than that of the Millennials ($p<.01$ for seniors; $p<.05$ for Millennials). The same table shows that cultural openness of seniors was negatively correlated to job satisfaction ($p<.10$). This further supports the results in Table 4.

Table 5 Regression Results of Job Satisfaction (with dummy variables for age)

Predictor Variable	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	β		
(Constant)	**1.984**	**.647**		**3.067**	**.004**
	1.135	1.296		2.113	.051
	2				
Interpersonal	**.561**	**.128**	**.588**	**4.390**	**.000**
Justice (X_1)	.602	.285	.467	2.113	.051
Cultural	**-.271**	**.148**	**-.245**	**-1.83**	**.075**
Openness (X_2)	-.062	.181	-.076	-.342	.737

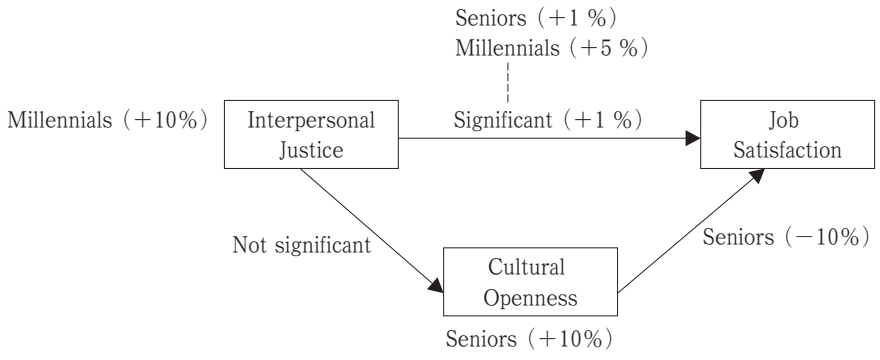
Notes: The bold values represent senior employees.
R_1=0.606; R^2=0.367; Adj. R^2=0.333; F=10.455, p=0.00 (n=39) (Senior employees, dummy=0)
R_2=0.482; R^2=0.232; Adj. R^2=0.014; F=2.423, p=0.12 (n=19) (Millennials, dummy=1)

6 Discussion and Implications

The summarized results of this study are diagrammatically shown in Figure 1. With regard to theoretical implications, we confirmed and extended findings in previous studies on justice and job satisfaction (Dauber, 2009; Miller & Fernandes, 2009; Goyal & Joshi, 2012). We also found evidence that perceptions of being treated fairly impacted the level of job satisfaction for both groups of employees. For the second set of hypotheses, we found evidence that the Millennials valued their being treated justly; even though the significant level is lower than that of the seniors.

Further results showed that the senior employees, were culturally more open minded employees, not the Millennials. In other words, there was no significant evidence of cultural openness among the Millennials. Several reasons can be put forth. It could be that the Millennials perceived

Figure 1 Results of the Hypothesized Framework



that they had a weaker standing at the firm than the senior employees that they are indifferent to the new organizational culture. Moreover, in Japan, cultural settings play a significant role at the workplace. There is still a prevailing seniority system in many Japanese firms (Yamagishi, 2013). In such a scenario, senior employees can hardly get moved against their will, or even be replaced in their jobs. Even if the bidder firm is juristically German, it is situated in Japan and might behave like a Japanese firm. Senior Japanese employees would then feel that they would not be adversely affected by any change in management. This may result to their higher culturally open mindedness. Thus, the Millennials at the target firm are still early to be impacted by the cultural change. Also, younger Japanese employees (the Millennials) may feel that they should first become fully adjusted to the firm (which may take years) before becoming culturally more open-minded. In the Japanese way, the younger employees may first try to get a so-called life time employed position in a firm. Years afterwards they may be willing to get expatriated abroad with this firm, getting experience and becoming culturally more open-minded and tolerable to any change in corporate values and norms.

We can further conclude that these less satisfied senior employees may have received rather negative experiences at their foreign based subsidiaries. Even if foreign experienced Japanese managers are considered to be important for a successful international liaison to other firms, decision makers in Japanese firms tend to be rather the managers which do hardly get out of the offices. Worldwide, there is a push at many firms for globalization and for an internationalization of their managers. However, it can be thought that in order to proceed to higher management levels, managers should not underestimate the fact that it has advantages to be physically close to the headquarters. At best, it could be argued, managers should not leave the headquarters at all for the sake of stronger connections to progress to the top of the firms. For a Japanese firm it might be even more important not to get sent abroad for a long time period. To be out of office means to loose connections and, even worse, Japanese managers may change in their characteristics because they get impacted by foreign culture. Even this would be beneficial for conducting business on an international level, these managers do not receive trust anymore by their colleagues. That means, even if firms at other countries consider expatriations of managers abroad as one of the basics to make them more culturally open and that they proceed to higher levels, Japanese firms seem to think in different ways. In other words, more culturally open and experienced Japanese senior managers may rather receive less than more power at their firms. This leads to culturally open managers which end up being less satisfied at their jobs. This issue especially applies to employees in firms with a long tenure. Finally, this study contributes to the

theories associated with M&A organizational change processes by incorporating the element of age, or simply referred to as the Millennials versus the senior employees, in the investigations of perceptions of job satisfaction, cultural openness and interpersonal justice in a target firm in a Japanese context.

The practical implications of this study are as follows: i) It is important for the new management to formulate communication strategies to inform young employees about the long term business strategies of the new firm and to treat them in a positive manner (Appelbaum et al., 2007); ii) Fairness or interpersonal justice calls for a handling of all employees with respect, regardless of age, providing periodic information-sharing sessions in order to iron out difficulties that employees might face, particularly those related to perception of unequal treatment by the management (Colquitt et al., 2005; Rubin & Oehler, 2013); iii) The management of the newly structured firm should realize the importance of having a mixture of employees (seniors and the Millennials) as each group of employees brings certain advantages to the firm because we believe on the fact that there is strength out of the diversity; and iv) Offering a variety of benefits, including health plans, vacation schedules, work schedules, etc, that will allow the employees regardless of age to choose what works best for them. Also important is to educate the workforce on generational diversity issues so that they can understand each other and work together productively.

It becomes evident that a higher cultural openness of senior managers does not automatically lead to more satisfied managers. In fact, cultural open managers were the less satisfied managers. It may be advisable for firms to implement fixed programs that managers keep close relationships with the headquarters and do not receive disadvantages because of their stay abroad. It is not sufficient just to send out managers to foreign based offices. If the connections to the headquarters are not kept strictly, expatriated managers end up being culturally open minded but do not have any say anymore when back to the headquarters. This development has to be stopped because it would lead to a resistance of young managers which do not want to leave their headquarters for having a better career. In order to internationalize the most promising young talents, headquarters must assure that expatriated managers are an appreciated asset for their firm. When expatriated and cultural open minded managers come back to the offices, they should get promoted to higher positions.

There are several limitations in this research. First, the participants in the survey questionnaire were solely employees from one single firm; they were also all Japanese employees. Hence, the data are only applicable to this firm and could not be generalized to other firms which may have employees of different nationalities. The results therefore, might be culturally-biased

due to homogeneity in cultural background. Second, the findings were based on only 58 returned questionnaires since the firm involved was small. Third, like at any other questionnaire-based research, we also relied on the Likert-scale knowing that, for example, a four out of a five response may have a different interpretation, depending on the background of each respondent. Fourth, for the purpose of this study, the age limit of the Millennials differed from the common usage. As indicated earlier, we define the Millennials in this study as those aged 30 years and below (Hays.com, 2013), (although based on the generational theory, it refers to those aged 34 years and below) and the seniors are those 31 and above. Therefore, comparison could not be made exactly with the Millennials from other countries.

Despite the limitations, we hope that this paper has made a contribution to the M&A literature from the perspectives of the Millennials and senior employees with regard to their perceptions on job satisfaction, interpersonal justice and cultural openness. It would be useful for future studies to investigate other behavioral variables such as intention to stay or to leave the organization after integration, role in knowledge transfer or knowledge sharing between bidder and target employees, types of communication between managerial and operating employees. Also, it is worthy to conduct bigger scale studies involving several firms experiencing a similar mode of M&A, the results of which would be useful in making wider generalizations.

We extended previous research that found that fairly treated employees, regardless of age, at a target firm felt more satisfied in their job. In addition, it is noteworthy that senior employees, not the Millennials, showed a higher cultural openness. However, seniors with a higher cultural openness turned out to be the less job satisfied.

Appendix：Original Questionnaire Items for Interpersonal Justice, Job Satisfaction, and Cultural Openness.

Construct: Interpersonal Justice

How do you feel to be treated by the bidder management?

- treats you in a polite manner
- treats you with dignity
- treats you with respect
- refrains from improper remarks or comments

Construct: Job Satisfaction

How would you answer the following questions?

- I am satisfied with the company
- I am satisfied with my job security at the company
- I am satisfied with the overall communication in the company

- I am satisfied with the facilities provided by the company
- I am satisfied with my job
- I am satisfied with my salary in the company
- I am satisfied with the opportunities to advance in the company
- I am satisfied with the 'training & development' provided by the company

Construct: Cultural Openness

How do you agree to the following statements about other cultures?

- I enjoy interacting with people from other cultures
- I am confident that I can socialize with locals in a culture that is unfamiliar to me
- I am sure I can deal with the stresses of adjusting to a culture that is new to me
- I enjoy living in cultures that are unfamiliar to me
- I am confident that I can get accustomed to the shopping conditions in a different culture

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