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First, Do No Harm: A Temporal Taxonomy of Executive Exit Trajectories Post-Acquisition

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**First, do no Harm:**  
**A Temporal Taxonomy of Executive Exit Trajectories**  
**Post-Acquisition Disruption**

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## Abstract

M&As are amongst the most exercised strategic decisions and typically the most disruptive. Studies indicate that up to **70% of executives exit within five years post-acquisition** (Krug & Aguilera, 2005) taking with them a wealth of institutional memory, relational capital, and intellectual property. There is a paucity of research examining intention to leave in this context.

The purpose of this study is to explore executive ITL experience post-acquisition as a holistic and dynamic process, asking;

***‘What triggers executive ITL in post-acquisition exits? How and when does the exit unfold?’***

The study adopts an abductive approach to research. Using a qualitative approach, **39 executives** were interviewed. Based on the data, eight key exit antecedents emerged, answering the ‘*what*’ part of the RQ. The author characterises the exit process from ignition of ITL post-acquisition through to exit, answering the ‘*how*’. Objective and subjective temporal references emerge from the findings answering the ‘*when*’. Findings are amalgamated into a **temporal taxonomy** with three exit pathways. The study advances the readers theoretical understandings on executive behaviours in an M&A context. It provides qualitative insight into lived ITL experiences. Practically it contributes to acquirers understanding of how to better manage ITL post-acquisition.

## Introduction

In 2022, up to **\$4.5 trillion** was spent on global mergers and acquisitions (M&As), across all industries (PWC, 2022) in strategies designed to create competitive advantage and corporate growth. Yet, Marks & Mirvis (1985, 2011) asserted that this strategy has up to **75% failure rate in terms of comparable profitability measures**. Acquisitions are simply not a profitable strategy for organisations, which see the value significantly eroded. There is ample evidence of these failures rates yet limited understanding of ‘*why*’.

Academics have found high executive exit rates within five years of acquisition (44-75%) (Marks & Mirvis, 2011; Schoenberg, 2006; Moeller et al, 2005). Interestingly, Krug (2003) found that whereas 77.6 % of executives exit within five years of a foreign acquisition, 65.1% exit for domestic.

A disruptive acquisition process is unsettling to incumbent executives. Due to the rate of change, the scale of the change, and the critical mass of uncertainty it is asserted that M&As can be the most disruptive of organisational changes for individuals to experience – hence the high turnover.

Arguably turnover is typically higher at executive level, yet the evidence from Krug (2003) suggests that average executive turnover in non-acquired firms in the same five-year period was 35.4%. Thus, **the context seems to double the departure rates.**

An acquisition is '*the process by which the stock or assets of a corporation come to be owned by a buyer*' (Reed, Lajoux, and Nesvold, 2007:3), sometimes referred to as mergers. Employees who leave an organisation at their own discretion are defined as voluntary turnover (Price, 1977), defined by Hom & Griffeth (1995: 5) as the '*voluntary cessation of membership in an organisation, by an individual who received monetary compensation for participation in that organisation*'. This research is focused on executives who experience voluntary turnover.

Academics and practitioners alike recognise that many acquisitions fail. Joshi et al (2020) noted that '*while many studies highlight the importance of financial, accounting, and value creating synergies in post-acquisition performance, others have noted that a lot more work is needed in evaluating the role of behavioural factors such as understanding cultural and identity changes in post-acquisition success*' (50). One of the key behavioural factors that demands further attention is that of executive turnover. It is acknowledged that these exits bring an unquantifiable cost with them beyond characteristic recruitment costs. Within this triad of considerations, a mystery emerges. What is it about the disruption caused by the acquisition process that leads to significantly higher than normal executive exit rates?

There appears to be limited agreement in academia as to the appeal of top management turnover following acquisitions (Walsh, 1988). Two contradictory views exist – the Resource Based View (RBV) and Upper Echelon Theory (UET). RBV argues that exits have a costly impact and that keeping talented employees results in successful organisational outcomes. (Bergh, 2001; Cannella & Hambrick, 1993; Kitching, 1967; Jemison & Stikin, 1986; Yunker, 1983; Porter, 1988). UET proposes that the exit of incumbent executives is essential for post-acquisition success. One position that is agreed upon is that **intention to leave (ITL) is the most common negative consequence of acquisition activity** (Cartwright & Cooper, 1989, 1990; Iverson & Pullman, 2000; Mishra & Spreitzer, 1998; DeMeuse & Tornow, 1990). Executives voluntarily departing post-acquisition are considered one of the '*soft*' reasons for acquisition failure (Brynjolfsson et al, 1997; Buchanan et al, 2000), commonly discussed as the '*people problem*'.

Much of the research looks at how turnover is moderated by key aspects of the acquisition at an organisational level, such as cultural differences between parties (Schein, 1985) - but **there is limited research at an individual level.** Schweiger and DeNisi (1991) put forward that acquisition announcements create uncertainty, stress, job dissatisfaction and intention to turnover.

## Literature Review

The author began by reviewing work on turnover, executive behaviours and M&A literature. There are over 100,000 published journal articles on turnover and intention to leave (ITL) alone (at Jan 2023). Mobley (1982; 125) summarised the challenge, stating it was ‘*unlikely that a single study could capture the entire complexity*’ of a turnover model.

To get from thousands of published findings on the subject matter, to a more focused few, an element of narrowing down was required. Few studies looked at how the antecedents interact with each other or gave any prioritisation to the antecedents in relation to temporality. The review identified **sixteen** published articles with findings specifically relevant to this research. They are Applebaum (2000), Fugate et al (2002), Krug (2003), Covin et al (1997), Hambrick & Canella (1993), Spreitzer & Mishra (2002), Marks & Mirvis (1992), Angwin (2004), Zollo & Meier (2008), Kammeyer-Mueller (2005), Edwards et al (2017), Kanfer et al (1988), Grogan (2014), Marmenout (2011), Isabella (1990), and Jansen & Shipp (2019). Marks & Mirvis (1992) stated that ‘*twelve to 18 months following a merger is a good time to take a company’s pulse. By then things have usually quieted down and people have grown accustomed to new regimens*’ (70). In 2000, Applebaum et al looked at communications, culture, change, stress and strategy during pre-merger, merger and post-merger temporal stages. By looking at these variables against these temporal periods, they provide guidance to acquirers on how to support employees throughout the process. Fugate et al (2002) delivered a longitudinal study just looking at coping as an antecedent to ITL over four stages of a merger, timing them 3 months apart during an anticipatory stage (Time 1), an initial change stage (Time 2), a final change stage (Time 3) and an aftershock stage (Time 4). One further turnover study with temporal undertones was by Kanfer et al (1988) who found that poor performers were more likely to leave in the first year of employment than were good performers. This is not an M&A specific study but the link between turnover and temporality is interesting.

In terms of what lens the research was viewed through, a combination of RBV and SET together formed the underpinnings of the research. They provide solid foundations from which the literature can be reviewed, and findings uncovered at an **individual level**, driven by organisational level change. Utilising both lens’ can bridge the gap between the two. The two in tandem deliver a holistic set of contributions to practitioners and academia.

Scholarly research on M&As has grown exponentially but ones theoretical understanding on the reasons for their failures has been limited by **fragmented and disjointed** unidimensional and bi-dimensional studies on a multitude of factors, for example relatedness, integration, culture, etc. Behaviour of employees is noted as one of the reasons for failure. (Marks & Mirvis, 2011; Aslan & Zaim, 2014; Joshi et al, 2020).

Larsson & Finkelstein (1999) posit that *‘although the streams of research are not mutually exclusive, they have been only marginally informed by one another’* (2). They identify from their extensive literature review that the;

*‘Nonintegrative nature of M&A research: strategic, economic, and financial, M&A research tends to disregard the organisational and HRM issues that are a central part of the acquisition integration process and may play a large role in determining the success or failure of M&As’* (2).

The author surmises that existing definitions of ITL fail to encapsulate the **complex and dynamic nature** of ITL. They do not recognise that ITL is **bi-directional**, meaning it has the ability to go up and down. It can **change over time** and **may or may not translate into turnover**.

In such a broad theoretical landscape, a comprehensive understanding of these known antecedents and their interrelationships remains a challenge. Scholars have tended to simplify their research but the author notes antecedent relationships are beyond causality. They are complex and dynamic elements. Executives are motivated by a complex set of criteria (Krug & Hegarty, 2001). Hulin, Roznowski and Hachiya (1985) warned against studying the variables singularly and suggested that the simultaneous consideration of both push and pull variables would provide more robust insights.

As a result of this deep dive into the body of knowledge, a three part research question emerges that captures the essence of what the researcher is trying to answer;

***‘What triggers executive ITL in post-acquisition exits? How and when does the exit unfold?’***

Understanding how and why executives respond to an acquisition and form their ITL may be of particular importance in understanding what leads to successful integration which determines the success of the acquisition. From the scoping literature review utilising an RBV and SET lens, the author identified four key gaps in that literature. A handful of studies take antecedents to turnover into account over time. None answer the question of whether these antecedents differ in the progressive time periods post-acquisition. Secondly, taxonomies and the consideration of trajectories is lacking within the turnover literature. Thirdly, the methodologies utilised to date are primarily quantitative and described by Lee et al (2017) as ‘*modest*’ based on Maertz & Campions (1998) work that states they rarely explains more than 25% of turnover variance. It is hoped that a more exploratory qualitative approach to the research will give the reader a novel perspective on ITL in this context. This may subsequently deliver a greater understanding of what causes the variance in turnover. Finally, the studies in this field are predominantly unidimensional or bi-dimensional. Of the meta-analyses completed, none encompass the ever-growing list of antecedents. This gap will be closed with insight into antecedents gained from the ‘*what*’ research question.

## Research Methodology

The author takes an **abductive approach to research design, using a constructionist epistemology and idealist ontology**. The research paradigm is **contemporary hermeneutics and interpretivism**. Emerging from the literature review, the author developed a research question which explores what triggers intention to leave in a disruptive post-acquisition environment.

In order to answer this question, the author determined that a **stratified purposive sampling approach and an exponential non-discriminative snowball sample** were the most suitable approaches. Semi-structured interviews were used for data gathering in three waves from 39 participants. They were either remainers or exiters who had experienced 57 acquisition incidents.

Hermeneutics was utilised in data analysis to enable the researcher to drift between exploring the **whole concept of ITL and its intricate parts**, to then understand more about the whole, to then expand on the unknown parts, in an ongoing cyclical manner until theoretical saturation is reached. In this case, the ‘*whole*’ is intention to leave and the ‘*parts*’ may be the time horizons, the antecedents, the behaviours of those who return after exiting, the decision making of those who remain, and the ITL process from conception until it evolves into turnover.

Analysing rich text data whilst returning to the literature to **interrogate interpretation** is the foundation for data analysis. The **unit of analysis** lies in the individual narratives of experiences of executives who experienced intention to leave in the time periods following an acquisition. The unit can be the individual’s narrative about one incident or their individual narratives about multiple incidents. Pre-defined sampling criteria ensured appropriate selection for the sample.

The author conducted all analyses electronically using **NVIVO12**, a best-in-class qualitative data analysis tool and manually. The data was analysed through multiple levels of coding. This helps the reader to understand further the role the antecedents play in each post-acquisition period. **A temporal taxonomy of executive exit trajectories is proposed to close the identified gap in the literature.**

## Findings

A comprehensive review of the literature alongside the data gathering and analysis, uncovered over one hundred documented antecedents to ITL. The findings chapter, in an abductive hermeneutic approach to research, blends the data findings with the literature and the researchers own input, to outline findings that can contribute specifically to the post M&A executive turnover discussion.

The data revealed eight key antecedents as conflict, prior acquisition experience (PAE), ambiguity tolerance, turnover contagion, shock, ostracism, unfairness & perceived deprivation, and reneged commitments from the acquirer.

Together, they deliver a coherent set of associated antecedents that exacerbate and impact each other to trigger the dynamics of a move in ITL in the executive. PAE, ostracism and reneged commitments are revealed antecedents that emerged from the data and seldom arise in established literature. PAE is context specific.

## Conflict

Whilst conducting analysis the researcher observed the *‘flesh and bones feelings, reactions, and responses’* (Mirvis, 1985; 65) that follow an acquisition. The researcher created NVivo12 nodes to note where conflict was evident in the narratives. The author segmented conflict references into three forms of conflict: Inner Conflict, Organisational Conflict, and Adversarial Conflict. Inner conflict related to the inner turmoil the individual felt after the acquisition. This may have been born from guilt or confusion. Organisational level conflict was evident when the participant engaged in conflict with the acquiring organisation. Finally, adversarial conflict was typically between the participant and one individual from the acquiring organisation. In more incidents than expected, these individuals were described as follows;

*‘We sold it in August 2012 to a US company called x, .. run by a megalomaniac, sociopath, psychopath’ (1.7)*

## Prior Acquisition Experience (PAE)

There are limited studies into the role PAE plays with ITL and exit pathways in M&A contexts. Prior acquisition experience at an organisational level was addressed by Halebian et al in 2006 who evidenced that it was positively related to the likelihood of subsequent acquisition. This is one of the few references to the antecedent but is not pertinent to this research, beyond the superficial reason of having the same title as this individual level antecedent.

Fourteen participants had experienced an acquisition previously and this experience provided them with the *‘script’* to draw on when deciding what to do now. The researcher notes the use of the words *‘déjà vu’* in the narrative and recognises that it can be a positive or negative feeling, depending on the circumstances surrounding the prior experience.

*‘I think I was less panicked because I’d been through that process before’ (1.2)*

This term does not necessarily denote you have been through the same experience before, but rather something similar, which brings the same emotions to the fore that that experience had triggered. For those with same/similar prior experiences, the cognitive and emotional sense of déjà vu together with the existence of a script, led them through their exit decision making process.

*'You could see the negative spiral. For me it was like I again with x and y, "Here we go again in this negative spiral." I go, "I don't want to do this again." I could have stayed there, stayed another... I was 10 years with x in Holland, so I could've stayed. I was 5 years at x at that point and I thought, "Okay, should I stay or should I go?" That's when I decided to go out on my own..' (1.4)*

## Ambiguity Tolerance

Ambiguity tolerance is defined as an individual difference that predicts short- and long-term reactions to a spectrum of situational characteristics relevant in a wide variety of life contexts and outcomes (Furnham and Marks, 2013). The context researched is the post-acquisition environ where uncertainty and unfamiliarity are rife, even in organisational settings where the acquirer rolls out a strong communication plan. As a result, it may be likely that the individual's level of tolerance drives the speed of their exit.

With risk taking, the level of risk is often understood before the individual chooses to take it. With ambiguity tolerance there is not the same level of surety in the outcome. This distinction is important.

Particularly in those exiters who left in the 1–3-year window post-acquisition, **uncertainty** played a big part in the decision-making process. Uncertainty avoidance and ambiguity tolerance go hand in hand when assessing this antecedent and this is explored further in the discussion. Ivancevich et al (1987) proposed three factors created by M&A events, one of which is Uncertainty.

*'Not knowing whether an event will occur or what its consequences will be can be very influential in cognitive appraisal... in the absence of actual information... an individual's appraisal will be determined primarily by speculations about events that might occur and rumours associated with them' (22).*

Tolerance refers to the individual's specific level of uncertainty/change they are willing to tolerate. It is unique to each participant and seldom fixed.

*'When available information fails to support a conclusive interpretation and the situation is sufficiently important that the fully developed, healthy brain wants a conclusive interpretation, perhaps to identify an appropriate behavioural response, anxiety is generated. ..the intensity of the reaction to perceived ambiguity indicates the individual's ambiguity tolerance' (McLain et al, 2015; 2).*

It can signify the point at which the line is breached and the participant moves from intention to leave to execution of resignation, which supports Sheridan & Abelson's assertion that a *'threshold is reached'*(419).

The author observes a broad range of ambiguity tolerance in participants across the various time periods. For those who exit immediately, the ambiguity tolerance is low. For those that take their time, the tolerance is high. Measuring this construct was not scientifically done, but observations were drawn from the narratives. Ambiguity Tolerance is not typically addressed as an antecedent in M&A literature. The author has observed how low, medium and high tolerance impacts ITL, but this remains for further testing against exiters in each time period post-acquisition.

### Turnover Contagion

Organisational behaviour literature posits that turnover may become contagious, known as the turnover contagion (Felps et al, 2009; Porter & Rigby, 2021). Oh & Chhinzer (2021) empirically evidenced that *‘turnover contagion was a mechanism for triggering turnover intentions into turnover behaviour in the workplace’* (1089). This generic antecedent to ITL was evident in the data analysis stage for so many participants who had experienced an acquisition and yet little is found published in an M&A context.

**For 22 participants**, the author read commentary referencing how their exit was, either **wholly or in part**, driven by turnover contagion, particularly for those who exited in the 1–3 year window post-acquisition. Seeing peers leaving triggered participants to reflect that they didn’t want to be the last man standing. Participant 1.5 mentioned that they were *‘the first to go’* and 0.2 commented that *‘it felt like you were the loser if you did stay’*.

### Ostracism

For so many who survived restructurings, it was the experience of being **side-lined, demoted or excluded** in a public manner that triggered the intention to leave. Demotion is also described in literature as status degradation (Gephart, 1978) Exclusion can also take the form of removal of status both internally and externally (Hambrick & Canella, 1993). Blake and Mouton, in 1985, described employees experiencing feelings of being sold out.

Acquisitions typically trigger organisational restructures causing pacey disruption that shocks the employees. **Side-lining & demotions** are often used as a tool to ensure a dominant acquirer has the people they want in critical positions – without risking losing the incumbents intellectual property. Alternatively, it may be used as a psychological weapon to break down the incumbents’ senior executives and diminish resistance to change. Another tool effectively utilised is **exclusionary behaviour** – either socially or professionally. Such ostracism from their colleagues is a divisive way of asserting dominance. For the purpose of this research, the term **‘Ostracism’** is used to incorporate all three elements. Ostracism is defined as exclusion from society or a group (Oxford Dictionary).

Krug (2009) identified **Alienation and Lower Status** as the antecedent to an exit for 33% of executives interviewed. These individuals left because they '*felt alienated, lost status and autonomy, and believed the acquisition would have negative outcomes for them personally and professionally*' (7). To that end, this is similar to that of the Ostracism antecedent and the findings align. In this study, some participants who experienced ostracism were moved to another team.

Others were pushed off boards and committees. But there was genuine raw emotion of sadness, embarrassment and upset when participants talked about these mandated changes.

*'It kind of ratified my thoughts about leaving. You just don't treat people like that'. (3.4)*

#### Unfairness and Perceived Deprivation

Cho et al (2014) studied the relationship between employee perceptions of relative deprivation during an M&A process and their turnover intentions. For the purpose of this research, the author defines this antecedent as Unfairness and Perceived Deprivation which covers having experienced unfairness in both self and as witnessed in others.

Over 20 participants had extracts from their transcripts coded with references related to unfairness and perceived deprivation. Its low level of coverage in the literature is what piqued the authors interest in this antecedent.

The acquirer may have identified the participant as someone who was to be retained, but they may as well not have been categorised as such. By treating their colleagues in a poor manner, the participant presumed it was only a matter of time before they too were treated poorly. The strong loyalty and social bonds between the incumbent staff are often underestimated. And in this strength, this glue, lies a bond that triggers ITL in those who may not be experiencing hardship themselves. The ripple effect continues and, together with turnover contagion, it is a difficult cycle to break once it begins. This finding supports Covin et als (1997) interpretation of Fulmers 1988 work.

#### Shock

Lee et al (1994) identified shock as being a factor in triggering intention to leave post-acquisition, and this was clear in those exiters who left within year one. In various forms, shock clearly came through in almost all interviews – whether it was main shock or aftershock. Of course, as time progresses, shock dilutes, and other factors become more predominant. Often it was witnessed that just when a new status quo has been established, something changed, and uncertainty rears its head again. Aftershock was experienced.

*‘two years after acquisition, they decided to close the office here in Switzerland...and that I did not expect at all. I mean the months before, the month before we were looking for a bigger office, and then suddenly one month in, they closed the office, and also that was kind of a really big shock. For me and for everyone’ (1.9)*

## Reneged Commitments

Broken promises were noted in early analysis as an important theme across many narratives. This was subsequently relabelled Reneged Commitments and reflects behaviours by the acquirer who say one thing, then do the opposite. The breach of promise was a strong antecedent, seeding doubt in the participant which inevitably was tied to ITL. Within the first year of acquisition, participants commented that the promises made by the acquirers at the point of acquisition were not adhered to. But this antecedent is beyond this. Not only was the commitment breached, but the opposite was implemented. Simply put, they do not do what they say they would do - and then they do the opposite, causing a very deep breach of trust. The author observed both anger and sadness in the interviews with participants who had experienced reneged commitments, evident from their body language, tone and words used.

Whilst reviewing the initial process step, the ignition of ITL, the researcher explored what might trigger the changes in attitude. There are three components of attitude – affective, cognitive and behavioural. Each are intertwined. The affective component deals with the participants feelings and emotions in response to the acquisition. The cognitive component relates to the knowledge or information about an event. The final component, the behavioural, is related to how the participant behaves in relation to the event. In these incidents, the behavioural is ‘to exit’ the organisation. But between the different groups of exiters, the exit trajectory and nature of the exit differentiates the participants from each other. It is important to note, that all three responses make up the exit decision making process, but a differential is identified in terms of which component is *predominant* in which group of exiters.

Following a review of the data and key antecedents, a temporal taxonomy was designed from empirical interview data using a **general classification design** which groups objects together ‘*according to all their attributes*’ (McKelvey, 1978; 1429). This is outlined in Table 1. Characters were drawn from empirical data before the classification is theorised. Subsequently, the evolution of the characters and pathway classifications are done in synchrony **Taxonomic characters**, or OTUs (Operational Taxonomic Units) are features by which an individual can be compared against each other. For the purpose of this taxonomy, the predominant characters are the Antecedents (answering the ‘*what*’ question), the participants responses and the exit trajectories.

The taxonomy is a **polythetic group**, meaning it shares a number of features but no single one of which is essential, or sufficient, for membership. (Rich, 1992). The pathway classifications are labelled the **REACTORS**, the **ARCHITECTS** and the **MONITORS**. As there are three classifications, it qualifies as a tripartite temporal taxonomy. A draft taxonomy is outlined in table 1.

Thirty-nine executives agreed to be interviewed. Their narratives make difficult reading. Typically, their experiences were overwhelmingly sad, as they described how they were treated after their organisations were acquired, and they felt they were no longer needed. Those that left at haste were named the **REACTORS**. Their speedy exits are fuelled by conflict ridden environments and their inability to cope. Their decision making is emotionally driven and their response is aggressive in nature. They have no time to waste.

Those that left in the ensuing period of uncertainty are labelled the **ARCHITECTS**. Between one- and three-years post-acquisition, they plan and orchestrate to leave in a manner that is better for them. They are invested financially to remain as well as invested in the wellbeing of the incumbents' staff, and often shielding them from the acquirers. They utilise time to their advantage and take a passive aggressive approach to the change.

The final classification of exiters is those who leave more than three years post-acquisition. They are labelled the **MONITORS**. They are constantly observing and assessing the environment to see who is leaving, when, and why. They are pre-empting what may happen next. They take their time.

| <b>Research Question</b><br><b>'What triggers executive intention to leave during post-acquisition disruption?'</b> |                                       | EXITER PATHWAY CLASSIFICATIONS                                                                                                                                  |                                                                                                                                                                      |                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                     |                                       | <br><b>REACTORS</b><br>(0-1 YEAR)<br><i>'No time to waste'</i><br>n = 21 (36%) | <br><b>ARCHITECTS</b><br>(1-3 YEARS)<br><i>'Utilise their time'</i><br>n=14 (24%) | <br><b>MONITORS</b><br>(3+ YEARS)<br><i>'Take their time'</i><br>n=10 (17%) |
|                                                                                                                     |                                       | <i>'I was the first to go.. I think I lasted between 90 and 120 days' (1.5)</i>                                                                                 | <i>'It was about one and a half years, maybe about six months earlier than was intended' (2.2)</i>                                                                   | <i>I think, in our game, you would always encourage a level of reflection. It might just be four years of turmoil was long enough'. (1.6)</i>                  |
| <b>'What?'</b>                                                                                                      | Temporal Antecedents                  |                                                                                                                                                                 |                                                                                                                                                                      |                                                                                                                                                                |
|                                                                                                                     | 1. Conflict                           | ✓<br>Inner & Adversarial                                                                                                                                        | ×                                                                                                                                                                    | ✓<br>Organisational                                                                                                                                            |
|                                                                                                                     | 2. Prior Acquisition Experience (PAE) | ×                                                                                                                                                               | ✓                                                                                                                                                                    | ×                                                                                                                                                              |
|                                                                                                                     | 3. Ambiguity Tolerance                | ✓<br>Low                                                                                                                                                        | ✓<br>Medium                                                                                                                                                          | ✓<br>High                                                                                                                                                      |
|                                                                                                                     | 4. Turnover Contagion                 | ✓                                                                                                                                                               | ✓                                                                                                                                                                    | ✓                                                                                                                                                              |
|                                                                                                                     | 5. Ostracism                          | ✓                                                                                                                                                               | ✓                                                                                                                                                                    | ×                                                                                                                                                              |
|                                                                                                                     | 6. Unfairness & Perceived Deprivation | ×                                                                                                                                                               | ✓                                                                                                                                                                    | ✓                                                                                                                                                              |
|                                                                                                                     | 7. Shock                              | ✓<br>Main Shock                                                                                                                                                 | ✓<br>Aftershock                                                                                                                                                      | ×                                                                                                                                                              |
|                                                                                                                     | 8. Reneged Commitments                | ✓                                                                                                                                                               | ✓                                                                                                                                                                    | ×                                                                                                                                                              |
| <b>Responses</b>                                                                                                    | Temporal Observations                 | Short duration between process steps                                                                                                                            | Elongated durations between steps. ITL ignites earlier                                                                                                               | Slow exit based on observations of others behaviours                                                                                                           |
|                                                                                                                     | PTSD Response                         | Fight → Flight pathway                                                                                                                                          | Freeze → Flight or<br>Fawn → Flight pathway.                                                                                                                         | Fawn → Flight                                                                                                                                                  |
|                                                                                                                     | Subjective Time Reflections           | Individual, Process, Organisational and Global Subjective Time Attributes<br>Operating as a lens through which the participant recalls their experiences        |                                                                                                                                                                      |                                                                                                                                                                |
| <b>'When?'</b>                                                                                                      | Pace (Ponzetti et al, 1989)           | Rapid                                                                                                                                                           | Gradual                                                                                                                                                              | Extended                                                                                                                                                       |
|                                                                                                                     | Type of Trajectory                    | Speed, Immediacy                                                                                                                                                | Slow Paced, Planned                                                                                                                                                  | Steady, Considered                                                                                                                                             |
| <b>'Who?'</b>                                                                                                       | Participant # ( <i>exemplars</i> )    | 0.1b, 0.3a, 0.3b, 1.2, 1.3a, <b>1.5a</b> , <b>1.5b</b> , 1.6a, 2.2b, 2.4, 2.5, 2.6, 2.9, 2.10, 2.15, 3.2a, 3.3, 3.4b, 3.5b, 3.10, 3.11                          | 0.1a, 0.2, 0.3c, 0.4, 1.3b, 1.4a, 1.9, 2.2a, <b>2.11</b> , 3.1, 3.6a, 3.7a, 3.9, 3.12a                                                                               | 1.4b, <b>1.6b</b> , 1.7, 2.3, 3.6b, 3.8, 3.12b, 3.12c, 3.13, 3.14                                                                                              |

Table 1 Tripartite Temporal Taxonomy of Executive Exit Trajectories

## Discussion

There remains much for us to understand about how the ITL variable accelerates and decelerates towards exit. The author designed an ITL gauge to depict the relationship between the antecedents and the direction of ITL. This will aid practitioners in knowing how to use HR interventions and levers to slow down or stop the process.

A key finding in the research was that a ***familified culture in the incumbent slowed down exit trajectories, as did tenure***. Both considerations brought with them a **felt obligation** to their colleagues that countered the drive to exit at pace. Tenure is a key consideration in the RBV v UET contrasting theories of how acquisitions should be managed. The author observes a high level of tenure amongst the MONITOR group and places tenure on the left side of the gauge as a force to retain the executive's post-acquisition. The longer the tenure the more likely the executive is to remain. RBV recognises this value in the short to medium term, as does UET. As outlined in the literature review, the two only differ in terms of their perspectives on the role of long tenured staff and their alignment with the strategic objectives of the new look organisation.

**Shielding** happened and **allied relationships** were formed that provided the foundation of the culture, decelerating exit trajectories by providing a level of protection. Whether in the form of 'shielder' or 'shielded', the trajectory was slowed down. The shielder needed to remain for a time to protect. The shielded was unaware of how difficult the political environment had become and so was lacking the impulse to exit.

Figure 1 depicts accelerants and decelerates of intention to leave derived from the findings – showing which antecedents can move the indicator closer to an exit, and those which pull the individual back from an exit decision. It depicts how unfairness & perceived deprivation, reneged commitments, turnover contagion, conflict, shock and ostracism can move the indicator towards exit. On the contrary, tenure, felt obligation and having shields and allies can move be antecedents to stay. The antecedents in the middle could move the indicator in either direction. For example, someone with high levels of ambiguity tolerance are less likely to have that antecedent increase ITL, as it would '*temper*' the drive to go. It was identified in the findings that PAE showed no evidence of either acceleration or deceleration of ITL and was instead utilised as a '*sense making tool*'. Hence both of these antecedents fit in the centre of the gauge and will move depending on individual circumstances.

The '*moment*' is included on the gauge from the ITL process. It is the point just prior to the exit where the author found that typically something minor happens or thinking changes that moves ITL from intention to execution. Viewing this moment 'standalone', the reader would struggle to understand how something minor triggered the exit, but in all incidents observed it was a culmination of other antecedents that led to this point.

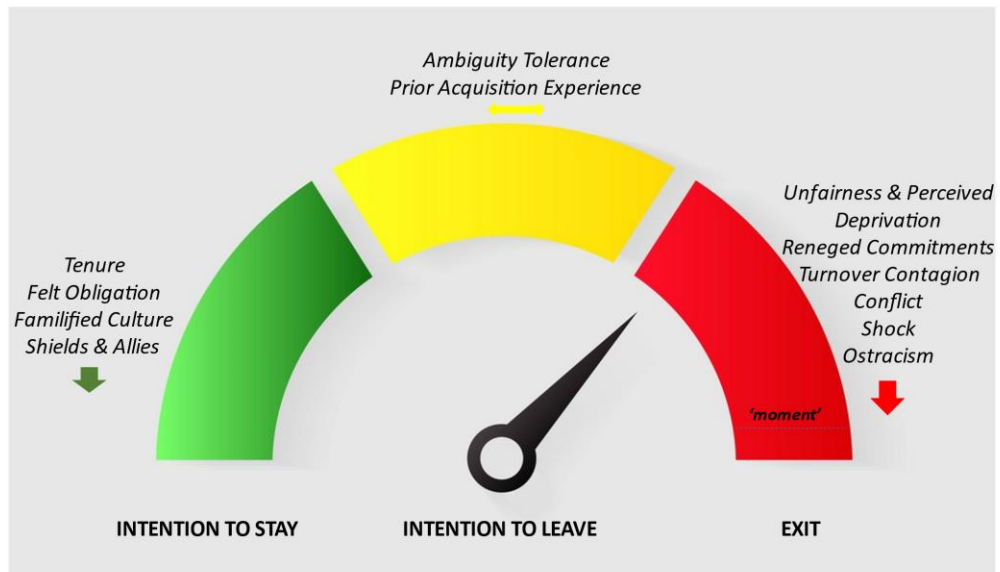


Figure 1 Intention to Leave Gauge

## Conclusion

The tripartite temporal taxonomy has implications for organisational policy and management. Morrell et al (2004) suggested that interventions to reduce turnover should be targeted and that *'blanket initiatives to reduce turnover may be inefficient'* (319). Practitioner insight and validation was an ongoing process during the development of the temporal taxonomy as *hunches* (Dane, 2020) were sense checked with colleagues who operate in HR roles for acquiring firms.

Traditionally, golden handcuffs were the key mechanism for retaining executives in the three years post-acquisition. But this research has evidenced a number of findings that makes such an intervention ineffective.

- Executive exits were not predominantly driven by **financially based antecedents**.
- Where the environment was conflict ridden, a retention programme was not sufficient to assuage the decision to exit.
- A **complex web** of dynamic antecedents ultimately triggered the exit decision, and these antecedents varied depending on the time period post-acquisition.
- Enacting retention plans for identified talent did not avert an exit if **perceived deprivation of others was witnessed** by the executive. The practitioner learning that can be taken from this is that the acquirer may have a number of talented executives whom they wish to retain, but for

those individuals ITL is driven by their observations about how the acquirer treats the rest of the organisation.

- For those who accepted a **retention incentive**, they typically became **ARCHITECTS** and planned their exit following the passage of the retention period and subsequent receipt of a promised financial bonus.
- Retention plans assisted for those with low ambiguity tolerance by gifting them the reassurance of job security. But for those executives who were not offered the retention, a heightened sense of uncertainty arises that strains their tolerance for ambiguity. In these instances, the concept of the financial retention as a lever could ‘*backfire*’ on the acquirer by **segmenting** and pitting those who received the offer against those who don’t.
- Side-lining, demotion and exclusionary behaviour were antecedents experienced by executives for whom retention plans were not put in place. This took the form of ostracism in the workplace.

The researcher posits that the acquirer faces one or more challenges in a post-acquisition environment that is laden with conflict, uncertainty and disruption. Firstly, the task of identifying the talent they wish to retain. Secondly, **negating potential intention to leave**, and finally, where the ITL cannot be negated, recognising **how to dissipate or decelerate it**? A Practitioner Toolkit is proposed in Figure 2 which acquirers would **utilise within the Integration plan** that is typically rolled out in the months post-acquisition. The toolkit can assist acquirers in predicting and preventing some, but unlikely all, exits in the subsequent years.

The practitioner toolkit visually depicts a set of interventions that are embedded with a level of **Consciousness** at the core. Generally, consciousness is a state of being aware of, and responsive to, one’s surroundings. In the case of an M&A, the acquirer needs to have a heightened awareness for the signs that intention to leave are emerging and respond to them accordingly before they become critical. Furthermore, acquirer consciousness should attend to emotional responses such as a drop in moral, and signs of increased concomitant stress (Arneguy et al, 2018). From a cognitive perspective, they would watch out for lower affective commitment, lower satisfaction and either distrust or no trust in relationships. Consciousness is ongoing – before, during, and for many years after the acquisition and it is the responsibility of more than just HR. It needs activation within the line. It is something that needs to be actioned.

For example, structured interventions to gauge the ever-changing temperature of the organisation. It is part of everyone's role that represents the acquirer in the new look organisation. Interspersed between each toolkit intervention lies **Observation**, the art of active 'seeing'. Together with Consciousness, they provide the bedrock for the success of the acquisition.

It is well established that a successful acquisition requires **communication**, but it is typically one of the key causes of integration failure as outlined by Nguyen & Kleiner (2003) who documented that '*the major causes include improper managing and strategy, culture differences, delays in communication, and lack of clear vision*' (447). The acquirer is encouraged to communicate, communicate and then to communicate more. This cannot be overstated. Communications should take place at an individual level, in the form of '*stay interviews*' (Bradbury et al, 2022) and at a collective level through a variety of aligned mediums. Communications should be a hybrid - top down and bottom up, ensuring a voice is given to all.

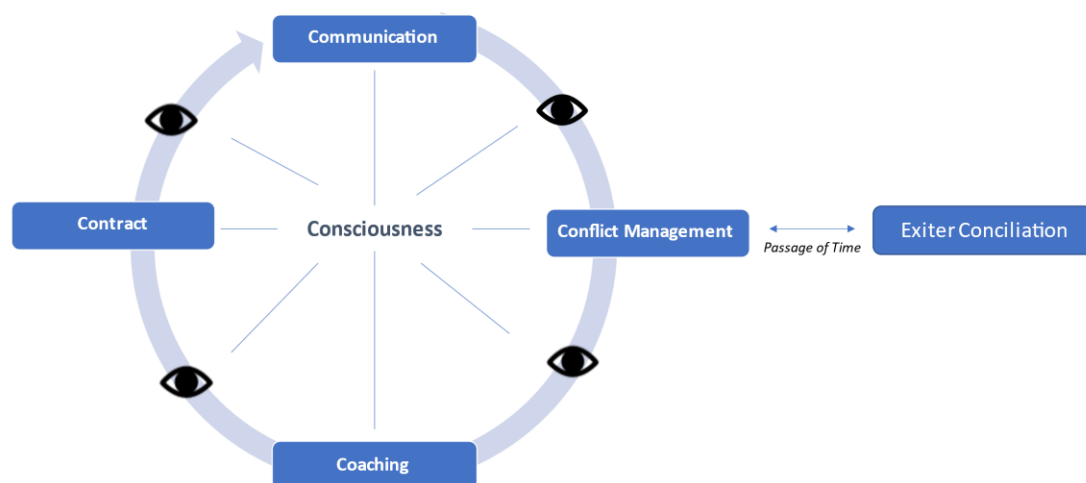


Figure 2 Practitioners Toolkit

As the findings note, **Conflict** is one of the key antecedents to intention to leave. This research posits is the independent role of '*Acquisition Coach*' to work **collaboratively and independently** between the acquiring and incumbent executives, to actively **coach** them through the change, giving guidance on relationship building and conflict resolution. Whether the executive is experiencing inner conflict, adversarial or organisational level conflict, an Acquisition Coach, can provide unbiased support to all parties. This would be a significant investment for the acquirer but nothing like the cost of potentially losing the executive to a competitor.

The next intervention in the practitioner toolkit is **Contract** where the acquirer commits to the acquired executive either through a financial retention plan, or a personal or career development plan. It may take the form of a tangible contract that is signed by both parties. Alternatively, less tangible but just as significant, the previously mentioned ‘*stay interview*’ (Baumgartner, 2015). These actions are an attempt to negate the intention to leave and can be very successful when conducted with ‘*identified talent*’ and those who might not be on that list. Recall the findings that ‘*Unfairness and Perceived Deprivation*’ can be a powerful ITL antecedent when identified talent are witnessing others being neglected or mistreated.

Should these steps be unsuccessful, a subsequent intervention advances the toolkit to add **Conciliation**. In this manner, conciliation would involve, after a period of time, the active attempts to re-recruit exiters. It could be an effective tool for those who left in haste, the REACTORS. Armed with a deeper understanding of what triggered their exits, HR might tap into this underutilised bank of skilled ex-employees who have retained intellectual capital, relational capital and institutional memory, enticing them to return to the new look organisation.

Collectively, these interventions can work together to reduce or neutralise the eight key ITL antecedents that emerged from the data as depicted. Active, honest communications can dilute **Ambiguity Tolerance**, **Shock** and **Reneged Commitments**. Conflict Management can minimise individual, adversarial and organisational level **Conflict**. Once observed, it can go a long way to removing **Ostracism**. Coaching is an excellent intervention to undo any damaging beliefs or ‘*scripts*’ in place because of **Prior Acquisition Experience (PAE)**. And finally, Contracting can be used to decelerate **Turnover Contagion** and **Unfairness & Perceived Deprivation**. Which singular or multiple interventions are necessary will be down to the individual and situational context. It will also be driven by the level of financial commitment invested by the acquirer in the new look organisation.

Identified limitations set the scene for opportunity for future research possibilities as summarised in Table 2 Recognised Limitations and Opportunities for Further Research.

| Recognised Limitations   | Opportunities for Further Research                                                                                                                           |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lack of Generalisability | <ul style="list-style-type: none"> <li>Research into organisational culture and geographic culture differentials and the impact they have on ITL.</li> </ul> |
| Bias                     | <ul style="list-style-type: none"> <li>A positivist-based survey into PTSD responses</li> </ul>                                                              |

|                                    |                       |                                                                                                                                                                                                                                              |
|------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Forward<br>Temporal<br>Orientation | Focussed<br>Depth and | <ul style="list-style-type: none"> <li>• Follow up research to understand if the act of being interviewed triggered subsequent exits.</li> <li>• A longitudinal study to assess ITL before, during and long after an acquisition.</li> </ul> |
|------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Table 2 Recognised Limitations and Opportunities for Further Research

This research calls for further research in this domain in a qualitative and quantitative manner. It does not hold itself up as proven or complete but posits a tripartite temporal taxonomy of trajectories that takes turnover research to an elevated level of understanding. The establishment of a ‘**duty of care**’ to all employees, not just the executives that this work focused on, can only help in the minimising of disruption to organisations. This duty of care is to ensure that the incumbent executives have a voice, and the respect that is due to them, during times of uncertainty. Acquirers would be well advised to take on board medical professionals edict ;

***‘First, do no harm’.***

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