

Tangible, Intangible and Phenomenological Dimensions of Mergers

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ABSTRACT: This study aims to explore the experiences of informants who work in merged companies. This study focuses on how informants are able to inform and interpret mergers. The meaning of mergers is explored through a qualitative approach. Observation and in-depth interviews were used as data collection techniques conducted from 2021 to 2023. Data analysis techniques were carried out using triangulation until the data was considered saturated. This study succeeded in exploring mergers at two levels of analysis units, namely organizations and individuals. Researchers found a duality that occurred between the tangible and intangible dimensions at the organizational level and the phenomenological dimension as the center between the tangible and intangible dimensions like a dynamically rotating circle. This duality ultimately contributed to the merger which researchers viewed as an advanced merger concept.

KEYWORDS: Merger, Tangible, Intangible, Fenomenologis, Sensemaking

INTRODUCTION

Merger is one of the corporate actions that is widely viewed as a tangible dimension. The feasibility of a merger is viewed based on real changes in the organization that are reflected and visible in terms of increasing economic scale, financial balance sheets, to increasing and decreasing income. The tangible dimension of a merger will always be followed by merger development efforts that are often seen in the intangible dimension. The intangible dimension is widely studied as the need for organizational roles and the performance of organizational citizens who are able to support the merger process in the organization[1]. Mapping of previous research shows that mergers tend to be studied separately where research is only carried out on one of the tangible or intangible dimensions and focuses on the organizational level. The focus of merger research at the organizational level ultimately leads to a goal-based merger map in order to achieve effectiveness and efficiency in mergers. There is still minimal merger research that is purely process-based and focuses on the experience and awareness of individuals who experience the merger itself. Facts about process-based mergers play an important role in further research. Previous research shows that goal-based mergers in achieving organizational effectiveness and efficiency are still inconsistent. The success and failure of mergers also still show relative results. Efficiency is only shown at the beginning of the legal merger and does not show significant results after that [2]. Merger research also shows that many companies experience failure compared to successful mergers. Therefore, researchers include the phenomenological dimension as a dimension that purely captures mergers based on the process, not the goal. The phenomenological dimension focuses on the experience and awareness of individuals experiencing a merger. The phenomenological dimension captures how informants are able to inform their experiences during the merger process. The phenomenological dimension is viewed by researchers as a center in a dynamic circle between the tangible and intangible dimensions that researchers call the duality of mergers. The duality of mergers becomes a purely process-based merger research study. The duality of mergers is assumed to be able to reveal the interconnectedness between merger dimensions holistically and comprehensively. This assumption is in line with the complex nature of mergers and has many impacts not only on the organizational side but also has a further impact on individuals who are in the process and experiencing mergers.

Understanding merger as a process-based research is intended to explore tangible dimensions, intangible dimensions and phenomenological dimensions. By exploring tangible dimensions, intangible dimensions and phenomenological dimensions, it is expected that other interesting facts can be found and can contribute to building the meaning of the merger that is revealed directly by informants during the process of the merger itself. Sensemaking theory is also included as an analytical tool that serves as a guideline for researchers in conducting research.

Literatur Review

2.1 Merger

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A merger is a corporate action that aims to optimize the integration and alignment of performance in order to achieve efficiency in terms of finance and increase effectiveness in terms of service quality [3]. Mergers are able to form strengths at different levels and allow for reconfiguration of the knowledge system. This reconfiguration includes general resource knowledge that refers to organizational elements that tend to change along with changes in the dynamics of the organizational environment [4]. The success of a merger is stated not only based on one factor in the organization but involves several constructions of organizational components that are interdependent and influence each other, especially during the merger integration period [5].

2.2 Sensemaking Theory

Sensemaking theory is an idea that was first developed by looking at a complex event that must be faced by organizations and individuals. Events refer to an unusual crisis situation that often gives rise to speculation on the processing of organizational interpretations in order to get through the situation. Interpretation is important considering that people in an organization tend to pour their thoughts into a particular action. Mistakes in interpretation can create further mistakes that result in confusion in responding to a particular situation [6]. The idea of sensemaking theory, which originally targeted organizations, developed at the individual level. Individuals in the sensemaking view are always in a gap space and are required to be able to continue moving through irregular situations that are between the crocodile space, society and organizations. Sensemaking is basically a knowledge management that always has a dialogue in the individual's mind that forms a framework for solving life's problems [7].

RESEARCH METHODOLOGY

This study aims to explore the tangible, intangible and phenomenological dimensions of mergers so that the research locus is taken at one of the state-owned companies in Indonesia that has just undergone a merger. The selection of the research locus is associated with the uniqueness of state-owned companies that merge not as a step to save the company but when the company is in prime condition.

3.1 Research Desain

This study uses a qualitative approach. The qualitative approach allows researchers to explore the relationship between tangible dimensions, intangible dimensions and phenomenological dimensions in depth. The phenomenological dimension is also included to explore and reveal the experiences and awareness of informants who experienced the merger itself.

3.2 Informan

The informants for this study were taken using the purposive sampling method. The purposive sampling technique prioritizes the selection of informants based on certain criteria that are in accordance with the research objectives. The informant criteria are determined based on the distribution of informants at the company's existing location before the merger. Informants are also existing employees before the merger and are still active employees after the company merges. Informants are management who play a role in the implementation team before and after the company's merger is legalized.

3.3 Data Collection Techniques

Data collection techniques were carried out manually through observation and interviews with informants who experienced the merger. The observation period was carried out from 2021 before the merger was legalized until 2023 where the merger entered its second year after the legal merger. Interviews were conducted before and after the merger to see the consistency of the informants' answers along with the accompanying changes. Company documents such as regulations and policies were also used to support the research. Likewise with literature studies to support the justification of the phenomena and research findings.

3.4 Data Analysis Techniques

The data analysis technique was carried out using a thematic approach that categorized major themes based on the results of informant interviews. The results of informant interviews were processed through textural description analysis. Textural description analysis maps major themes based on the description of informant expressions as they are. The results of the textural description analysis were then analyzed using structural description analysis. Structural description analysis was carried out by providing an expansion of meaning to the major themes found in the textural description results. This expansion of meaning on the theme is what will then be used in the research discussion.

3.5 Validity and Reliability

This study uses triangulation as a test of validity and validity. Data triangulation is used to confirm that what is expressed by the informant is in accordance with secondary data obtained from company documents. In addition, literature studies are also used to ensure that the informant's statements are in accordance with previous research and provide a content for developing scientific insights. Triangulation of the social situation of the informants was also carried out to ensure that the research results are not

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biased where what is expressed by the informant before and after the merger shows the same consistency so that the conclusions in the study are also relevant.

RESULT AND DISCUSSION

The results of the study show that the expansion of meaning is divided into the merger conception and the sensemaking theory conception in each dimension, both tangible, intangible, and phenomenological. The research findings show that there is a merger phase that marks how informants interpret their merger experience. In addition, the researcher found that the duality between dimensions is able to build a merger understanding structure that the researcher calls the sense of merger as shown in the following figure:

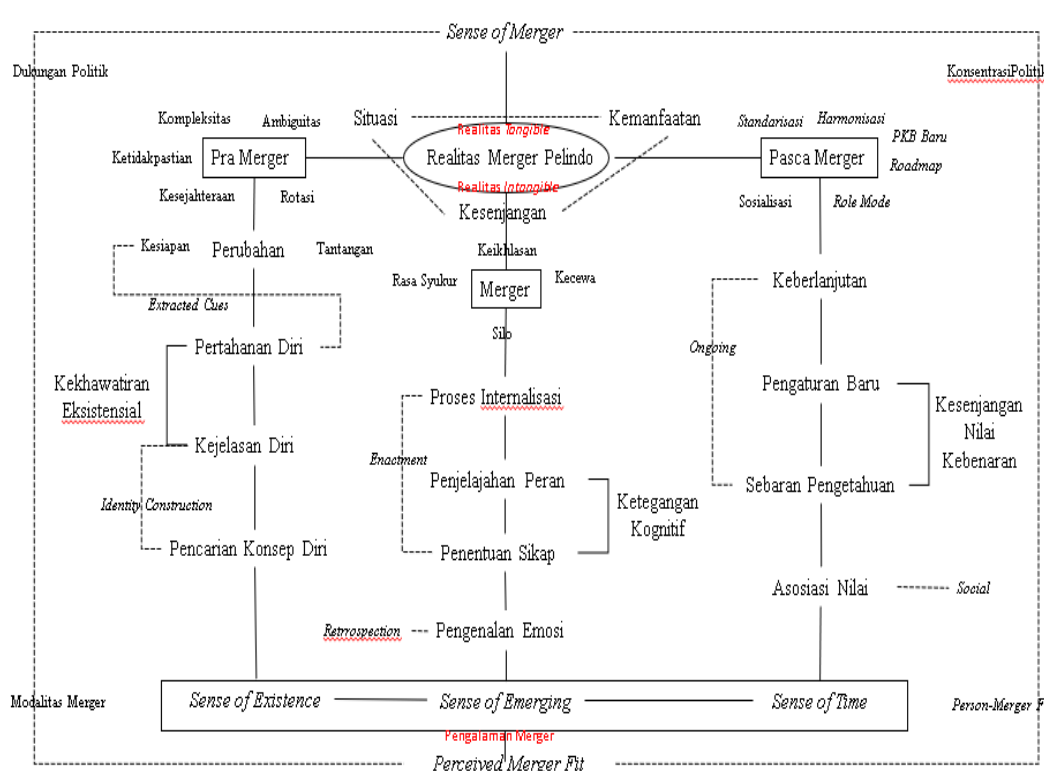


Figure 1: Sense of Merger

4.1 Tangible Dimension of Merger

The tangible dimension was revealed by informants as mostly occurring in the pre-merger phase. The pre-merger phase was revealed by informants as a situation of change marked by existential concerns. The situation of change became a tangible dimension shown through corporate actions through legal mergers where the vision, mission, and organizational structure changed. Business refinement through holding also occurred in corporate actions and showed real changes in the transformation of operational services. In addition, real changes were carried out according to the timeline shown by the roadmap to ensure that corporate actions in the tangible dimension ran properly in the sense that they were not too fast and not too slow in forming the informant's new identity.

4.2 Intangible Dimension of Merger

The intangible dimension was revealed by informants as being experienced in the legal merger phase. The legal merger phase was revealed as an internalization process marked by cognitive tension. The internalization process became an intangible dimension shown through the acculturation of the merger. Acculturation of the merger through the unification of culture, communication and information became a reinforcement for informants in going through the legal merger phase. Culture succeeded in becoming a reinforcement that built an identity crisis that tended to be present in pre-merger situations. Communication succeeded in strengthening the interaction between management from top to bottom so that in the end uniformity of information occurred and was able to provide reinforcement of cognitive stability in the same perception towards one merger goal.

4.3 Phenomenological Dimension of Merger

The phenomenological dimension of merger is a series that culminates in the post-merger phase. The post-merger phase is expressed by informants as a continuous situation marked by a gap in truth values. A continuous situation shown through continuous experience and awareness. Experience and consciousness refer to the psychology of merger experienced by informants.

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This refers to the expectation of involvement in the merger considering the complex and uncertain merger situation. The uncertainty expressed by informants as a time full of worry. Worries that raise high hopes to continue to receive certainty of welfare guarantees in the continuation of the merger.

4.4 Research Findings

1. This study successfully explored the tangible dimension as the basis for merger transformation. The basis for merger transformation refers to the motivation for the merger that occurs up to down. This strengthens the manifestation of power found in the tangible dimension.

2. This study successfully explored the intangible dimension as factors that influence the merger. These factors are able to strengthen and weaken the informant's merger motivation. This strengthens the existence of merger modality, namely the efforts made by informants in going through the merger as a finding in the intangible dimension.

3. This study successfully explored the phenomenological dimension as a consequence of the merger. Merger consequences. The researcher found that the phenomenological dimension is an intersection between the experience dimension and the perception dimension of merger suitability which can explain the duality of the merger. This intersection then shows the existence of a person-merger fit configuration that continues to be built by informants so that it can continue in the merger.

CONCLUSION

The results of the exploration of the tangible dimension, intangible dimension and phenomenological dimension of the merger show that the merger begins with a negative connotation experience. In line with the study of sensemaking theory, informants showed that negative connotation experiences can be overcome through the formation of awareness to continue building efforts that are in line with the individual and the merger itself. This study finally arrived at the proposition that a merger is not just a thought about organizational profit alone. However, there are individual human aspects that must be considered in a merger.

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