

The Effect of M&As on High-Performer Turnover

Differences between Family and Non-Family Firms

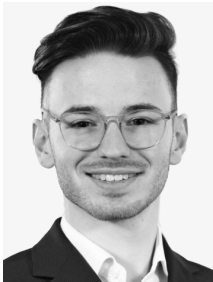


*Andreas R. Schmid, Heidi E. Bodenmann and
Fabio Arena**



Abstract: This study investigates the question whether high performers are less likely to quit a family firm in the post-merger phase than if they were in non-family firms. We use Mobley's (1977) Model of Employee Turnover as a cognitive framework and job embeddedness literature to examine how the distinguishing characteristics of family firms affect the distinctive stages of the high-performer turnover process. Using data from the Swiss CRANET survey 2014, with a sample of 245 family- and non-family firms in Switzerland, we find that M&A shocks lead to higher high-performer turnover, and that family firms show a lower level of high-performer turnover after an M&A than non-family firms. Our findings indicate that specific family business characteristics may buffer the detrimental impact of M&As on high-performer turnover.

Keywords: Organizational form, family business, mergers and acquisitions, high performers, turnover



Die Auswirkungen von Fusionen und Übernahmen auf die Fluktuation von Leistungsträgern – Unterschiede zwischen Familienunternehmen und Nicht-Familienunternehmen

Zusammenfassung: In dieser Studie wird der Frage nachgegangen, ob Leistungsträger ein Familienunternehmen in der Post-Merger-Phase mit geringerer Wahrscheinlichkeit verlassen, als wenn sie in Nicht-Familienunternehmen tätig sind. Wir verwenden Mobley's (1977) Model of Employee Turnover als kognitiven Rahmen und die Literatur zu Job Embeddedness, um zu untersuchen, wie sich die besonderen Merkmale von Familienunternehmen auf die verschiedenen Phasen des Fluktuationsprozesses von Leistungsträgern auswirken. Anhand von Daten aus der Schweizer CRANET-Umfrage 2014 mit einer Stichprobe von 245

Familien- und Nicht-Familienunternehmen in der Schweiz stellen wir fest, dass M&A-Schocks zu einer höheren Fluktuation von Leistungsträgern führen und dass Familienunternehmen nach Fusionen und Übernahmen eine geringere Fluktuation von Leistungsträgern aufweisen als Nicht-Familienunternehmen. Unsere Ergebnisse deuten darauf hin, dass spezifische Merkmale von Familienunternehmen die nachteiligen Auswirkungen von Fusionen und Übernahmen auf die Fluktuation von Leistungsträgern abfedern können.

Stichworte: Organisationsform, Familienunternehmen, Fusionen und Übernahmen, Leistungsträger, Abwanderung

* The Authors declare that there is no conflict of interest.

Introduction

“Price is what you pay. Value is what you get.” *Warren Buffett, Investor*

Previous research disagrees as to whether mergers and acquisitions (M&A) generate value for organizations. In 2021, over 62'100 M&A deals were completed worldwide, adding up to a total deal value of US\$ 5.63 trillion. In Europe alone, M&A deals reached a value of US\$ 1.26 trillion (Nishant, 2021). Organizations engage in M&As because they are considered an effective means of replacing inefficient management, create synergies and boost company growth (Chatterjee, 1992; King et al., 2004). Yet, 44 % of all mergers and acquisitions fail to meet the initially set objectives (Schoenberg, 2006). In terms of succession and growth, M&A are also relevant for family businesses. Although M&A as a growth strategy constitute a major challenge for family businesses, they have been little studied (Feito-Ruiz & Menéndez-Requejo, 2010; Steen & Welch, 2006). This contrasts with an overwhelming 40 years of M&A research in non-family firm contexts (Cartwright & Schoenberg, 2006). Despite the absence of official statistics, it can be assumed that family firms are heavily involved in M&As as they represent the predominant organizational form worldwide (Cesinger et al., 2014).

Previous studies have mainly dealt with the effects of M&A on financial outcomes such as post-merger performance (King et al., 2004), productivity (Siegel & Simons, 2010), shareholder returns (Cartwright & Schoenberg, 2006). Yet, more important factors seem to be overlooked. Specifically, the ‘human factor’ was highlighted as critical to the success of M&A by a large body of research (Schuler & Jackson, 2001).

Studies which examined the effects of M&A on turnover within particular groups of leaving employees (e.g., top management team, or CEO) neglected high performers (e.g., Krug & Aguilera, 2004; Lehn & Zhao, 2006). In terms of performance, the top 20 % of employees are considered high performers (Shaw et al., 2009). At the same time, there is little research on the causes of high-performer turnover (Kwon & Rupp, 2013). More valuable employees are more likely to facilitate organizational success and are aware of alternative opportunities (Niederman et al., 2007; Trevor & Nyberg, 2008). Thus, retaining high performers becomes even more important, given the knowledge-based global competition (Cappelli, 2000). Further, turnover-related costs comprising employee replacement, social capital loss or training (Cascio, 2000; Kwon & Rupp, 2013; Sturman et al., 2003) are especially high when high performers leave (Kwon & Rupp, 2013; Shaw et al., 2005). Yet, turnover outcomes of M&As may differ in family- and non-family firm contexts. Given, for example, different organizational cultures (e.g., trust, altruism, or commitment; Lee, 2006) and social structures (Khanin et al., 2012), we may expect that family firms possess a competitive advantage in terms of retention of high performers after an M&A shock. Thus, the aim of this study is to answer the question as to whether M&As lead to high-performer turnover, and whether high performers are less likely to quit a family firm in the post-merger phase than if they were in non-family firms. We apply a revised version of Mobley's (1977) model of employee turnover and job embeddedness literature to high-performer turnover with a specific focus on the differences between family and non-family firms after an M&A.

In doing so, we seek to make three contributions to family business, M&A and turnover literature. *Firstly*, by exploring the role of another contextual factor (i.e., family firm characteristics) on the relationship between M&A and high-performer turnover theoretic-

cally, we add to the comparative research on M&As. *Secondly*, by drawing on job embeddedness research and Mobley's model of employee turnover, we contribute to further theorizing and extend an existing framework with a novel antecedent (i.e., M&A) and we use it to contrast two different organizational contexts (family-/non-family business). *Thirdly*, with the consideration of high performers, we include a previously neglected but valuable employee subgroup in our analysis. Figure 1 depicts the research model.

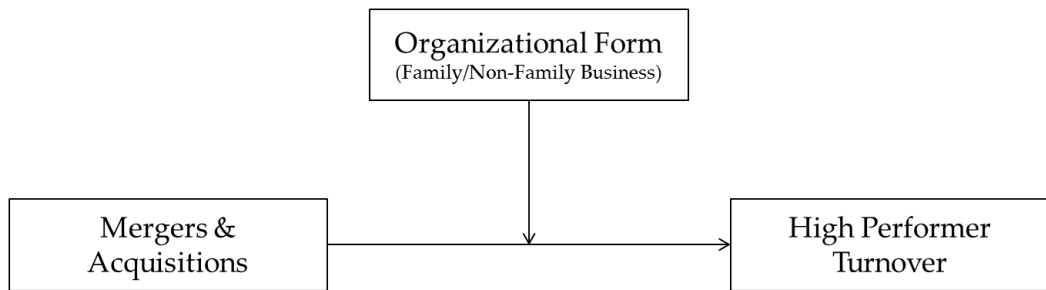


Figure 1: Research Model

Theoretical Background and Hypotheses

Mobley's (1977) Model of Employee Turnover

There seems to be an agreement among turnover theorists that three main mechanisms play a role in turnover: (a) job attitudes (e.g., job satisfaction, organizational commitment), (b) turnover intentions and (c) job search (Steel & Lounsbury, 2009). All these mechanisms are addressed by Mobley's (1977) model of employee turnover. It describes, from an employee's perspective, what happens after she or he experienced dissatisfaction at work for whatever reason (Steel & Lounsbury, 2009). The model includes various psychological and behavioral stages that take place before the actual turnover decision (Katsikea et al., 2015). Accordingly, the process starts when employees evaluate their existing jobs (see Figure 2). If this causes feelings of inequity (e.g., low pay relative to co-workers or outsiders, missed promotions or excessive supervision), or that expectations are not met, employees may become dissatisfied with their current job. This induces thoughts of quitting, which result in the evaluation of the expected utility of searching for alternatives and the costs of quitting. Alternatives are then evaluated and compared with the current job. If a favorable alternative is available and the costs of quitting are not high, the actual intention to quit occurs, whereupon employees intend to look for work elsewhere. If the job search is successful, the employee ultimately decides to quit and leaves the current employer (Hom et al., 1984).

According to Hom and colleagues (1984), an employee does not have to go through every stage of Mobley's (1977) model but, for example, may quit without having searched for alternatives in the first place. In this study, we use this comprehensive and validated model version by Hom and colleagues (1984) to generate our hypotheses.

From job embeddedness research, we know that thoughts on quitting may emerge after so-called 'system shocks' that lead to a sudden change in job satisfaction – in the negative case, to dissatisfaction (Lee & Mitchell, 1994). A shock is defined as "a very distinguishable event that jars employees toward deliberate judgments about their jobs" (Lee &

Mitchell, 1994, p. 60). Mitchell et al. (2001) investigated *why* and *how* employees leave their job. In their study, 30 % of participants left their employer following an internal shock (i.e., merger). Thus, set in our study context, M&As as shocks are considered potential triggers for feelings of inequity and non-met expectations (Kammeyer-Mueller et al., 2005; Nikandrou & Papalexandris, 2008). Figure 2 illustrates the different stages of the revised Mobley turnover model set into the study context, without indicating possible cross-links between stages.

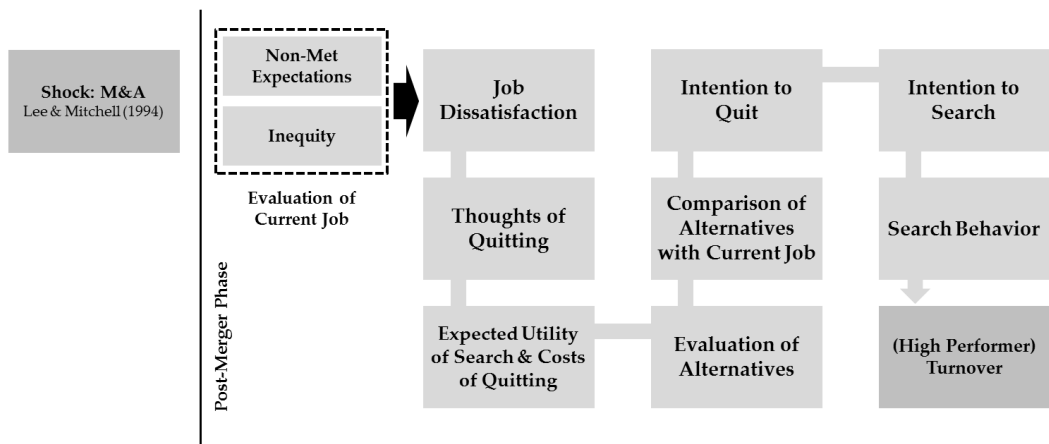


Figure 2: Simplified Representation of the Revised Mobley Model
(Adapted from Hom et al., 1984, p. 166)

M&A and High-Performer Turnover

Although mergers and acquisitions differ in some aspects, in line with comparable research (e.g. Halebian et al., 2009; Siegel & Simons, 2010), the terms are used interchangeably in this study for several reasons, one being that both concepts have overlapping management objectives (Napier, 1989; Walter & Barney, 1990). Additionally, their impact on employee reactions is comparable (Napier, 1989). We, therefore, define an M&A as “any transaction that forms one economic unit from two or more previous ones” (Lubatkin & Shrieves, 1986, p. 497). Further, we define high-performer turnover as *the sum of voluntary terminations by top (high) performers within the previous 12 months*. Employees whose job performance is in the highest 20 % (for full-time employees) are considered high performers (Shaw et al., 2009), which is a common and verified metric (Kwon & Rupp, 2013).

There is existing evidence for higher turnover rates of top management teams, or top managers after M&A (Fried et al., 1996; Krug, 2009). Specifically, Krug and Shill (2008) demonstrated that acquired companies showed atypically high turnover rates¹ among executives for ten or more years after an acquisition. As with executive turnover, high performers could similarly believe that the M&A leads to negative personal and professional prospects (Krug, 2009). Specifically, at the stage of *met expectations* (see Figure 2),

¹ Executive turnover was three times higher than normal in the first post-merger year (Krug & Shill, 2008).

M&A shocks may lead to major changes in psychological contracts, making employees, especially high performers, feel that their employers breached their previous obligations (Bellou, 2006). In this respect, feelings of *inequity* may occur due to associated job or task changes. Also, high performers' *expectations* (with regard to pay, promotion, training or career prospects, etc.) may *no longer be met* due to M&A disruptions. Considering *job alternatives*, particularly high performers have many outside options (Nyberg, 2010), and are more employable therefore.

This leads us to the following conclusion:

Hypothesis 1: M&As lead to higher high-performer turnover compared to non-M&A conditions.

The Role of Family Firm Characteristics

In order to argue for lower high-performer turnover after M&As in family firms, it is important to deduce high performers' needs and determine how the characteristics of family firms affect these needs. This leads to specific conclusions for the distinctive stages of the Mobley (1977) turnover model.

System Shock (M&A): Job embeddedness is a key element in buffering the effects of shocks from the employee. Employees who are embedded (e.g., social relationships, clients or ongoing projects) in their organizational context are less likely to leave. More embedded employees tend to be more satisfied, committed and show a high job involvement (Mitchell et al., 2001). Our main argument is that high performers in family firms are more embedded, particularly through social (e.g., co-workers, supervisors, owner family) and cultural factors (e.g., trust, autonomy, familiarity), than in non-family firms. Further, family firms tend to have a human-capital-enhancing culture (Huang et al., 2015), which is expected to better attract and retain high performers. Additionally, family firms tend to keep employment levels stable particularly during disruptions (i.e., mergers). Consequently, family ownership is associated with a lower overall turnover (Astrachan, Allen, & Spinelli, 2002; Lee, 2006).

Job Satisfaction: Turnover literature suggests that particularly *job satisfaction* and *job alternatives* are relevant factors in the turnover process (March & Simon, 1958). Family businesses are more concerned about their employees' job satisfaction (Donckels & Fröhlich, 1991) and they score higher for culture than non-family businesses (Huang et al., 2015). Job satisfaction is positively influenced by clear roles, a good supervisor, pay, benefits and other rewards, as well as by autonomy and fairness (Mitchell et al., 2001). Fewer hierarchical levels in family firms (Boyd, 2010) promote proximity to family managers. Thus, employees in family businesses are more likely to have a strong bond with their supervisors. As family managers rather remain in the firm after an M&A, high-performer turnover is less likely due to personal ties. Furthermore, we argue that a lower degree of formalization in HR practices (De Kok et al., 2006) leads to more autonomy for employees, which fosters job satisfaction and buffers the negative effects of M&A shocks (Alegre et al., 2016).

Thoughts of Quitting: Highly embedded employees have fewer thoughts of quitting when faced with a shock (Mitchell et al., 2001). Employees can be embedded in an organization, whether jobwise or socially, among other things. Strong social links of high performers help to better embed and retain this sub-group of workers (Cappelli, 2000).

Even if high performers may not be loyal to a firm, they are loyal to work colleagues (Cappelli, 2000). Link-building activities are one measure to foster employees' embeddedness. Such activities include mentor systems (Mitchell et al., 2001) or the use of teamwork (Cappelli, 2000). Moreover, off-the-job links, such as family, friends, and other types of links established through hobbies or community activities, can also embed employees (Mitchell et al., 2001). In family firms, social embeddedness tends to be generally higher compared to non-family firms (Khanin et al., 2012). All this leads to more embedded employees that have fewer thoughts of quitting when faced with a shock (Mitchell et al., 2001).

Evaluation & Comparison of Alternatives: *Job alternatives* are major triggers in the turnover process (Mitchell et al., 2001). They have direct effects on *actual turnover* (Hom & Kinicki, 2001). Employees who are *satisfied* are less attracted by *job alternatives* (Mitchell et al., 2001). However, even if they want to, employees sometimes cannot leave because of factors that keep them entrenched in their jobs (Mitchell et al., 2001). The costs associated with leaving the firm may be subsumed under the term 'sacrifice' and may include financial incentives, organizational environment, development and training plans, but also childcare support (Mitchell et al., 2001). Kwon and colleagues (2010) found that, in particular, high performers can be retained through a bundle of high commitment HR practices due to their positive impact on commitment.² This includes enriched job design, a team-based approach, participation in decision making, or extensive training and development (Appelbaum, 2000; Arthur, 1994; Delery & Shaw, 2001; Guest, 1997; Huselid, 1995; Whitener, 2001; Wright et al., 2003). Family firms spend far more on training than non-family firms (Kachaner et al., 2012). Employees are more loyal and committed to firms that enrich their education (Martel, 2003). Specifically, informal training is becoming increasingly important in employees' training (Martel, 2003). Family firms use less formal HR practices (De Kok et al., 2006). Thus, high performers in family firms are better suited to deal with the M&A induced shocks.

Intention to Quit: Job embeddedness is negatively related to *intention to quit* (Mitchell et al., 2001) and *intentions to quit* have direct effects on *actual turnover* (Hom & Kinicki, 2001). Family firms are generally better at keeping their employees (Kachaner et al., 2012), not least because they focus "on creating a culture of commitment and purpose, avoiding layoffs during downturns, promoting from within, and investing in people" (Kachaner et al., 2012, p. 106). As favorable and fair exchanges between the firm and its employees foster organizational commitment, which is a major predictor of employee turnover (Meyer & Herscovitch, 2001; Steers 1977), we can expect high-performer turnover to be lower. Moreover, the higher an employee's fit with his or her job, co-workers and corporate culture, the lower the turnover (Mitchell et al., 2001).

Job Search (Search Behavior): The process of job searching is influenced by both *perceived and actual job alternatives* (Mitchell et al., 2001). As the monetary aspect plays an important role in the comparison of alternatives, compensation is the most popular retention measure, although monetary incentives can be most easily beaten by competitors (Cappelli, 2000). Family firms usually do not foster retention by using financial incentives (Kachaner et al., 2012). That is why family firms are more likely to attract high

2 Organizational commitment reflects the "relative strength of an individual's identification with and involvement in a particular organization" (Mowday et al., 1982, p. 27).

performers who do not focus on compensation practices. As a consequence, *perceived and actual job alternatives* may seem less attractive as important factors, such as work environment, social and cultural fit, which cannot be evaluated in the job search and before the actual employment. As people stay because of attachments they have formed with other people (e.g., co-workers, employee network groups; Reichers, 1985), we can assume that employees in family firms feel more strongly committed, which increases the threshold for a resignation. Not least, family members are also among employees and high performers. These can be expected not to leave the firm after an M&A shock, for example, due to their family business embeddedness³ or work centrality⁴, as both enhance family employees' job satisfaction and reduce turnover intentions (Khanin et al., 2012). In sum, we propose the following hypothesis:

Hypothesis 2: Organizational form moderates the relationship between M&A and high-performer turnover, such that family firms show a lower level of high-performer turnover after an M&A than non-family firms.

Research Method

Sample and Data

This study used data from the CRANET survey on issues and trends in the structure and policy of HR management conducted in 2014 and based on the member directory of HR Swiss. We used a subsample which included family firms and non-family businesses. Switzerland represents an advantageous setting in which to study family firms since the majority of firms are family-owned (Bird et al., 2016; Frey et al., 2004). Further, by anchoring the sample firms in Switzerland alone, we can avoid methodological problems related to international M&A survey research (e.g., including functional, conceptual or metric equivalence; Weber & Drori, 2011). The original CRANET survey questions were translated from English into German, French and Italian, consistent with state-of-the-art research (McGorry, 2000). Additionally, we pre-tested the questionnaire with five HR experts from the German-speaking part of Switzerland in order to ensure apt terminology for the Swiss context. A mixed-mode approach (online and paper-pencil) and reminders via e-mail (newsletters and electronic leaflets) were used to stimulate the response rate (Dillman et al., 2014). In total, 2'355 questionnaires were sent to senior HR professionals via e-mail, including a link to the online survey and a PDF version of the questionnaire providing the paper-and-pencil version. As a result, 311 questionnaires were returned yielding an overall response rate of 13.2 %.

In line with M&A research (see Heeley et al., 2006), we used SPSS to identify extreme outliers (greater than five standard deviations) and we deleted 11 outliers from subsequent analyses. After deleting missing data on the selected variables, our final sample consisted of a total of 245 observations.

3 Family-business embeddedness is defined as the “confluence of values stemming from divergent institutional contexts – family, business, and symbolic – within the family firm” (Khanin et al., 2012, p. 392).

4 Work centrality is defined as “the beliefs that individuals have regarding the degree of importance that work plays in their lives” (Paullay et al., 1994, p. 225).

Measures

M&A. To determine whether a firm experienced an M&A, we asked participants if their organization had been involved in either “an acquisition of another organization” or a “merger” in the last three years. All firms in the sample have existed for more than three years. In line with previous research (Deng & Elyasiani, 2008), answers were coded in an M&A dummy, with 1 if firms have experienced at least one such event and 0 for no such event within the last three years.

High-Performer Turnover. In line with comparable research (e.g., Kwon & Rupp, 2013; Trevor & Nyberg, 2008), we measured the turnover of high performers by asking the HR managers to “estimate the number of high performers who left in the past year”. To clarify the question, we provided the following information: (best performing staff = approx. 20 % of all employees; Shaw et al., 2009). In order to obtain a high-performer turnover ratio, we divided the indicated number of high performers that left by the total high-performer population (20 % of workforce) in the organization. A Kolmogorov-Smirnov test confirmed that the values were normally distributed ($M = 0.06$, $SD = 0.083$).

Family Business. We considered a family business as “one in which family members dominate the ownership and management of a firm and perceive their business as a family business” (Sonfield & Lussier, 2004, p. 190). Thus, family firms had to identify themselves as such by answering, “Is the business owned and/or controlled by primarily one family?” with ‘yes’. Accordingly, family firms were coded 1, while all other firms were coded 0 (non-family business) (also see Feito-Ruiz & Menéndez-Requejo, 2010).

Control Variables

We drew on prior research on M&A and turnover to establish firm-level controls that might reasonably be expected to influence high-performer turnover. *Industry*, *firm size* and *firm age* are commonly used as controls in M&A and turnover research (e.g., Arthur, 1994; Lubatkin et al., 1999; Krug & Aguilera, 2004; Shaw et al., 1998). Some *industries* are more affected by turnover (Shaw et al., 1998) and have higher M&A activity than others (Krug & Aguilera, 2004). Furthermore, the extent of family business presence varies among different industries (Westhead & Cowling, 1997). We created two sectorial dummies for industry coded 1 for secondary (manufacturing) and 1 for tertiary sector (services), respectively, and 0 otherwise (agriculture). *Firm size* was used as a control to account for possible differences in turnover propensity (Lee et al., 2008; Shaw et al., 1998), for example, due to greater internal development opportunities (Trevor & Nyberg, 2008). Further, larger firms are more likely to have the resources and structures that enable them to retain high performers with high commitment HR practices (Kwon et al., 2010). *Firm age* is related to turnover (e.g., Arthur, 1994; Shaw et al., 1998) as, for example, older firms may show higher turnover due to more bureaucratized structures and a higher tolerance for turnover (Grusky, 1961). Firm age was computed as the difference between the time of the survey and the founding year (e.g., Arthur, 1994; Guthrie, 2001).

Furthermore, we controlled for *unsolicited job offers*, which employees receive, since such job alternatives may increase the probability of turnover (Hom & Kinicki, 2001; Mitchell et al., 2001). Participants had to indicate on a 5-point Likert-type scale ranging from 1 (“not at all”) to 5 (“to a very great extent”) to what extent “unsolicited job offers employees receive from headhunters or competitors pose a retention management issue

for [the] company.” Additionally, we tested whether our results change when a firm has conducted *mass layoffs* (>10 % of workforce⁵) in the three months or *concentrated layoffs* (5–9 %) in the twelve months prior to the survey over all employee groups, as downsizing is likely taking place following M&As (Carriquiry, 2014). As these variables were not significantly related to our other variables, we excluded them from further analysis.

Analyses

For our analyses, we conducted simple moderation regression analyses using SPSS 24 and the PROCESS macro (Hayes, 2013). Specifically, we used bias-corrected bootstrapping with 5'000 bootstrapping resamples and a 95 % confidence level for CI for our calculations to overcome possible power problems due to the sample size (Wiedemann et al., 2009). We assessed the increment in R^2 due to the interaction as well as the model significance by testing for differences in R^2 and F-statistics values. The predictors' categorical scaling (i.e., family-/non-family business and M&A/non-M&A condition) required no centering (Dawson, 2014). Further, neither centering nor standardizing affect the regression weight of the interaction terms or the evaluation of its significance (Hayes, 2013).

Results

Table 1: Means, Standard Deviations and Bivariate Pearson Correlations

Variable	Mean	SD	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) High-Performer Turnover	.0649	.0845	–							
(2) M&A	.4041	.4917	.018	–						
(3) Family- / Non-Family	.302	.460	.046	-.016	–					
(4) Sector 2 Dummy	.269	.445	-.033	.156*	.222***	–				
(5) Sector 3 Dummy	.727	.447	.040	-.148*	-.215**	-.990***	–			
(6) Firm Size	2717.8	8076.2	-.144*	.165**	-.091	-.030	.032	–		
(7) Firm Age	74.4	40.2	-.089	.147*	.055	.045	-.040	.181**	–	
(8) Unsolicited Job Offers	1.90	.91	.160*	.098	.032	.186**	-.176**	.046	-.078	–

Note: SD, standard deviation. N = 245 with listwise deletion. Bootstrap N = 5'000. Two-tailed tests.

*p < .05. **p < .01. ***p < .001.

Table 1 shows the descriptive statistics and bivariate Pearson correlations. There is no significant correlation between M&A and the dummy for family- / non-family business. This satisfies the condition that the moderator should not correlate with the independent variable (Wu & Zumbo, 2008). Among the control variables, firm size is negatively correlated with high-performer turnover, whereas unsolicited job offers are positively correlated. Both industry dummies, sector 2 and sector 3 are correlated, differently in

⁵ This percentage relates to CRANET standards.

sign, with the family business dummy. Additionally, firm age and firm size are positively correlated. Hence, all control variables were included in further analyses.

Test of Hypotheses

Table 2 presents the results of the moderated regression analysis. The first block shows the values for all control variables. The second block includes the predictor values, namely the M&A variable and the family business moderator. Finally, the third block contains the two-way interaction term (M&A x family business moderator) and R^2 and F-Test results for the moderation model.

Hypothesis 1 predicted that M&As are positively related to higher high performers' turnover in the post-merger phase compared to non-M&A conditions. As shown in Table 2 (Block 2), M&A is significantly positively related to high-performer turnover. Thus, Hypothesis 1 is supported. Likewise, the family business moderator is significantly and positively linked to high-performer turnover. Moreover, in line with Hypothesis 2, in which family firms show a lower level of high-performer turnover after an M&A than non-family firms, the respective dummy significantly moderates the M&A/high-performer turnover relationship. The interaction term shown in Block 3 is significant. The model shows a significant increase in the variance, which is explained by the interaction. Thus, Hypothesis 2 is supported as the effect is in the expected direction. It is noteworthy that "if the interaction term is significant, then it does not make sense to interpret versions of the model that do not include it" (Dawson, 2014, p. 13).

Table 2: Results of the Moderated Regression Analysis

Variable	Value	<i>t</i>	<i>p</i>	LL 95 % CI	UL 95 % CI
Controls (Block 1)					
Sector 2 Dummy	.162	.372	.711	-.13	.19
Sector 3 Dummy	.240	.552	.581	-.12	.21
Firm Size	-.153*	-2.390	.018	.00	.00
Firm Age	-.031	-.481	.631	-.0003	.0002
Unsolicited Job Offers	.173**	2.717	.007	.00	.03
Predictors (Block 2)					
M&A	.165*	2.192	.029	.00	.05
Family- /Non-Family (FB)	.198*	2.448	.015	.01	.07
Interaction (Block 3)					
M&A x FB	-.271**	-3.013	.003	-.12	-.02
R^2	.097 (.066)				
ΔR^2	.035**				
F	3.156**				

Note: Standardized coefficients are reported. Adjusted R^2 in parentheses. N = 245 with listwise deletion. Bootstrap N = 5'000. * $p < .05$. ** $p < .01$. *** $p < .001$.

We additionally conducted a simple slope test (Aiken et al., 1991), which confirmed that M&A is related to high-performer turnover when the family business dummy is 0 ($\beta = .0284$, $p < .05$) and when it is 1 ($\beta = -.0423$, $p < .05$). Notably, this test revealed the specific form of a crossover interaction effect. In this case, the means of high-performer turnover for family firms significantly decrease as we change from the non-M&A to M&A condition, leading to lower means for family firms in the M&A condition (i.e., turnover decreases). In contrast, as the M&A condition changes from 0 to 1, the turnover means for the non-family firms increase, leading to higher means for non-family firms at M&A = 1. For better readability, the interaction is illustrated as a bar chart in Figure 3 as the independent variables are dichotomous. Overall, the results thus indicate the main effects of M&A and the family business dummy on high-performer turnover and, as such, we found a crossover interaction.

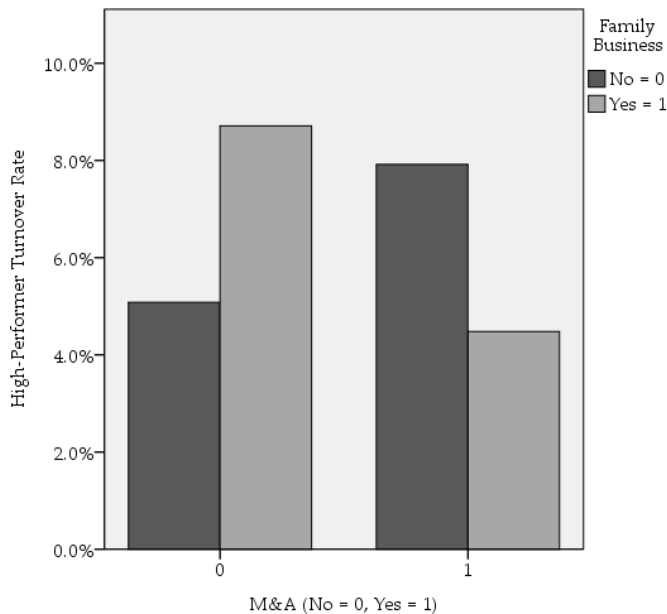


Figure 3: The Moderating Role of Organizational Form on the Relationship between M&A and High-Performer Turnover (Two-Way Interaction with Categorical Moderator)

Discussion

This study examined the role of organizational form (i.e., family-/non-family firm) in the relationship between M&A shocks and high-performer turnover in the post-merger phase. Indeed, we could find a significant relation between M&A and high-performer turnover for family- and non-family firms, as predicted in Hypothesis 1. This is in line with similar studies, for example, demonstrating a significant relationship for CEO and top management turnover after M&As (e.g., Lehn & Zhao, 2006; Walsh, 1988). Interestingly, and contrary to previous research (Kachaner et al., 2012) that states that family firms are generally better in employee retention, family firms in our sample showed a higher turnover in non-M&A conditions than non-family firms. In this respect, however, we could also

confirm Hypothesis 2, as the respective family-/non-family firm dummy significantly moderated the M&A/high-performer turnover relationship. This indicates that family business characteristics may buffer the detrimental impact of M&As on high-performer turnover, such that family firms show lower high-performer turnover after M&As compared to non-family firms. The crossover effects we found are well-known in job embeddedness research (e.g., Kiazad et al., 2014).

Our study adds to the existing family business, M&A and turnover research in three ways. *Firstly*, we introduced the relevance of organizational form as a contextual factor influencing the M&A–turnover relationship. Our results suggest that the impact of M&As on high-performer turnover is weaker in a family business context. The significant interaction effect we found is in line with previous research regarding the relevance of distinctive family firm characteristics (e.g., Feito-Ruiz & Menéndez-Requejo, 2010). We argue that the basis of this embeddedness lies in family firm-specific factors related to social ties (e.g., with co-workers, supervisors or owner family) and culture (e.g., trust, commitment or familiarity). Organizational features complement these affective components. These features include fewer hierarchical levels (Boyd, 2010), less formalized HR practices (De Kok et al., 2006), and higher investment in human capital (Kachaner et al., 2012). Moreover, being a family firm means it maintains its buffering effects, regardless of industry, firm size or firm age.

Secondly, previous research lacked the integration of theoretical approaches (Weber & Drori, 2011). In contrast, our application of job embeddedness literature and the revised Mobley (1977) model, in combination with high-performer turnover as an ‘HR’ outcome, allowed a step-by-step analysis of the high-performer turnover process in order to find explanations and derive practical and theoretical implications for each stage. Thus, our analysis demonstrates that the Mobley model also has an explanatory power for specific employee groups (i.e., high performers). Moreover, we integrated M&A as a possible antecedent in the Mobley model.

Thirdly, with the consideration of high performers, we shed light on a previously neglected group of employees. Specifically, our results indicate that non-financial incentives and factors, such as social links that employees have on the job, contribute to the embeddedness of high performers, especially after shocking events in family firms. This is in line with Kachaner and colleagues’ (2012) statement that “family businesses generally do not rely on financial incentives to increase retention” (p. 6). As a result, high performers may be more willing to fulfill ‘their part’ of the implicit contract due to a culture based on reciprocity.

Limitations and Future Research

Despite our novel findings and key implications for buffering the impact of M&As on high-performer turnover, our study has limitations that represent avenues for future research. Specifically, our cross-sectional approach makes it difficult to fully prove causation (Hill & Hansen, 1991). However, our theoretical considerations support the directions of influences, as alternative model paths are argumentatively questionable (i.e., high-performer turnover affects M&As). Further, cross-sectional studies have significant advantages over longitudinal studies in our context. For example, maintaining a representative sample size over time is difficult, making longitudinal studies problematic. Further, the data collected for this study contain some possible limitations. CRANET collects data from a single respondent (i.e., Head HR) (Nikandrou & Papalexandris, 2007). This carries the risk of common method variance (Doty & Glick, 1998), which is why we avoided

questions that required a personal opinion. Gathering data from family firms is difficult due to public disclosure and confidentiality concerns (Winter et al., 1998). Therefore, this limitation is common in studies with privately held companies (e.g., Carr et al., 2011; Uhlaner et al., 2015). Overall, in our study context, a single-source approach seemed appropriate. Firstly, it allowed the surveying of a larger number of organizations, in turn fostering generalizability (McNamara et al., 2012). Secondly, a high-ranking HR manager most likely has company-wide information.

In addition, we suggest some other opportunities for future research. This study is one of the few that addresses family firms in an M&A context (e.g., Mickelson & Worley, 2003; Bouzgarrou & Navatte, 2013). Future research could examine which attributes are more or less important regarding their buffering effect on high-performer turnover (e.g., social links may be more effective). This is crucial because failure rates for M&As are high (Schoenberg, 2006), and family firms' growth is negatively affected by unsuccessful M&As, and more rapidly so than that of non-family firms (Caprio et al., 2011). Furthermore, it may be interesting, for example, to examine whether firms that are controlled but not operationally influenced by families also show our study effects.

Moreover, we encourage future research to explore other people-related outcome variables (e.g., job satisfaction or embeddedness, co-worker relations, leader-member exchange) or other groups of valuable employees (e.g., high potentials).

Practical Implications

As outlined, analyzing differences between family- and non-family firms in the impact of M&As on high-performer turnover serves the identification of a set of firm-level setscrews. In this respect, the implications of this study are manifold, especially for non-family firms. *First*, our study indicates that high performers respond differently to M&A-induced shocks depending on the organizational setting. Consequently, in line with Nyberg (2010), HR (retention) measures should be specifically tailored to high performers (i.e., employee stock options) and their specific needs to achieve preferred behavioral outcomes. However, this conclusion implies a paradox: high performers are comparatively more valuable for a firm, but their retention requires additional effort. At the same time, this effort increases their market value and their marketability towards competitors (Nyberg, 2010). In this regard, we discuss, as a *second* implication, three key aspects mainly used in our theoretical part: retention through 1) monetary incentives, 2) training and leadership, and 3) social and cultural factors.

The use of monetary incentives is a double-edged sword. On the one hand, monetary retention is a dominant form of employee retention and high performers are more responsive to it (Nyberg, 2010). However, at the same time, it is the most expensive and easiest measure to be copied by competitors (Cappelli, 2000). This provides family firms with a competitive advantage, as emphasizing non-financial factors in embedding and retaining employees proved to be more promising. Equally, for non-family businesses in particular, additional investments in employee training (e.g., mentoring, coaching, job rotation) may represent a better way to additionally bind high performers to the firm. This is because employees are more loyal and committed to employers who invest in their human capital (Martel, 2003). As this is dependent on perception, it is important to address the training needs expressed by employees (e.g., in employee surveys or appraisal interviews) in order to achieve best results.

In addition, fostering the development of social ties (Cappelli, 2000) may help to better retain high performers. The establishment of superior manager-employee relationships, as observed in family firms (Lee, 2006), is difficult for managers in non-family firms. Owner-family-employee relations are even impossible. Therefore, strengthening co-worker relations is key. Regardless of the loyalty to the firm, employees are loyal to their work colleagues (Cappelli, 2000). In this regard, link-building activities are opportunities that could be adapted by non-family firms. However, leadership should not be neglected (Mitchell et al., 2001) as it is a critical success factor during M&As. For example, an authoritative, coaching, task-focused and relationship-focused leadership approach has been proven to positively affect talent retention and effective post-M&A integration (Zhang et al., 2015). In sum, contrary to monetary incentives, training, support, a good leader and teamwork schemes allow greater differentiation from competitors and reduce the attractiveness of job alternatives.

Furthermore, a strong corporate culture and related values also support retention (Mitchell et al., 2001). Compared to firms with no family affiliation, family firms show a more positive and stronger corporate culture (Denison et al., 2004). Such cultures are characterized, for example, by the width of value acceptance, the strength and intensity of living the core values and the value preservation over time (Louis, 1985). Yet, certain peculiarities of family businesses are not imitable by non-family businesses (e.g., a family's value-based organizational culture, informal and formal decision-making processes, or a family's stakeholder relationships; Habbershon & Williams, 1999). Other factors, such as job design factors (i.e., autonomy) or creating an atmosphere of trust, can also be adapted by non-family businesses. For example, discretion over budget, goals, training needs or planning effectively affect the perception of more autonomy (Janz et al., 1997).

Previous research shows that, although family firms acknowledge the importance of the familial component, some of them do not use their specific attributes in (employer) branding activities to achieve a competitive advantage (Micelotta & Raynard, 2011). Thus, as a *third* implication, our results and argumentation suggest unused potential for the utilization of family firm attributes in employer branding.

Conclusion

This study examined the effect of M&A shocks on high-performer turnover and the difference in this effect between family- and non-family firms. The analysis of the data of 245 Swiss companies showed that M&As lead to higher high-performer turnover in the post-merger phase. Moreover, family firms showed a lower level of high-performer turnover after an M&A compared to non-family firms. Our argumentation allowed us to suggest that family firms possess a competitive advantage after an M&A shock in terms of retention of high performers. This advantage is due to specific family business characteristics that may buffer the detrimental impact of M&As on high-performer turnover and the inability of non-family firms to imitate these factors. Thus, this study contributes to a better understanding of differences in high performers' responses to M&A-induced shocks due to the organizational context.

References

- Aiken, L. S., West, S. G., & Reno, R. R. (1991). *Multiple Regression: Testing and Interpreting Interactions*. Sage.
- Alegre, I., Mas-Machuca, M., & Berbegal-Mirabent, J. (2016). Antecedents of Employee Job Satisfaction: Do They Matter? *Journal of Business Research*, 69(4), 1390–1395. <https://doi.org/10.1016/j.jbusres.2015.10.113>
- Appelbaum, E. (2000). *Manufacturing Advantage: Why High-Performance Work Systems Pay Off*. Ithaca: Cornell University Press.
- Arthur, J. B. (1994). Effects of Human Resource Systems on Manufacturing Performance and Turnover. *Academy of Management Journal*, 37(3), 670–687. <https://doi.org/10.2307/256705>
- Astrachan, J. H., Allen, I. E., & Spinelli, S. (2002). Mass Mutual/Raymond Institute American Family Business Survey. *Springfield, MA: Mass Mutual Financial Group*.
- Bandura, A. (1988). Organisational Applications of Social Cognitive Theory. *Australian Journal of Management*, 13(2), 275–302. <https://doi.org/10.1177/031289628801300210>
- Bellou, V. (2006). Psychological Contract Assessment after a Major Organizational Change. *Employee Relations*, 29(1), 68–88. <https://doi.org/10.1108/01425450710714487>
- Bird, M., Halter, F. A., Zellweger, T. M., Kissling Streuli, S., Andric, M., Christen, A., Gachet, E., & Schenk, R. (2016). *Company Succession in Practice: The Challenge of Generation Change*. *Swiss Issues Branchen*. Zurich: Credit Suisse Economic Research.
- Bouzarrou, H., & Navatte, P. (2013). Ownership Structure and Acquirers Performance: Family vs. Non-Family Firms. *International Review of Financial Analysis*, 27, 123–134. <https://doi.org/10.1016/j.irfa.2013.01.002>
- Boyd, B. (2010). Sustainable Management in Long-Lived Family Businesses – A Resource-Based Analysis of Northern German Builder's Providers. *International Journal of Entrepreneurship and Small Business*, 11(3), 308–321. <https://doi.org/10.1504/IJESB.2010.03582>
- Cappelli, P. (2000). A Market-Driven Approach to Retaining Talent. *Harvard Business Review*, 78(1), 103–113.
- Caprio, L., Croci, E., & Del Giudice, A. (2011). Ownership Structure, Family Control, and Acquisition Decisions. *Journal of Corporate Finance*, 17(5), 1636–1657. <https://doi.org/10.1016/j.jcorpfin.2011.09.008>
- Carr, J. C., Cole, M. S., Ring, J. K., & Blettner, D. P. (2011). A Measure of Variations in Internal Social Capital Among Family Firms. *Entrepreneurship: Theory and Practice*, 35(6), 1207–1227.
- Carriquiry, J. M. (2014). Impact of Plant Takeover on Employee Turnover: Cutting Fat or Losing Talent? *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2519927>
- Cartwright, S., & Schoenberg, R. (2006). Thirty Years of Mergers and Acquisitions Research: Recent Advances and Future Opportunities. *British Journal of Management*, 17(1), 1–5. <https://doi.org/10.1111/j.1467-8551.2006.00475.x>
- Cascio, W. F. (2000). *Costing Human Resources: The Financial Impact of Behavior in Organizations* (4th ed.). Cincinnati, OH: South-Western College Pub.
- Cesinger, B., Bouncken, R., Fredrich, V., & Kraus, S. (2014). The Alchemy of Family Enterprises' Internationalisation: Dexterous Movers or Prodigal Laggards?. *European Journal of International Management*, 8(6), 671–696. <https://doi.org/10.1504/EJIM.2014.064902>

- Chatterjee, S. (1992). Sources of Value in Takeovers: Synergy or Restructuring: Implications for Target and Bidder Firms. *Strategic Management Journal*, 13(4), 267–286. <https://doi.org/10.1002/smj.4250130403>
- Dawson, J. F. (2014). Moderation in Management Research: What, Why, When, and How. *Journal of Business and Psychology*, 29(1), 1–19.
- De Kok, J. M. P., Uhlaner, L. M., & Thurik, A. R. (2006). Professional HRM Practices in Family Owned-Managed Enterprises. *Journal of Small Business Management*, 44(3), 441–460. <https://doi.org/10.1111/j.1540-627X.2006.00181.x>
- Delery, J. E., & Shaw, J. D. (2001). The Strategic Management of People in Work Organizations: Review, Synthesis, and Extension. In M. R. Buckley, J. R. B. Halbesleben, & A. R. Wheeler (Eds.), *Research in Personnel and Human Resources Management* (pp. 165–197). Emerald Group Publishing Limited.
- Deng, S. E., & Elyasiani, E. (2008). Geographic Diversification, Bank Holding Company Value, and Risk. *Journal of Money, Credit and Banking*, 40(6), 1217–1238.
- Denison, D., Lief, C., & Ward, J. L. (2004). Culture in family-owned enterprises: Recognizing and leveraging unique strengths. *Family Business Review*, 17(1), 61–70.
- Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, Phone, Mail, and Mixed-Mode Surveys: The Tailored Design Method* (4th ed.). Hoboken: Wiley.
- Donckels, R., & Fröhlich, E. (1991). Are Family Businesses Really Different? European Experiences from STRATOS. *Family Business Review*, 4(2), 149–160. <https://doi.org/10.1111/j.1741-6248.1991.00149.x>
- Doty, D. H., & Glick, W. H. (1998). Common Methods Bias: Does Common Methods Variance Really Bias Results?. *Organizational Research Methods*, 1(4), 374–406.
- Feito-Ruiz, I., & Menéndez-Requejo, S. (2010). Family Firm Mergers and Acquisitions in Different Legal Environments. *Family Business Review*, 23(1), 60–75. <https://doi.org/10.1177/0894486509353419>
- Frey, U., Halter, F., Zellweger, T., & Klein, S. (2004). Family Business in Switzerland: Significance and Structure. In S. Tomaselli, & L. Melin (Eds.), *Research Forum Proceedings, Family Firms in the Wind of Change* (pp. 73–89). F.B.N. 15th World Conference, Copenhagen.
- Fried, Y., Tieg, R. B., Naughton, T. J., & Ashforth, B. E. (1996). Managers' Reactions to a Corporate Acquisition: A Test of an Integrative Model. *Journal of Organizational Behavior*, 17(5), 401–427. [https://doi.org/10.1002/\(SICI\)1099-1379\(199609\)17:5<401::AID-JOB774>3.0.CO;2-R](https://doi.org/10.1002/(SICI)1099-1379(199609)17:5<401::AID-JOB774>3.0.CO;2-R)
- Grusky, O. (1961). Corporate Size, Bureaucratization, and Managerial Succession. *American Journal of Sociology*, 67(3), 261–269.
- Guest, D. E. (1997). Human Resource Management and Performance: A Review and Research Agenda. *International Journal of Human Resource Management*, 8(3), 263–276. <https://doi.org/10.1080/095851997341630>
- Guthrie, J. P. (2001). High-Involvement Work Practices, Turnover, and Productivity: Evidence from New Zealand. *Academy of Management Journal*, 44(1), 180–190.
- Habbershon, T. G., & Williams, M. L. (1999). A Resource-Based Framework for Assessing the Strategic Advantages of Family Firms. *Family Business Review*, 12(1), 1–25. <https://doi.org/10.1111/j.1741-6248.1999.00001.x>

- Haleblian, J., Devers, C. E., McNamara, G., Carpenter, M. A., & Davison, R. B. (2009). Taking Stock of What We Know About Mergers and Acquisitions: A Review and Research Agenda. *Journal of Management*, 35(3), 469–502. <https://doi.org/10.1177/0149206308330554>
- Hayes, A. F. (2013). *Introduction to Mediation, Moderation, and Conditional Process Analysis: A Regression-Based Approach*. New York: Guilford Press.
- Heeley, M. B., King, D. R., & Covin, J. G. (2006). Effects of Firm R&D Investment and Environment on Acquisition Likelihood. *Journal of Management Studies*, 43(7), 1513–1535.
- Hill, C. W. L., & Hansen, G. S. (1991). A Longitudinal Study of the Cause and Consequences of Changes in Diversification in the U.S. Pharmaceutical Industry 1977–1986. *Strategic Management Journal*, 12(3), 187–199. <https://doi.org/10.1002/smj.4250120303>
- Hom, P. W., Griffeth, R. W., & Sellaro, C. L. (1984). The Validity of Mobley's (1977) Model of Employee Turnover. *Organizational Behavior and Human Performance*, 34(2), 141–174. [https://doi.org/10.1016/0030-5073\(84\)90001-1](https://doi.org/10.1016/0030-5073(84)90001-1)
- Hom, P. W., & Kinicki, A. J. (2001). Toward a Greater Understanding of How Dissatisfaction Drives Employee Turnover. *Academy of Management Journal*, 44(5), 975–987. <https://doi.org/10.2307/3069441>
- Huang M, Li P, Meschke F, Guthrie JP. (2015). Family firms, employee satisfaction, and corporate performance. *Journal of Corporate Finance* 34: 108–127. <https://doi.org/10.1016/j.jcorpfin.2015.08.002>
- Huselid, M. A. (1995). The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance. *Academy of Management Journal*, 38(3), 635–672. <https://doi.org/10.2307/256741>
- Janz, B. D., Colquitt, J. A., & Noe, R. A. (1997). Knowledge Worker Team Effectiveness: The Role of Autonomy, Interdependence, Team Development, and Contextual Support Variables. *Personnel Psychology*, 50(4), 877–904.
- Kachaner, N., Stalk, G., & Bloch, A. (2012). What You Can Learn from Family Business: Focus on Resilience, not Short-Term Performance. *Harvard Business Review*, 90(11), 102–106.
- Kammeyer-Mueller, J. D., Wanberg, C. R., Glomb, T. M., & Ahlburg, D. (2005). The Role of Temporal Shifts in Turnover Processes: It's about Time. *The Journal of Applied Psychology*, 90(4), 644–658. <https://doi.org/10.1037/0021-9010.90.4.644>
- Katsikea, E., Theodosiou, M., & Morgan, R. E. (2015). Why People Quit: Explaining Employee Turnover Intentions among Export Sales Managers. *International Business Review*, 24(3), 367–379. <https://doi.org/10.1016/j.ibusrev.2014.08.009>
- Khanin, D., Turel, O., & Mahto, R. V. (2012). How to Increase Job Satisfaction and Reduce Turnover Intentions in the Family Firm: The Family-Business Embeddedness Perspective. *Family Business Review*, 25(4), 391–408. <https://doi.org/10.1177/0894486512441944>
- Kiazad, K., Seibert, S. E., & Kraimer, M. L. (2014). Psychological Contract Breach and Employee Innovation: A Conservation of Resources Perspective. *Journal of Occupational and Organizational Psychology*, 87(3), 535–556.
- King, D. R., Dalton, D. R., Daily, C. M., & Covin, J. G. (2004). Meta-Analyses of Post-Acquisition Performance: Indications of Unidentified Moderators. *Strategic Management Journal*, 25(2), 187–200. <https://doi.org/10.1002/smj.371>
- Krug, J. A. (2009). Brain Drain: Why Top Management Bolts after M&A. *Journal of Business Strategy*, 30(6), 4–14. <https://doi.org/10.1108/02756660911003077>

- Krug, J. A., & Aguilera, R. V. (2004). Top Management Team Turnover in Mergers & Acquisitions. In S. Finkelstein, & C. Cooper (Eds.), *Advances in Mergers & Acquisitions* (Vol. 4, pp. 121–149). Bingley: Emerald Group Publishing Limited.
- Krug, J. A., & Shill, W. (2008). The Big Exit: Executive Churn in the Wake of M&A. *Journal of Business Strategy*, 29(4), 15–21. <https://doi.org/10.1108/02756660810886962>
- Kwon, K., Bae, J., & Lawler, J. J. (2010). High Commitment HR Practices and Top Performers. *Management International Review*, 50(1), 57–80. <https://doi.org/10.1007/s11575-009-0023-6>
- Kwon, K., & Rupp, D. E. (2013). High-Performer Turnover and Firm Performance: The Moderating Role of Human Capital Investment and Firm Reputation. *Journal of Organizational Behavior*, 34(1), 129–150. <https://doi.org/10.1002/job.1804>
- Lee, J. (2006). Family Firm Performance: Further Evidence. *Family Business Review*, 19(2), 103–114. <https://doi.org/10.1111/j.1741-6248.2006.00060.x>
- Lee, T. H., Gerhart, B., Weller, I., & Trevor, C. O. (2008). Understanding Voluntary Turnover: Path-Specific Job Satisfaction Effects and the Importance of Unsolicited Job Offers. *Academy of Management Journal*, 51(4), 651–671. <https://doi.org/10.5465/AMR.2008.33665124>
- Lee, T. W., & Mitchell, T. R. (1994). An Alternative Approach: The Unfolding Model of Voluntary Employee Turnover. *Academy of Management Review*, 19(1), 51–89. <https://doi.org/10.5465/AMR.1994.9410122008>
- Lehn, K. M., & Zhao, M. (2006). CEO Turnover after Acquisitions: Are Bad Bidders Fired?. *The Journal of Finance*, 61(4), 1759–1811. <https://doi.org/10.1111/j.1540-6261.2006.00889.x>
- Louis, M. R. (1985). Introduction: Perspectives on Organizational Culture. In P. J. Frost, L. F. Moore, M. R. Louis, C. C. Lundberg, & J. Martin (Eds.), *Organizational Culture* (pp. 27–30). Beverly Hills, CA: Sage.
- Lubatkin, M., Schweiger, D., & Weber, Y. (1999). Top Management Turnover in Related M&A's: An Additional Test of the Theory of Relative Standing. *Journal of Management*, 25(1), 55–73.
- Lubatkin, M., & Shrieves, R. E. (1986). Towards Reconciliation of Market Performance Measures to Strategic Management Research. *Academy of Management Review*, 11(3), 497–512. <https://doi.org/10.5465/AMR.1986.4306197>
- March, J. G., & Simon, H. A. (1958). *Organizations*. New York: John Wiley.
- Martel, L. (2003). Finding and Keeping High Performers: Best Practices from 25 Best Companies. *Employment Relations Today*, 30(1), 27–43. <https://doi.org/10.1002/ert.10072>
- McGorry, S. Y. (2000). Measurement in a Cross-Cultural Environment: Survey Translation Issues. *Qualitative Market Research: An International Journal*, 3(2), 74–81. <https://doi.org/10.1108/13522750010322070>
- McNamara, T. K., Parry, E., Lee, J., & Pitt-Catsoupes, M. (2012). The Effect of Training on Organizational Performance: Differences by Age Composition and Cultural Context. *The International Journal of Human Resource Management*, 23(6), 1226–1244. <https://doi.org/10.1080/09585192.2011.561253>
- Meyer, J. P., & Herscovitch, L. (2001). Commitment in the Workplace: Toward a General Model. *Human Resource Management Review*, 11(3), 299–326. [https://doi.org/10.1016/S1053-4822\(00\)00053-X](https://doi.org/10.1016/S1053-4822(00)00053-X)
- Micelotta, E. R., & Raynard, M. (2011). Concealing or Revealing the Family? *Family Business Review*, 24(3), 197–216. <https://doi.org/10.1177/0894486511407321>
- Mickelson, R. E., & Worley, C. (2003). Acquiring a Family Firm: A Case Study. *Family Business Review*, 16(4), 251–268. <https://doi.org/10.1177/08944865030160040401>

- Mitchell, T. R., Holtom, B. C., & Lee, T. W. (2001). How to Keep Your Best Employees: Developing an Effective Retention Policy. *Academy of Management Executive*, 15(4), 96–108. <https://doi.org/10.5465/AME.2001.5897929>
- Mobley, W. H. (1977). Intermediate Linkages in the Relationship between Job Satisfaction and Employee Turnover. *Journal of Applied Psychology*, 62(2), 237–240. <https://doi.org/10.1037/0021-9010.62.2.237>
- Mowday, R. T., Porter, L. W., & Steers, R. M. (1982). *Employee-Organizational Linkages: The Psychology of Commitment, Absenteeism, and Turnover*. New York: Academic Press.
- Napier, N. K. (1989). Mergers and Acquisitions, Human Resource Issues and Outcomes: A Review and Suggested Typology. *Journal of Management Studies*, 26(3), 271–290. <https://doi.org/10.1111/j.1467-6486.1989.tb00728.x>
- Niederman, F., Sumner, M., & Maertz JR., Carl P. (2007). Testing and Extending the Unfolding Model of Voluntary Turnover to it Professionals. *Human Resource Management*, 46(3), 331–347. <https://doi.org/10.1002/hrm.20167>
- Nikandrou, I., & Papalexandris, N. (2007). The Impact of M&A Experience on Strategic HRM Practices and Organisational Effectiveness: Evidence from Greek Firms. *Human Resource Management Journal*, 17(2), 155–177.
- Nikandrou, I., & Papalexandris, N. (2008). Employee Responses to Acquisitions: Evidence from Greek Firms. *Employee Relations*, 30(2), 104–120. <https://doi.org/10.1108/01425450810843311>
- Nishant, N. (2021, December 31). *Global M&A volumes hit record high in 2021, breach \$5 trillion for first time*. Reuters. <https://www.reuters.com/markets/us/global-ma-volumes-hit-record-high-2021-breach-5-trillion-first-time-2021-12-31/>
- Nyberg, A. (2010). Retaining Your High Performers: Moderators of the Performance-Job Satisfaction-Voluntary Turnover Relationship. *The Journal of Applied Psychology*, 95(3), 440–453. <https://doi.org/10.1037/a0018869>
- Paullay, I. M., Alliger, G. M., & Stone-Romero, E. F. (1994). Construct Validation of Two Instruments Designed to Measure Job Involvement and Work Centrality. *Journal of Applied Psychology*, 79(2), 224–228. <https://doi.org/10.1037/0021-9010.79.2.224>
- Reichers, A. E. (1985). A Review and Reconceptualization of Organizational Commitment. *Academy of Management Review*, 10(3), 465–476. <https://doi.org/10.5465/AMR.1985.4278960>
- Schoenberg, R. (2006). Measuring the Performance of Corporate Acquisitions: An Empirical Comparison of Alternative Metrics. *British Journal of Management*, 17(4), 361–370. <https://doi.org/10.1111/j.1467-8551.2006.00488.x>
- Schuler, R., & Jackson, S. (2001). HR Issues and Activities in Mergers and Acquisitions. *European Management Journal*, 19(3), 239–253. [https://doi.org/10.1016/S0263-2373\(01\)00021-4](https://doi.org/10.1016/S0263-2373(01)00021-4)
- Shaw, J. D., Delery, J. E., Jenkins, G. D., & Gupta, N. (1998). An Organization-Level Analysis of Voluntary and Involuntary Turnover. *Academy of Management Journal*, 41(5), 511–525.
- Shaw, J. D., Dineen, B. R., Fang, R., & Vellella, R. F. (2009). Employee-Organization Exchange Relationships, HRM Practices, and Quit Rates of Good and Poor Performers. *Academy of Management Journal*, 52(5), 1016–1033. <https://doi.org/10.5465/AMJ.2009.44635525>
- Shaw, J. D., Gupta, N., & Delery, J. E. (2005). Alternative Conceptualizations of the Relationship Between Voluntary Turnover and Organizational Performance. *Academy of Management Journal*, 48(1), 50–68. <https://doi.org/10.5465/AMJ.2005.15993112>

- Siegel, D. S., & Simons, K. L. (2010). Assessing the Effects of Mergers and Acquisitions on Firm Performance, Plant Productivity, and Workers: New Evidence from Matched Employer-Employee Data. *Strategic Management Journal*, 31(8), 903–916. <https://doi.org/10.1002/smj.843>
- Sonfield, M. C., & Lussier, R. N. (2004). First-, Second-, and Third-Generation Family Firms: A Comparison. *Family Business Review*, 17(3), 189–202. <https://doi.org/10.1111/j.1741-6248.2004.00013.x>
- Steel, R. P., & Lounsbury, J. W. (2009). Turnover Process Models: Review and Synthesis of a Conceptual Literature. *Human Resource Management Review*, 19(4), 271–282. <https://doi.org/10.1016/j.hrmr.2009.04.002>
- Steen, A., & Welch, L. S. (2006). Dancing With Giants: Acquisition and Survival of the Family Firm. *Family Business Review*, 19(4), 289–300. <https://doi.org/10.1111/j.1741-6248.2006.00076.x>
- Steers, R. M. (1977). Antecedents and Outcomes of Organizational Commitment. *Administrative Science Quarterly*, 22(1), 46–56. <https://doi.org/10.2307/2391745>
- Sturman, M. C., Trevor, C. O., Boudreau, J. W., & Gerhart, B. (2003). Is It Worth It To Win The Talent War? Evaluating the Utility of Performance-Based Pay. *Personnel Psychology*, 56(4), 997–1035. <https://doi.org/10.1111/j.1744-6570.2003.tb00248.x>
- Trevor, C. O., & Nyberg, A. J. (2008). Keeping Your Headcount When All About You Are Losing Theirs: Downsizing, Voluntary Turnover Rates, and The Moderating Role of HR Practices. *Academy of Management Journal*, 51(2), 259–276. <https://doi.org/10.5465/AMJ.2008.31767250>
- Uhlaner, L. M., Matser, I. A., Berent-Braun, M. M., & Flören, R. H. (2015). Linking Bonding and Bridging Ownership Social Capital in Private Firms: Moderating Effects of Ownership-Management Overlap and Family Firm Identity. *Family Business Review*, 28(3), 260–277. <https://doi.org/10.1177/0894486515568974>
- Walsh, J. P. (1988). Top Management Turnover Following Mergers and Acquisitions. *Strategic Management Journal*, 9(2), 173–183.
- Walter, G. A., & Barney, J. B. (1990). Research Notes and Communications Management Objectives in Mergers and Acquisitions. *Strategic Management Journal*, 11(1), 79–86. <https://doi.org/10.1002/smj.4250110107>
- Weber, Y., & Drori, I. (2011). Integrating Organizational and Human Behavior Perspectives on Mergers and Acquisitions: Looking Inside the Black Box. *International Studies of Management and Organization*, 41(3), 76–95. <https://doi.org/10.2307/23032397>
- Westhead, P., & Cowling, M. (1997). Performance Contrasts between Family and Non-family Unquoted Companies in the UK. *International Journal of Entrepreneurial Behavior & Research*, 3(1), 30–52. <https://doi.org/10.1108/13552559710170892>
- Whitener, E. M. (2001). Do “High Commitment” Human Resource Practices Affect Employee Commitment? A Cross-Level Analysis Using Hierarchical Linear Modeling. *Journal of Management*, 27(5), 515–535. <https://doi.org/10.1177/014920630102700502>
- Wiedemann, A. U., Schüz, B., Sniehotta, F., Scholz, U., & Schwarzer, R. (2009). Disentangling the Relation Between Intentions, Planning, and Behaviour: A Moderated Mediation Analysis. *Psychology and Health*, 24(1), 67–79.
- Winter, M., Fitzgerald, M. A., Heck, R. K. Z., Haynes, G. W., & Danes, S. M. (1998). Revisiting the Study of Family Businesses: Methodological Challenges, Dilemmas, and Alternative Approaches. *Family Business Review*, 11(3), 239–252. <https://doi.org/10.1111/j.1741-6248.1998.00239.x>

- Wright, P. M., Gardner, T. M., & Moynihan, L. M. (2003). The Impact of HR Practices on the Performance of Business Units. *Human Resource Management Journal*, 13(3), 21–36.
- Wu, A. D., & Zumbo, B. D. (2008). Understanding and Using Mediators and Moderators. *Social Indicators Research*, 87(3), 367–392. <https://doi.org/10.1007/s11205-007-9143-1>
- Zhang, J., Ahammad, M. F., Tarba, S., Cooper, C. L., Glaister, K. W., & Wang, J. (2015). The Effect of Leadership Style on Talent Retention during Merger and Acquisition Integration: Evidence from China. *The International Journal of Human Resource Management*, 26(7), 1021–1050.

Andreas R. Schmid, Dr. oec., is managing partner at Schmid + Partner AG and former doctoral student at the Department of Business Administration at the University of Zurich (UZH).

Address: University of Zurich (UZH), Department of Business Administration, Plattenstrasse 14, 8032 Zurich, Switzerland.

Correspondence address: Schmid + Partner AG, Schaffhauserstrasse 264, 8057 Zurich, Tel: +41 (0)44 312 12 00, e-mail: schmid@schmidundpartner.com

Heidi E. Bodenmann, Dr. oec., is Head of Human Resources Development at Denner AG and a former doctoral student at the Department of Business Administration at the University of Zurich (UZH).

Fabio Arena, B.A. HSG, is a Consultant at Schmid + Partner AG and a Master's student in Business Management at the University of St.Gallen (HSG).