How Organizational Merger affects Employees’ Engagement and Job Security in the Hotel Industry? A Pre-Post Analysis
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Abstract
The Egyptian hotel industry has witnessed growth in merger activities lately. This study aimed to investigate the effect of the organizational merger on employees’ engagement and job security. The empirical analysis was based on data collected from employees working in four hotel chains that have been merged with Marriott International in Egypt. A total of 384 responses were analyzed by using the Eta-square test to measure the changes in mean scores pre and after the merger. The findings revealed a significant positive effect of merge on employees’ engagement. However, it had a negative effect on employees’ job security. This study could help hotel owners and their managers correctly understand the industry in an international context and to be conscious of their internal strengths and the positive core of the hotel. It also may help hotel managers develop strategies to keep their employees focused, productive, and feeling secure instead of stressed and frightened for survival.

Keywords: Merger, Employees Engagement, Job Security, Marriott International.

Introduction
Since the beginning of the twentieth century, modern capitalism has relied on mergers and acquisitions (M&As) as an integral business strategy (Schweiger, 2002). M&As extended to be a significant global corporate restructuring strategy to deal with economic clashes and to compete globally (Visagie et al., 2016). For the Egyptian economy, it currently sees major M&As activity, whereas, the total value of M&As transactions, the total value reached approximately 1.8 billion U.S. dollars in 2018 (Statista, 2019). The Egyptian market has witnessed many factors (for instance, the Egyptian pound flotation and a decrease in the inflation rate) that reflected apparent market outlooks and people’s good buying power, this in turn, severely affected the Egyptian market conduct (Bassiouny et al., 2018).

It is noted that not all M&As are successful. The majority of M&As fails to create shareholder value or to achieve the desired financial and strategic goals (Grotenhuis, 2009; Shettlewood, 2016; Sung et al., 2017), where the average failure rate of M&As is 50% (Brinckmann et al., 2013; Dauber, 2012; Himmelsbach & Saat, 2014). Moreover, stakeholders might perceive mergers differently (Dogru et al., 2018). Employees, for instance, behave differently during M&As transition, and this may result in the merger’s failure (Choi et al., 2014; Tarba and Weber’s, 2012). This failure has driven scholars to focus on identifying how employees respond to M&As in the hope that investigating their postmerger attitudes would at least reveal insight into what impacts merger success.

Employees accept the job that could help them go through the ladder of their needs starting from the basic needs like security up to self-enhancement, for instance, self self-ego or self-worth. As the merger is considered as one of the organizational changes that are characterized by ambiguities and uncertainties (Corley and Gioia, 2004), it might threaten the identity of the organization (Amiot et al., 2006; Elstak et al., 2015), and hence, employees’ sense of the hotel’s identity may not be apparent or in flux during merger times, potentially influencing their engagement level with their hotels and also threaten their sense of job security. Taking into account that the most significant asset of an is its staff, the I study aims to investigate how hotel
employees respond to the merger, particularly, in terms of employee engagement (EE) and job security (JS) in the hotel industry in Egypt.

Literature Review
The Hospitality and Tourism Industry in Egypt
The tourism industry in Egypt recorded strong growth in 2017 when contrasted with the previous year. The number of visitors expanded from 5.4 million in 2016 to 7.2 million in 2017. This is ascribed to the present stable socio-economic climate in Egypt (Colliers International, 2019). The tourism and hospitality industry contributes significantly to the Egyptian economy. According to the World Travel and Tourism Council (2019), Travel & Tourism investment in 2017 was EGP59.6bn, representing 11.4% of total investment (USD3.4bn) and expected to rise to EGP113.3bn (USD6.4bn) in 2028. The total contribution of Travel & Tourism to GDP was EGP 374.6bn (USD21.1bn), 11.0% of GDP in 2017, and is forecast to rise by 3.8% in 2018, and to rise by 4.5% pa to EGP601.9bn (USD33.9bn). In 2017, the total contribution of Travel and Tourism to employment was 8.5% of total employment (2,425,500 jobs), this ratio is expected to rise to 3,199,000 jobs in 2028 (8.9% of total). Furthermore, arrivals to Egypt are forecasted to increase at a compound annual growth rate of 3.1% from 2018 to 2021; African and North American markets would drive the growth trend. Such increases will encourage hotels to flourish. Lodging supply is heavily weighted towards the 5-star segment, representing only over 60% of total room stock. Over 90% of 5-star hotel supply is affiliated with an international brand (Colliers International, 2019). These figures indicate how the Egyptian economy relies on the Hospitality and Tourism industry, thus, investigating how the adoption of current business strategies (e.g., M&As) might affect the performance of the hospitality organizations would be highly beneficial.

Mergers and acquisitions (M&As)
The terms ‘merger’ and ‘acquisition’ refer to a kind of organizational takeover, implying that two organizations meet up to become one. In other words, M&As are a set of ways by which two or more firms, under independent management, pool their assets to shape a single (Chatfield et al., 2011; Harvey, 2015). Mergers can be classified into three types. The first is “Horizontal Mergers”, in which one organization endeavoring to take control of another organization’s key mechanisms for production (Vancea, 2012). In other words, the company tends to acquire another company which is operating in the same area of its operation and merges it into itself, this could be to increase the market share, get technological advantages, or to acquire any other strategic advantages (Adembesa, 2014). The second type is the “Vertical Mergers”, in which every aspect of production and transportation is to be controlled by one organization (Vancea, 2012), this organization either acquires another organization through buying the products of acquired organization and using them as raw material in its production process or acquires an organization from which the organization purchases its raw material (Adembesa, 2014). The last one is “Conglomerate Mergers”, in which diversified organizations competed directly. If an acquires another that is not at all connected with the area of its operations, it is called a conglomerate merger (Brauer & Wiersema, 2012; Tanimura & Wehrly, 2012). Adopting any one of the above sorts of mergers depends on the need of the acquiring and on the situation itself (Adembesa, 2014).
M&As are crucial strategic moves intended to improve the organizational competitiveness; by decreasing costs and business risk (Sinha and Gupta, 2011), increasing revenues and profitability (Giovanis et al., 2017; Harvey, 2015; Leepsa and Mishra, 2013; Omoye and Aniefor, 2016),
gaining more significant market share (Sinha and Gupta, 2011), getting to new knowledge and technology (Cartwright, 2012) and attracting talented employees (Chatfield et al., 2011). However, studies demonstrate that M&A performance is not homogeneous; vary over time (Chatfield et al., 2011), fluctuate on a case-by-case basis across all industries (Cai & Sevilir, 2012). For example, Ismail et al. (2010) studied the post-merger operating performance of Egyptian companies in two different contexts; construction and technology sectors. They found that while M&As have failed to improve the profitability in the technology sector, it succeeded in the construction sector. While the banking and utility industries attracted many M&A studies due to industry characteristics and its distinct regulations, the hospitality industry has different characteristics and has a limited number of M&As studies (Chatfield et al., 2011). Besides, the literature on M&As does not yet have a conceptual framework that could be to any type of organization (Giovanis et al., 2017; Liu et al., 2015; Shettlewood, 2016).

**Employee Engagement (EE)**

Recently, employee engagement (EE) has become amongst the most significant concepts in the management field (Crawford et al. 2014). Leaders and managers worldwide concern more with the employee engagement concept as it is considered a vital element affecting the effectiveness and competitiveness of (Bedarkar and Pandita, 2014). Although the concept of employee engagement was appeared in the literature by Goffman in 1961 as one of role theory’ roots and it is mainly considered as practical consultancy issue since the 1990s, there is a lack of literature on the topic (Kular et al., 2008) and one universal definition and measurement of the subject is still absent (Bedarkar and Pandita, 2014).

However, the current study relies on the context proposed by Fleming and Asplund (2007, p. 2) that employee engagement is “the ability to capture the heads, hearts, and souls of your employees to instill an intrinsic desire and passion for excellence”. For doing so Fleming and Asplund (2007) argued that employees first need to know what they get in exchange for doing their job "e.g., compensation, benefits, working environment, ..", secondly, a clear expectations of what do employees give to the organization should be well-formulated, thirdly, employees need to be socially integrated with the organization to enhance their sense of belonging, fourthly, employees need to know how can they grow "e.g., promotions, salary increases, rewards, recognition,...". They also added, engaged employees always want their organizations to succeed because they feel connected emotionally, socially, and spiritually to its mission, vision, and purpose, they are the most productive and efficient workers within the organizations. In other words, it is how positively the employee relates to the organization cognitively and affectively and is associated with accomplishing organizational goals proactively (Cook, 2012).

Organizations today consider engaged employees as strategic partners in doing business (Bedarkar and Pandita, 2014); they have an outstanding level of creativity (Gawke et al., 2017), a high level of organizational citizenship behavior (Christian et al., 2011), higher performance (Harter et al., 2002; Rich et al, 2010), higher productivity, profitability, quality, and customer satisfaction which results in higher returns for shareholder (Wellins et al., 2005). Organizations and their employees have their own goals; both rely on the other to meet them. If employees are not given the perfect work-life, their disengagement sense toward the workplace tends to be stimulated and fails to achieve the organizational goals. Organizations should not deal with employee engagement as a one-time activity, but to well integrate such concept in its culture (Bedarkar and Pandita, 2014), and more particularly during the organizational change such as in merger situation.
Job Security (JS)
Job security is how much the employee feels safe of involuntarily losing his job. Job security can be defined as employees’ perception of retaining their employment without a threat (Erlinghagen, 2008 and Clark and Postel-Vinay, 2009). The perceived job security is usually experienced reflecting one’s perceptions and interpretations of a specific situation, relying on his evaluation of the probability of keeping his job in the future. However, job security needs to be distinguished from the objective indicators of insecurity, for instance, levels of dismissals and layoffs (Ellonen and Nätti, 2015 and Gaunt and Benjamin, 2007). Job insecurity has been studied as a purely cognitive phenomenon including some sense of powerlessness in confronting such threats (Ashford et al., 1989). Latterly, anxiety regarding the consequences of losing a job has been conceptualized as affective job insecurity (Sverke and Hellgren, 2002), and this is mainly determined by cognitive job insecurity (Borg and Elizur, 1992).

Due to the adverse outcomes related to perceived job insecurity, job insecurity has gotten a lot of research interest as of late. Several studies have analyzed the employee's perception of job insecurity. Studies argued that the perceived job insecurity negatively affects personal wellbeing (Ferrie, 2001; Mauno and Kinnunen, 1999), and organizational commitment (Debus et al., 2012; Mauno et al., 2005). As well, it creates problems in workplaces (De Witte and Näswall, 2003; Erlinghagen, 2008), for example, reduced productivity and willingness to innovation (De Witte and Näswall, 2003). Although all of these studies rely on perceived job security concept, a few studies consider employees' job security concerning the recent organizational changes. Since research on job security is based on the assumption that a potential job loss is an undesired event, mainly since employment provides income and financial security (Richter, 2011) and also it is viewed as a subjective phenomenon based on the individual’s perception of the situation, any organizational change might trigger the employees' suspicion about potential changes to their jobs, as in merger.

Conceptual framework and hypotheses
Scholars look to the psychological and human factors that may increase the likelihood of a merger’s success; they have progressively centered on the importance of employees’ reactions to the merger. Much of the M&A literature is grounded in social identity theory (Giessner et al., 2012; Giessner et al., 2016; Sung et al., 2017; Tajfel & Turner, 1979), which asserts that the social groups to which one belongs have an associate influence on one’s self-thought. Whereas our self is outlined by multiple group memberships, one central identity throughout our working life is our membership of an organization – our organizational identity (Ashforth & Mael, 1989). The more employees identify with their organization, the more their thinking, feeling, and behavior are driven by the goals, norms, and characteristics of this organization. Consequently, empirical studies consistently noticed that organizational identification predicts employees’ attitudes and behaviors (Riketta, 2005; Riketta and van Dick, 2005). Identification with a group, like any organization, also serves many of our human needs. It fulfills our need to belong (Baumeister and Leary, 1995), and it increases our self-enhancement motive by providing us with a positive self-concept (Tajfel and Turner, 1986). Employees tend to perceive that their legacy organization will benefit from enhanced organizational status, performance, and prosperity because of the merger, which in turn will improve employees’ social identification and attachment to the newly merged organization (Terry, 2003). As the goal of a merger should be to foster one robust collective organizational identity with which employees from both organizations can identify (Giessner et al., 2012); the more increase in identification with
creating the organization merger, the more significant attachment employees have to the organization and hence increased engagement. Accordingly, hypothesis 1 is proposed as follows: 

**H1:** Employee’s engagement level tends to be increased after the merger.

Researchers argued that M&As harm employment (Lehto and Bockerman, 2008; Sung et al., 2017; Weche, 2015). It is typically a painful event that extremely affects lives and jobs, thereby inflicting anxiety, uncertainty, resistance, and increasing conflicts among employees (Rafferty and Restubog, 2010). Mergers are spectacular and unexpected events that have a fantastic change in the staff’s careers (Ghauri and Buckley, 2003). Visagie et al. (2016) claimed that employees’ sense of self-devaluation tends to be increased during M&A change. Because managers of the acquirer organizations overpay for the target due to their overconfidence and overoptimism, shareholders of acquiring organizations lose (Dogru et al., 2018). Furthermore, consistent with human capital theory, M&As result in a downsizing of firms (Siegel and Simons, 2010), and this means that the employment levels are to be reduced after the M&As (Oldford and Otchere, 2016).

Moreover, employees who have worked in both pre and post mergers environment strongly feel that their motivation level is unsatisfactory (Naveed et al., 2011) as they experiencing strong changes (Goecke et al., 2018). Thus, employees who worked at both pre and post-mergers environments feel a strong threat to their job security while working in such an environment. Accordingly, hypothesis 2 is proposed as follows: 

**H2:** Employee’s perception of job security tends to be decreased after the merger.

However, the existing literature on mergers’ impact on businesses and employees still has a scarcity in formulating systematic empirical evidence (Conyon et al., 2002). Giovanis et al. (2017) added that there is no clear consensus on either research methodology or on expected findings from research on merger performance, many past studies on merger performance were conducted diachronically and concluded ambiguous results.

The proposed framework of the study presented in Figure (1) below

**Figure (1): proposed framework of the study**

### Methodology

**Sample**

In 2015, Marriott International Inc. announced its plan to acquire several worldwide hotel chains (Picker, 2015), and become the world’s largest hotel empire (Hotel News Now, 2016). Four hotel chains operating in Egypt under the Marriott merge were included for investigation (namely, Sheraton, Le Meridien, Westin, and Stregis). Four hundred eighty employees working in the investigated hotels were asked to participate in the study. Respondents whose experience in the current hotel is less than one year were excluded. Three hundred eighty-four valid responses were obtained representing an 80% response rate.
Survey instrument development

Twelve-item scale adapted from Fleming and Asplund (2007) was used to measure employees’ engagement levels. For instance, “At work, I have the opportunity to do what I do the best every day”, “The mission or purpose of my hotel makes me feel my job is important”, and “This last year, I have had opportunities at work to learn and grow”. Another two-item scale adapted from van Dick et al. (2006) was used to assess respondent’s perception of job security; “I am satisfied with the amount of job security I have”, and “I am afraid of losing my job shortly” (reverse coded). All items were measured by a 5-point Likert-type scale, ranging from strongly disagree (1) to strongly agree (5). The back-translation method was used to translate the original English scale items into the Arabic language.

Pilot study

After developing, the questionnaire was reviewed by two academic experts, one of whom had more understanding on the topic of the merger, employee engagement, and job security in hospitality organizations, while the other had experience in designing surveys. These two experts were asked to assess the content validity and clarify the questionnaire. Based on their feedback, appropriate changes were made accordingly. Next, a pilot study was done on 50 hotel employees to recognize survey deficiencies and formatting and design issues, obtain recommendations from them, test the proposed time limit for filling out the questionnaire, and examine respondents' level of understanding of the developed questionnaire. Respondents for the pilot study were recruited from hotels at which the researcher had recently established some working connections.

Data collection

After collecting pertinent background information from the investigated hotels, telephone calls were made to the managers of the hotels' human resource departments to obtain permission to visit and distribute the questionnaires on their premises. All questionnaires were distributed in the mid of 2018. A structured survey was distributed to collect data for the final analysis. The survey was developed to collect employees' demographic information and investigate their perception of job security and their engagement. An open question about how employees’ working environment was affected by the merger was also added to the questionnaire to get the respondents a chance to add or express more about the study variables. In order to conduct the pre-post analysis, respondents were asked to assess their perception toward the two study variables twice: one time as pre-merger and another time as post-merger.

Data analysis

Data analysis was performed using the Statistical Package for the Social Sciences (SPSS v. 23). The Cronbach Alpha reliability was computed, showing that the scales were reliable: 0.799 for employee engagement and 0.629 for job security. To describe and summarize the data, descriptive statistics (i.e., means and standard deviations) were used. The Eta-square test was also computed to measure the strength of the effect on a continuous field. A p-value of less than .05 was considered significant.

Results

Respondents' profiles

Table 1 below showing that out of 384 respondents, the majority were male (n=336, representing 87.5%); about half of respondents (n = 190) were belonging to 30-39 age group, minor number
of respondents were belongs belonging to < 21 and > 50 age groups (6% and 2.3%, respectively), the rest of respondents b
age groups of 22:29 (n=111, 28.9%) and 40:49 (n=51, 13.3%).

Table 1: Respondents' profiles

<table>
<thead>
<tr>
<th>Variable</th>
<th>Categories</th>
<th>Frequency</th>
<th>%</th>
<th>Variable</th>
<th>Categories</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>336</td>
<td>87.5</td>
<td>Educational Level</td>
<td>High School or Institute</td>
<td>133</td>
<td>34.6</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>48</td>
<td>12.5</td>
<td></td>
<td>Bachelor Degree</td>
<td>198</td>
<td>51.6</td>
</tr>
<tr>
<td>Age</td>
<td>&lt; 21</td>
<td>23</td>
<td>6.0</td>
<td>Experience in the</td>
<td>Master/PhD Degree</td>
<td>53</td>
<td>13.8</td>
</tr>
<tr>
<td></td>
<td>22:29</td>
<td>111</td>
<td>28.9</td>
<td>Current Hotel</td>
<td>4-7 years</td>
<td>78</td>
<td>20.3</td>
</tr>
<tr>
<td></td>
<td>30:39</td>
<td>190</td>
<td>49.5</td>
<td></td>
<td>1-3 years</td>
<td>268</td>
<td>69.8</td>
</tr>
<tr>
<td></td>
<td>40:49</td>
<td>51</td>
<td>13.3</td>
<td></td>
<td>4-7 years</td>
<td>78</td>
<td>20.3</td>
</tr>
<tr>
<td></td>
<td>&gt; 50</td>
<td>9</td>
<td>2.3</td>
<td></td>
<td>&gt; 7 years</td>
<td>38</td>
<td>9.9</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>384</td>
<td>100</td>
<td>Total</td>
<td></td>
<td>38</td>
<td>4</td>
</tr>
</tbody>
</table>

Furthermore, more than half of respondents had bachelor's degrees (n= 198, representing 51.6%), 34.6% (n= 133) had high school or institute' certificate, and the minority (n=53, 13.8%) had Master/PhD. Moreover, respondents had different periods of work experience in their hotels; more than two-thirds (n=268, 69.8%) had 1-3 years experience, 20.3% (n=78) had 4-7 years, and 9.9% (n= 38) had more than 7 years experience.

Differences in employees’ responses according to demographics and working experience

Mann-Whitney test and Kruskal-Wallis test were used to investigate how employees' demographics might affect their perception of job security and employee engagement level (see Table 2 and Table 3).

Table 2: Differences among respondents according to the Mann-Whitney test. (N= 384)

<table>
<thead>
<tr>
<th>Factors</th>
<th>Variable</th>
<th>N</th>
<th>Mean Rank</th>
<th>Chi-Square</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Merge EE</td>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>336</td>
<td>179.26</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>285.19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-Merge EE</td>
<td>Male</td>
<td>336</td>
<td>184.03</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>251.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-Merge JS</td>
<td>Male</td>
<td>336</td>
<td>195.72</td>
<td>.115</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>169.96</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-Merge JS</td>
<td>Male</td>
<td>336</td>
<td>194.03</td>
<td>.456</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>181.78</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS v.23 outputs

As shown in Table 2, the probability value (p) is less than 0.05 therefore the result is significant. There is a statistically significant difference in either pre or -merger employee engagement scores of males and females. Female employee’s level of employee engagement was affected more due to a merger than male employees. However, employees' perception of job security was not significantly influenced by the difference in their gender (p>0.05).

Table 3: Differences among respondents’ years of experience (Kruskal-Wallis Test).

<table>
<thead>
<tr>
<th>Factors</th>
<th>Variable</th>
<th>N</th>
<th>Mean Rank</th>
<th>Chi-Square</th>
<th>df</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td>Pre-Merge EE</td>
<td>1-3 years</td>
<td>268</td>
<td>204.66</td>
<td>11.731</td>
<td>2</td>
<td>.003</td>
</tr>
<tr>
<td></td>
<td>4-7 years</td>
<td>78</td>
<td>171.74</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>&gt; 7 years</td>
<td>38</td>
<td>149.37</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-Merge EE</td>
<td>1-3 years</td>
<td>268</td>
<td>194.79</td>
<td>.717</td>
<td>2</td>
<td>.699</td>
</tr>
<tr>
<td></td>
<td>4-7 years</td>
<td>78</td>
<td>191.35</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>&gt; 7 years</td>
<td>38</td>
<td>178.71</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
According to the data illustrated in Tables 3, 4, and 5, it can be concluded that there is a statistically significant difference in employee engagement across all the five age groups either pre or post-merger (p value= 0.000 and .038, respectively). An inspection of the mean ranks for the groups suggests that the youngest age group (< 21) had the highest engagement level, with the mid-age group reporting the lowest. However, employees' perception of job security was not significantly influenced by the difference in their age (p>0.05).

It can also be concluded that there is a statistically significant difference in employee engagement across all the three groups of the educational level, either pre or post-merger (p value= 0.000). An inspection of the mean ranks for the groups suggests that highly educated groups “those having Master/Ph.D. Degree” had the highest engagement level, with the modest educational level group “High School or Institute“reporting the lowest. However, employees' perception of job security was not significantly influenced by the difference in their educational level (p>0.05).
Table 5: Differences among respondents’ educational level (Kruskal-Wallis Test).

<table>
<thead>
<tr>
<th>Factors</th>
<th>Variable</th>
<th>N</th>
<th>Mean Rank</th>
<th>Chi-Square</th>
<th>df</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td>Pre-Merge EE</td>
<td>High School or Institute</td>
<td>133</td>
<td>161.89</td>
<td>45.36</td>
<td>2</td>
<td>.000</td>
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<tr>
<td></td>
<td>Bachelor Degree</td>
<td>198</td>
<td>188.97</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Master/PhD Degree</td>
<td>53</td>
<td>282.50</td>
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</tr>
<tr>
<td>Post-Merge EE</td>
<td>High School or Institute</td>
<td>133</td>
<td>164.60</td>
<td>23.03</td>
<td>2</td>
<td>.000</td>
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<tr>
<td></td>
<td>Bachelor Degree</td>
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<td>195.86</td>
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<tr>
<td></td>
<td>Master/PhD Degree</td>
<td>53</td>
<td>249.95</td>
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<tr>
<td>Pre-Merge JS</td>
<td>High School or Institute</td>
<td>133</td>
<td>191.09</td>
<td>.938</td>
<td>2</td>
<td>.626</td>
</tr>
<tr>
<td></td>
<td>Bachelor Degree</td>
<td>198</td>
<td>196.53</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Master/PhD Degree</td>
<td>53</td>
<td>180.99</td>
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<td></td>
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</tr>
<tr>
<td>Post-Merge JS</td>
<td>High School or Institute</td>
<td>133</td>
<td>195.48</td>
<td>3.78</td>
<td>2</td>
<td>.151</td>
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<td>Bachelor Degree</td>
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<td>184.31</td>
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<tr>
<td></td>
<td>Master/PhD Degree</td>
<td>53</td>
<td>215.61</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS v.23 outputs

Furthermore, there is a statistically significant difference in employee’s engagement and their perception of job security (p value= 0.003 and .009, respectively) across all the three groups of the working experience pre-merger only. Employees having more work experience “> 7 years” had the lowest pre-merger employees’ engagement level. Also, the highest score of employees’ perception of job security was recorded among those having the smallest work experience “1-3 years”. However, neither employees’ engagement nor employee's perception of job security influenced by the differences in employees’ working experience.

Pre-Post Analysis
Paired-samples t-test or what is called repeated measures is used when working on only one group of people, and data were collected from them on two different occasions or under two different conditions (Pallant, 2001). This technique would be appropriate to assess employee engagement (EE) and their perceptions of job security (JS) on some continuous measure, onetime at pre-merger and then again at the post-merger situation, as illustrated in Table 6.

Table 6: Paired Samples T-Test

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>t</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Merge EE</td>
<td>3.87</td>
<td>384</td>
<td>.64</td>
<td>.03</td>
<td>21.568</td>
<td>383</td>
<td>.000</td>
</tr>
<tr>
<td>Post-Merge EE</td>
<td>4.39</td>
<td>384</td>
<td>.51</td>
<td>.03</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-Merge JS</td>
<td>2.92</td>
<td>384</td>
<td>.51</td>
<td>.03</td>
<td>4.098</td>
<td>383</td>
<td>.000</td>
</tr>
<tr>
<td>Post-Merge JS</td>
<td>2.80</td>
<td>384</td>
<td>.54</td>
<td>.03</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS v.23 outputs

The results of the Paired Samples T-test showed that there is a significant difference in EE before and after the merger, where the sig. value is .000 (which is less than .05). Comparing the ranks for the two sets of mean scores, it appears that there is a steady increase in EE statistics score over time. To calculate the size of the effect that merger has on EE, Eta squared was obtained using the following formula (Pallant, 2001, pp.184):  

\[ Eta \ squared = \frac{(t)^2}{(t)^2 + (N-1)} \]

Where: \( t = t \)-statistic

\( N = number \ of \ people \ in \ each \ group. \)

To interpret the eta squared values, the guidelines adapted from Cohen (1988) can be used as follow: 0.01= small effect, 0.06=moderated effect, 0.14= significant effect.
Given our Eta square value of 0.548 (54.8%), it can be concluded that there is a large effect, with a substantial difference in EE before and after the merger. As illustrated in the scatterplot below (see Figure 3).

![Merger's effect on employees engagement](image)

The results of the Paired Samples T-test also showed that there is a significant difference in employees’ perception of job security before and after the merger, where the sig. value is .000 (which is less than .05). Comparing the ranks for the two sets of mean scores, it appears that there is a slight decrease in employees’ perception of job security statistics score over time. To calculate the size of the effect that the merger has on JS, Eta square was obtained using the same previous formula as follow:

\[
\text{Eta squared} = \frac{(4.098)^2}{(4.098)^2 + (384-1)} = 0.042
\]

Given our Eta square value of 0.042 (4.2%), it can be concluded that a small difference exists in employees’ perception of job security before and after the merger. As illustrated in the scatterplot below (see Figure 4).

![Merger's effect on job security](image)

**Discussion and Implications**

The hospitality industry is growing its operations, and many seek growth in merger activity in global markets as a survival mechanism (Visagie et al., 2016). Due to the nature of the hospitality industry, as a labor-intensive industry, employees play a vital role in the success or failure of the merger. Therefore, this study aimed to investigate how hotel employees respond to the merger in the Egyptian hotel industry context. A conceptual model was developed and tested to empirically investigate these relationships (see Fig. 5), and the results from testing the study hypotheses showed that the two study hypotheses were supported.
The findings of the current study reported a substantial increase in hotel employees’ engagement levels due to the merger. As organizational merger is basically aimed to create one strong common organizational identity with which employees from both organizations can distinguish, employees tend to perceive that their inheritance organization will benefit from enhanced organizational performance and prosperity due to the merger, which improves employee social identification and attachment to the newly merged organization (Terry, 2003), and hence, increases employee level of engagement with their hotel. Among these benefits, what is reported by the current study’s respondents, where employees reported that they got an increase in their salary after the merger, and taken training through a website that includes the standard operating procedures (SOP) for all departments. Moreover, Marriott is applying “TakeCare” and Recognition Programs, which pay more attention to hotel employee’s personal health, to get hotel employees to feel valued and excited while doing their jobs, and hence feel the pride of their company. However, this finding contradicts with what is argued by Giessner and Mummendey (2008) and Giessner et al. (2016), where, if two organizations merge, different identities are at stake: the identities of the two merger partners and the identity of the post-merger organization. During most organizational mergers, employees tend to identify more strongly with their pre-merger organization, which hinders the development of a joint post-merger identity (Ullrich et al., 2006). Furthermore, with the announcement of the merger, employees tend to be aware of the other merger partner, resulting in a comparison process that often increases awareness of one’s organizational membership and leads employees to think in “us-versus-them” concept (Ullrich et al., 2006).

The findings of the current study also showed a slight decrease in employees’ perception of job security as a result of the merger. This finding comes to be consistent with the results of Dogru et al. (2018), while they analyze the returns to Marriott and Starwood stocks around the merger announcement found that Marriott experienced significantly negative returns. Visagie et al. (2016) argued that too often human resource integration strategies fail to recognize the importance of adopting the merger activity. Managers may fail to create an integrated development plan to strengthen the firm’s new culture if they lack clarity (Gunkel et al., 2014; Shettlewood, 2016). Moreover, a company’s performance before, during, and after the merger significantly relates to the resistance to organizational change (Caldwell, 2011; Drzensky et al., 2013). Employees fear the possible adverse outcomes associated with the change; they experience increased levels of stress (Drzensky et al., 2013), and fear of financial failure (Wang and Wang, 2012). Employees involved in the current study reported that they face challenges with how to follow new standard policies and new rules from the new company’s strategy, even with the POS training. Since job security relies on keeping the current job as a source of income...
that ensures the financial security for employees, any change in the workplace environment like in the case of the merger may arouse the employees' uncertainty about potential changes to their job, and hence decrease their perception of job security.

Another notable finding of this study is that while employee engagement level was significantly influenced by the difference in employee’s gender, employee’s perception of job security was not influenced. Nowadays, to think the same way as the male breadwinner model (Lewis, 2001) that implies that men have the primary responsibility to earn money and that women have to take care of the children is not acceptable. Life roles have to be shared all the time among males and females, both of them are considered as breadwinners responsible for earning the money that secures their life. As a result, both of them experience job security in the same way. However, the findings of the current study come to be consistent with the findings of Schaufeli et al. (2006) that women showed higher levels of work engagement than men, female employees may feel a more emotional connection and engagement in the workplace than males employees.

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Furthermore, the findings of the current study also showed that neither employee’s gender, age, nor educational level make a difference in their perception of job security. However, those demographic variables significantly make a difference in engagement levels reported by employees. This finding comes to be concurrent with Maslow's pyramid of human needs, where all people are enthusiastic their needs, but some of these needs take priority over others. Yes, while all people cannot live without Oxygen, little cannot live without eating caviar; this means that human is the human when thinking of their needs whatever, for instance, her/his gender, age or educational level. Security is the second stage of Maslow's pyramid. When talking about security in the workplace, its job security – most people fear being laid off and having to look for another job or even threaten their career path. Employee engagement to a specific workplace might be implanted in the upper stages of Maslow's pyramid. An employee tends to be more attached to a specific hotel as its policy, vision, and values support employee self-interest, self-ego, and self-actualization. Employees can move up the pyramid until having their basic needs to be met first, job security as a grounded stage in the pyramid does not tend to differently perceived from employee to another, vise-Versa regarding employee engagement.

Conclusion and Limitations

For the sake of merger's success, it is vital that hotel owners and their managers correctly understand the industry in an international context and to be conscious of their internal strengths and the positive core of the hotel. Hotel management also has to create different approaches to overcome the hindrance of resistance to change and multiculturalism resulting from the merger (Steigenberger, 2017). For instance, a leadership style that invokes a clear and transparent communication between managers and employees should be adopted to reduce conflicts of interest and increases accountability and compliance. Merger team coaching may be a vital approach for merger success; it opens another channel for dialogue and enables shifting from individualized to a team-based focus.

Studying how to properly integrate different firms’ employees through a systematic plan with a clear communication strategy, taking cultural differences into consideration, would be a good
attempt as further research. An in-depth examination of reasons stands behind either the failure or success of the merger is needed.

Some limitations regarding the current study need to be taken into consideration in order to put the findings into perspective. First, the population of this study composed of employees working in a newly merged hotel chain with Marriott International operating in Egypt, and due to the nature of the hotel industry, the results may not be generalizable either to other merger entities or other different industries. Second, the results derived from data collected within a specific time period “the mid of 2018”. Therefore, other empirical longitudinal studies are needed to give more positive implications. Lastly, the employees’ response to the merger was only investigated in terms of employee engagement and job security. As the perceived reality is the most critical factor in determining workers' attitudes and behaviors, the current study investigated the subjective perception of employee engagement and job security pre and after the merger, and this may not necessary be the reality itself.

References


