

# The Impact of Readiness Changes Individual Behavior In The Readiness Process Of Organizational Change After The Deal Acquisition Is Implemented

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## Abstract

This study aims to find out how changes in individual behavior have an impact on the process of organizational change to create a synergistic relationship between the main company and the group after the deal acquisition is implemented.

This research is an explanatory research, using qualitative case studies as an analysis techniques. This research was conducted by in-depth interviews to obtain data.

This study found that individual behavior has a significant impact on creating a synergy relationship between the parent company and the group in the process of organizational change after the acquisition is completed.

**Keywords:** Acquisition, Organizational Change, Readiness of Change.

## Introduction

The changes that occur around the company environment has caused in significant changes in the recent decades. As an impact of these dynamic changes, many companies will get lose in the competition if they fail to provide the right response. These changes that occur around the environment, such as changes in technological change (Wannberg & Banas, 2000), business environment, and an increasingly competitive economic environment (Huber, 1991; Robbins, 1990).

The process of creating capabilities for companies is an action taken to exploit opportunities that arised from changes in the business environment (Lin & Hsu, 2007). The ability to create and develop capabilities make the companies have the ability to compete (competitive advantage). Competitive advantage has an understanding as the company's ability to create more valuable and useful production results than those produced by competitors (Porter, 2003).

The process of increasing competitive advantage can be done in various ways, including through the company's internal growth, alliances and acquisitions. Based on the three ways of the increasing, the acquisition is believed to be a faster way than others. This is due to the fact that acquisition is the mastery of the capabilities of two organizations (Daniel & Metcalf, 2001), as well as avoiding the imitation of resource capabilities by other parties

(Bresser, 1988). Acquisitions are also considered a "short cut" strategy in increasing competitive advantage organizational, it's due to use the organization's external growth.

The growth carried out through external organizations themselves aims in the process of increasing competitive advantage, namely; (1) in applying technology and entering new markets (Yadav & Kumar, 2005); (2) the process of increasing market mastery, through reducing of competitor organizations (Gaughan, 2007; Sherman, 2010); and (3) creating a process of developing faster than competitors through diversification of businesses and products (Gitman, 2003).

The selection of the right strategy needs to be done by the company to be able to continue to survive and even be able to develop, especially in the textile industry today. The textile and garment industry are as the industry most affected by the dynamic changes that occurred that caused to its activities influenced by the needs of the external environment. The impact of dynamic changes experienced, such as; (a) there is a liberalization policy of trade and investment globally which causes increasingly fierce competition, especially the entry of imported products at low prices, (b) the global economic crisis that affects the stability of currency exchange rates, (c) increases in oil prices and prices of commodity commodities standard, (d) changes in development strategies, and (e) consumer desire and various important government policies (Kemenperin, 2016).

As an illustration, the textile and garment industry in Indonesia experiences ups and downs in its development process. First, in 1970-1985 where several national textile companies went to a bankruptcy. This is due to the company being unable to increase the expansion of its product marketing area. Second, in 2002-2003, as a result of the economic fluctuation in the world, the National Textile Company experienced a reduction again. Then third, the stretches of the year 2008 until now, textile companies in Indonesia amounted to 2585 from the initial total of approximately 3000 (figure 1. Fluctuations of Indonesian textile and garment companies in 2001 - 2010).

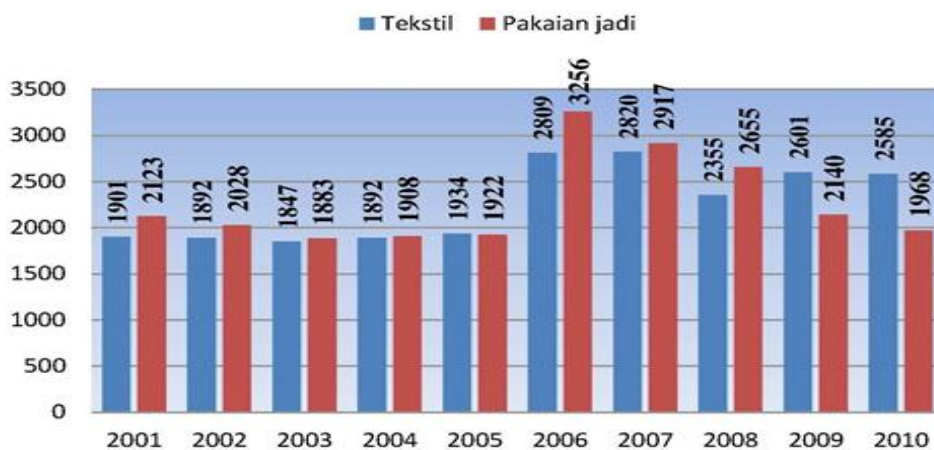


Figure 1. Development of the Indonesian Textile Industry (BPS, 2016)

Based on Figure 1, it shows that the decline of textile companies in Indonesia is quite significant, therefore companies are required to be able to implement the right strategy. The choice of the strategy will later be expected to create company capability. Acquisition is believed to be a rapid strategy in organizational growth/development, because it is done through the control of the organization that has developed first (Kogut & Singh, 1988).

Based on the desire to maintain the company and create a competitive advantage, the acquisition strategy choice is made by the Sritex's company. The Sritex's company is known to make acquisitions at the Sinar Pantja Djaja's company in 2013. The main objective of this acquisition is to create a greater competitive advantage in the textile product market, where with this acquisition it is hoped that product diversification will be created in the market. The Sinar Pantja Djaja's company itself is a textile company that has been around for a long time in Indonesia, and its products are well known both at the National and International level, namely polyester products. The Sritex's company itself is known as a producer of yarn and rayon products, which has quite an international market.

The acquisition was carried out by the Sritex's company is expected to provide increased revenue for the company, where sales of 2 (two) product variants can be made. Sales of polyester products themselves in the market have lower prices than rayon, so that a broad consumer can be created. This is far more profitable for the company quickly, when compared to forming a new company from scratch.

The acquisition will ultimately lead to a process of change. This change causes a negative reaction for the individual. These changes occur due to changes in the company's vision, mission and strategy goals (Hunger & Wheelen, 2011). The arised impact from the process of change that will be carried out is the shock / shaking of self-concept and identity that causes anxiety, mental and physical disorders (Gudykunst & Kim, 2003).

Assessing the individual aspects, it's interesting to do in depth. It raises the question of how does the Sritex' company changes old individual behavior, meanwhile the synergy relationship between old employees and the main company is expected to happen quickly. The importance of involving individuals in each stage of change in acquisition is a must, because the acquisition itself has a vulnerable nature in individual settings (Schmidt, 2008).

The acquisition process carried out at the Sinar Pantja Djaja's company itself does not run quickly. Some problems have also been faced in the process of change made. This is due to a negative behavioral reaction from employees in accepting a change of ownership. Problems that arise due to individual behavioral reactions that arise, as a reaction from the acquisition process carried out by the Sritex's company.

### **The Acquisition Theory**

Acquisition is a planned strategic activity that occurs between two or more companies, where one of them controls all capital assets or shares (Metzenthin, 2005). Some researchers believe that acquisition is considered a strategic choice in increasing the capabilities of the company, to achieve competitive advantage (Brealey, Myers & Marcus, 1999). This is due to the fact that acquisitions make the buyer's company add its own superiority of resources compared to competitors (Tsoukas, 1996) through full control (Kogut & Singh, 1988). The ability of its full control is that distinguishes them from alliance strategies. At the acquisition, the other companies cannot copy the advantages of the main company.

The acquisition is considered a paradoxical business phenomenon. One side impacts on success, while the other side results in high failure too. Cartwright and Cooper (1995) explain that the acquisition failure rate is relatively high ranging from 50% to 70% (Sobirin, 2001). This is due to the process of merging organizations not achieving the desired financial goals (Chatterjee et al., 1992), as well as not creating the impact of synergy "2 + 2 = 5" (Mirvis & Marks, 1992).

Eun, Kolodny and Scheraga (1996) explained that acquisitions can help the rapid innovation process, increase the efficiency of certain activities such as research and

development (R&D), marketing and distribution and production concepts (Hitt et al, 2001). Gaughan (2007) states that companies make acquisitions as a strategy to grow, reduce competition, expansion and reason for synergy in a fast timeframe. Haspeslagh and Jemison (1991) state that mergers and acquisitions are a reflection of market “control”, where the company's turnover target is achieved by managing the rights and resources of other companies (Fama & Jensen, 1983).

### **The Theory of Change**

At present, many companies are forced to "go out" from a business because they fail to provide a quick and appropriate response to changes in their external environment. On the other hand, companies that are able to quickly detect "signals" against threats and immediately catch on opportunities from the environment will provide success. This is caused, at this time the changing business environment is changing faster than before (Conner, 1993), where changes occur in two main dimensions of complexity and turbulence (Robbins, 1990). Complex changes are interpreted to occur in terms of heterogeneity or diversity of external elements in the environment, such as customers, suppliers, competitors (Chakravarthy, 1997). With an increase in complex environments, causing the ability to understand and use information in planning and predicting becomes more difficult (Black & Farias, 1997).

The theory of change examines how companies must act in order to change and grow more advanced over time. Changes can be divided into two types, namely first-order and second-order (Palmer et al, 2009). First-order is also called an adaptive change. This type of change involves conformity in the system, process and structure. However, these changes are not involved in fundamental activities such as changes in strategy, values or organizational identity. This change only aims to maintain and develop the company.

Second-order changes, also called transformational changes. Many transformational changes have been linked to downsizing, restructuring and reengineering. Transformational change aims to produce an organizational orientation fundamentally, so that companies are able to face the intense competition in the business environment.

Basically, all the changes made lead to an increase in the effectiveness of the company with the aim of creating improved capacity to adapt to changes in the environment and changes in the behavior of members (Robbins, 2003). Change itself is influenced by several factors (Robbins, 2006), namely: (a) Competition. The high competition faced by the company forced the company to change its status from the status quo to dynamic status. This is done to be able to maintain while answering the challenges faced; (b) Economic shock. This economic shock is a macro event, which impacts on survival, such as an increase in oil prices, an increase in raw materials, a decrease in currency; (c) Technology. Changes in technology that occur at this time, can not be denied the impact on the company. This is due to a shift in the production aspects, such as consumer needs for products with quality models at affordable prices; (d) Politics.

### **The Theory Of Readiness to change**

Conducting individual changes from the business merger process, allowing conflict to arise, especially related to the welfare of members' lives. Therefore, companies first need to prepare for readiness to change. The readiness for change is defined as a comprehensive attitude that is simultaneously influenced by the content, process, context and individuals involved in a change. The process is able to reflect the tendency of individuals to approve, accept, and adopt specific plans that aim to change the current situation (Holt et.al., 2007).

Discussing about the readiness to change, is generally done at the individual level, especially individual perceptions (Cunningham et.al., 2002). This is caused that readiness to change is related to the extent to which employees are ready in mentally, psychologically or physically to participate in organizational development activities (Hanpachern et al., 1998). Backer (1995) also argues that employee readiness to change involves employee beliefs, attitudes, and intentions about the extent to which changes are needed, and is related to employee perceptions and the company's capacity to make those changes successfully.

Employees who are ready to change believe that the company will progress when making changes, in addition they have a positive attitude towards change and have the desire to be involved in implementing change (Armenakis et al, 1993). Conversely, if employees are not ready to change, then they will not be able to follow and feel overwhelmed by the speed of change that is happening (Hanpacern et al, 1998).

The resistance to change arises due to individual efforts in showing reactions to change. The nature of this resistance is more due to individuals feeling a mismatch to change. Cumming and Worley (2001) describe three sources of resistance, namely: (a) Technical resistance, namely the rejection that arises from the habit of following the procedures adopted by the company; (b) Political resistance. This resistance arises because of the threats experienced by stakeholders; (c) Cultural resistance. This resistance arises because of the existence of systems and work procedures that have shaped the status quo in individuals, so that accepting change becomes difficult. Based on the explanation of Cumming and Worley, the company needs to understand why resistance occurs.

## **Method**

A qualitative case study approach is used in this research that aiming to find out in depth about the case of the impact of the acquisition, especially the process of forming new individuals. In-depth studies conducted in this study, aimed at explaining how the process of changing individual behavior is carried out, where this process is difficult to explain through a quantitative approach (Strauss & Corbin, 2007).

The researcher used a single case study approach in uncovering the case of this study. The single case study (single instrumental case study) is a case study research conducted using a case to illustrate an interesting issue to study (Yin, 2003). This is the basis of using a single case study, because this research discusses the acquisition process carried out by the company of Sritex. publicly-traded at The Sinar Pantja Djaja Company

The sample selection is done by using a reference to the time of occurrence of the case, namely the acquisition which was carried out around 2013. This is due in that time period, every event that arises in the case of acquisition has not been fully resolved well. The data collection is carried out through an in-depth interview process with the company's President Director, Deputy Directors, Managers at the parent company, Managers at the acquired company, and Employees of the acquired companies. The time of the interview process is adjusted to the conditions of each of the speakers, however the minimum time is about 2 hours. Interviews conducted at each resource person are based on interview guides and recordings, as well as additional notes.

The researchers in conducting this research, firstly put aside the assumptions in mind, to be able to understand the case clearly and objectively from the explanation of the research subjects. The purpose of this process is that the researcher can be objective in uncovering the studied case.

## **Finding**



Based on the several previous studies, acquisitions are considered to often fail due to resistance from individual employees (Gadiesh et al, 2001). The failure occurred, due to difficulties in conducting unification/synergy. Most acquisition processes fail to catch core issues from the aspects of the company and people in influencing the joint relationship. The main mistake, the inadequacy of the process to unite potential target companies during the pre-merger and acquisition stages (Schmidt, 2002).

The Empirical studies show that the speed of integration can be an important factor determining the success of an acquisition (Schmidt, 2002). Delays in the integration process can create unnecessary ambiguity, employee anxiety, and uncertainty throughout the company (Horwitz et al., 2002).

The acquisition is like a marriage (Sobirin, 2005), where each parties has its own character and habits. Therefore, to create a harmonious relationship, both are able to create new habits that synergies lead to the goal of lasting relationships. This is no different from companies, where acquisitions lead to high individual attitudes among each groups. At the buyer's company, there arises an attitude to force the desire to implement the strategy, the system of the company being purchased. This is because they assume that their ability to manage the company is better than the company that was purchased. The opposite attitude arises in the company being bought, they consider the company an arrogant buyer by imposing his own will.

Based some of assumptions or opinions above, through an in-depth process conducted by researchers, several findings were obtained. These findings were obtained not only from the results of its interviews, but also through notes and direct observation. These findings aim to answer a number of case issues in this study. The following of findings obtained, namely:

### **1. What did The Sritex Company do in changing individual behavior of employees of The Sinar Pantja Djaja Company ?**

Changing individual behavior is not an easy job, because it is related to change a person's habits or beliefs. As a result, a rejection reaction was carried out on these changes. Therefore, changes made by the Sritex Company must be able to touch individual aspects, such as:

.... do an active communication ...

..... we actively carry out communication by involving the regional government ...

Communication was carried out by the Sritex Company after the acquisition process is completed, at which time there was a rejection of the acquisition of the employees of the Sinar Pantja Djaja Company. The existence of the regional government to be able to provide certainty to employees that the agreement to be made later will be overseen by the government to be obeyed by both parties. The meeting, carried out by involving workers' associations that control the employees of the Sinar Pantja Djaja Company and employee representatives. The meeting was held not only at the office of the Sinar Pantja Djaja Company, but also done at the Sritex Company.

Communication is done is to find out the reasons for rejection made. This is useful for the Sritex Company to make policies that can be accepted by employees. Another thing is also on this occasion the leadership of the Sritex Company listens to some employee complaints.

....provide information...

..... ..after the acquisition of the deal, the reason for the acquisition of the Sinar Pantja Djaja Comoany is given to all employees ...

Providing detailed and clear information to employees is carried out after the acquisition process is complete. The meeting activities carried out within a period of 2 months, where the Sritex Company explains the reason for the acquisition. On this occasion, it was explained to the employees that the acquisition process occurred due to the old leadership of the Sinar Pantja Djaja Company submitted the offer. The leadership of the Sritex Company explained the chronology of the acquisition that began with the Sinar Pantja Djaja Company until the deal acquisition.

On the occasion of providing information, the leadership of the Sritex Company also explains the vision, mission and objectives of the acquisition. This is done by involving factory labor associations and employee representatives.

.... Management structure ....

..... after the acquisition process was completed, we made a change in the management structure, where the executive leadership was held by the deputy director, and placed new managers in several positions ...

Changes in management structure, which is common in the implementation of change, is no exception in the acquisition of the Sritex Company. This happens because there are some old managers who choose to leave the company, they are actually offered to continue their work. However, the choice to quit the job is his choice.

Changes made by the Sritex Company, where the top leadership is led by the deputy director of the Sritex Company, and several important company positions led by people closest to cause the Sinar Pantja Djaja Company in carrying out its management is independent. This can be seen from the continued use of the old company name, and the product production code is still recorded in the market with the same name.

....Employee training...

After the acquisition process is completed, the Sritex Company regenerates production equipment, i.e. machines. The repairs were made due to the old machine and limited production capability. Another thing that is the reason is because of the diversification of products by the Sinar Pantja Djaja Company where from now on the factory produces rayon products.

The training process is carried out at the the Sinar Pantja Djaja Company itself where there is engine power from the Sritex Company provides training. Another training process is in the form of a production division of labor. This is done by management with the aim that employees are accustomed to the work rules in force at the Sritex Company. As it is known that, the Sinar Pantja Djaja Company has been constrained in conducting production in the aspect of employee work discipline. Employees, especially in the production department, so far in carrying out their work often waste a lot of work time.

....Work environment...

..... To establish harmony with the parent plant, we changed the environmental aspects by giving the same paint color ...

In the aspect of employee work environment, the Sritex Company creates the same working conditions as the parent factory. This similarity in color can be seen from the use of the same building paint colors, as well as the similarity of colors in employee work

clothes. However, the thing that distinguishes is the use of a permanent name the Sinar Pantja Djaja Company on the attributes of employee clothing.

## 2. Building individual commitment of the Sinar Pantja Djaja Company to change

Building employee commitment is very important for the company, especially in companies that make acquisitions. This is due, full support from employees is needed by the company in supporting any changes made. A form of dedication someone in doing work with responsibility will be able to give the company achieve its goals quickly. Therefore, building the commitment of the employees of the Sinar Pantja Djaja Company is needed by the Sritex Company after the acquisition process is complete. Based on interviews and in-depth observations obtained information, such as:

....Communication...

..... we actively communicate to employees through their representatives as well as from factory labor associations to speed up the production process ...

Communication is believed to be a way to bridge the differences of opinion between groups. This is due to the communication between the two parties can explain the things that they want and plan to do. Communication activities carried out by the Sritex Company is currently listening to what the employees of the Sinar Pantja Djaja Company. On this occasion it was discovered that the employees had fears about the security aspects of their work. This happened because almost all of the employees had experienced a change of ownership before and their coworkers had experienced layoffs.

... Work security ...

... .. in principle from the results of our meeting, it was revealed that the employees were afraid of a unilateral termination as a result of this acquisition ...

Changes that occur due to acquisitions are usually followed by changes in new company management. The impact of these changes led to the selection of new employees, so old employees who were considered unable to be marginalized. Changes in management structure are actually legitimate activities carried out by the company to support the achievement of company goals. However, in the changes made by the Sritex Company after the acquisition is complete, this does not happen suddenly.

The Sritex Company after the acquisition is completed, offers continuation of work to all employees of the Sinar Pantja Djaja Company. The opportunity offer is given to employees, because to do the employee selection process again requires relatively sufficient time, so that it will have an impact on the achievement of objectives.

.... Management structure ...

..... changes that we made after the acquisition process is complete, there are a number of positions that have changed. This was done because we considered the position very basic ...

Changes in management structure by the Sritex Company is mainly in the position of the part left by the previous manager. Another thing that causes change is the need to place people who can be trusted, especially the financial department. In the management structure at the Sinar Pantja Djaja Company is more independent, with all its own planning and management control. This is intended so that the Sinar Pantja Djaja Company seems to be a stand-alone company not as the Sritex.

....Compensation...



..... at our meetings, the issue of compensation or salary is our main topic ... this is because the salary issue is a very sensitive issue ...

The strategic plan of the Sritex Company in acquiring the Sinar Pantja Djaja Company is buying entirely, not only factories and machines but also human resources in the factory. The purchasing process, is expected to quickly carry out its production activities, so that income can be received quickly. This aims to be able to cover the cost of purchasing the company.

In the aspect of compensation, the Sritex Company, which is feared by employees is the uncertainty of their income amount, or in other words there is a decrease in revenue. However, the Sritex Company makes changes to the compensation structure, where they do not make a decrease. The Sritex Company even provides an increase in the number of employees received, although the addition is not large.

### **3. Reasons why employees keep working**

The speed of the company's activities is needed, to get income as fast as possible. This happened to the Sritex Company after the acquisition is complete. The faster factory activity will have an impact on the better customer confidence and an increase in revenue will be quickly achieved. However, to quickly get employee confidence to work immediately is a process that is not easy to do. Based on the results of interviews and observations, it is known the reasons for continuing to work, namely:

.... Work security ...

..... at the meeting we did, both when there was a local government representative or not .. we clearly emphasize that this acquisition was done by not cutting labor ...

The impact of acquisitions often results in labor cuts, which aim to cover parent company expenses. Another thing that often happens is the number of employees who resign, because of differences in compensation received from before. However, the acquisition of the Sinar Pantja Djaja Company, the thing that was feared by the employees did not happen, even the Sritex Company fulfills what are the demands of employees such as the improvement of the work environment, compensation and employee facilities.

... The difficulty of finding a job ...

..... At the present time, finding a job is not easy ... especially for us who are almost the majority of high school graduates whose abilities are only menial work ...

The current economic condition has changed a lot from the previous period, indeed it has an impact on the labor aspect. This is due, many companies need workers who have knowledge and strategic capabilities. This contrasts with the existing labor market, where many individuals need work. At the acquisition of the Sinar Pantja Djaja Company also causes employees to fear layoffs, so finding a new job will be difficult. This was partly due to the fact that at the time, there were also a number of similar companies that had laid off their employees, so getting other jobs required intense competition.

....Social status...

... in social life at this time, social status is an important part ... because if we are unemployed we will be harassed as lazy people, it is different if we work like this ... especially in a company that is well known ...

Getting a sympathy in social life becomes necessary, because the recognition from people around that someone is not unemployed becomes a matter of prestige. This can be

interpreted that the recognition of one's self becomes something that is worth getting, so that other people have the ability and ability. Another thing is that work can provide additional financial resources so that no hard life is obtained.

#### 4. Individual motivation for change

High motivation of employees to carry out work is needed by the company, this will have an impact on achieving company goals quickly. In companies that experience changes, causing a decrease in employee morale. This happens because of high work stress caused by fear in carrying out their work.

....Compensation...

... at the present time ... we have improved earnings from before ... this improvement is a very grateful thing, helping in our daily lives ...

The fulfillment of employee welfare needs to be done by the company to create high employee morale. This is also evident from the changes in the company by the Sritex Company, where they provide a different amount of income from the previous company. This change is expected by the Sritex company can provide high morale boost to the employees of the Sinar Pantja Djaja Company is working, so the factory can run fast.

...Responsible...

... the increasing age of the children is also followed by the preparation of the school ... whose name is parents hope that the children can get a better education from their parents ...

The current condition of education is different from the previous period, where the cost of school is quite large. This development also results in parental support that is needed so that the child's future is better. This happened also to the employees of the Sinar Pantja Djaja Company, which wishes to provide the best education for their children.

...Work environment..

... we are quite happy that there have been some changes made in the factory environment, which caused the factory atmosphere to be better than before ...

The Sritex Company after the acquisition process is complete, provides changes to aspects of the work environment, where the arrangement of the factory is better. The change that can be seen is the color of the factory which is likened to its central factory, the arrangement of employee canteens that look neat and clean. This arrangement is not only on the environmental aspects of the factory, but also involves the use of work uniforms. Work uniforms worn by employees, with a sky blue look cleaner, this color also adjusts to the color of the central factory uniform. As a result of these changes, employees get comfort while carrying out their work.

....Employee training...

..... actually the work process that we do is almost the same as before, but now the difference is when it is carried out only, where we are trained to be more responsible and more disciplined so that the products produced are far from production defects ..

Employee work training conducted by the Sritex Company is routinely caused by a change in the engine technology used. These changes were made by the Sritex Company is to support a superior production process, but also because of the addition of other product variants. Training conducted in an integrated manner at the central plant has an impact on employee work discipline.

## Discussion of Results

Based on the findings of the researchers in depth, showing that there are several aspects that can shape the behavior of new employees. This behavior can later support changes in the progress of the new company, which ultimately impacts the achievement of the objectives of the parent company.

Overall, the change process carried out in the acquisition is expected to run smoothly so that the vision, mission and objectives of the parent company to obtain profits are achieved. This is mainly related to the attitudes and behavior of employees who are able to adapt to the new system. Based on previous studies, the failure of the process of change in acquisition is caused by not creating a synergistic relationship between the company and employees.

Failure of the acquisition process that often occurs, is caused by a large rejection of employees for change. Unwanted changes here are changes that can affect their habits. Based on this, the research findings are as follows:

### **A. What did the Sritex Company do in changing individual behavior of employees of the Sinar Pantja Djaja Company?**

Based on the findings of research conducted in depth, it was concluded that changes in individual behavior of employees of the Sinar Pantja Djaja Company caused:

1. Detailed information about why the acquisition occurred. Based on in-depth interviews conducted with employees, clear and detailed information directly impacts the attitude of acceptance. This is because, they clearly knew that the head of the old company wanted the factory sales and all. They also mentioned that, in the period of 3 months before the acquisition of salaries they were late to be paid. They were even grateful that the Sritex Company, which is already a well-known company in the textile business.
2. Active communication is carried out. Based on the results of interviews obtained information that, communication also plays an important role in shaping new employee behavior. This is because employees clearly know the company's vision plan, new mission, especially the involvement of the local government. The presence of the regional government as a witness at the meeting, has an impact on the confidence of employees that the new company has a better future orientation.
3. Work environment. A good working atmosphere is expected to be realized by employees in the new company. However, in the interview results it was found that aspects of the work environment have a relatively small impact in changing new employee behavior. This is due, in carrying out daily activities employees are still in a relationship with the same coworkers as in the old company. This has an impact on social life in the factory as it still was before the acquisition.
4. Training. The training program conducted by the Sritex Company, the results obtained through interviews have little effect on changing behavior. This is because the activities carried out are still like the old ones but only the disciplinary aspects are formed. Another thing is because the training conducted is limited by the short implementation time.
5. Management structure. Changes that occur in the new company management structure, apparently did not affect the change in employee behavior. This is due, even though the management of the Sinar Pantja Djaja Company stands alone, but all policies and decisions made and taken still refer to the parent company, the Sritex Company. Another thing is because the existence of management is only as mere supervision.

## **B. Building individual commitment of the Sinar Pantja Djaja Company to change**

Based on the results of in-depth interviews conducted by researchers against employees, obtained information that employee commitment was formed due to:

1. **Job security.** The work safety factor gives a big impact in forming the commitment of the employees of the Sinar Pantja Djaja Company. This is due, the Sritex Company explained that the impact of the acquisition on work termination did not exist. The Sritex Company even expects that employees can support changes made towards a better company than before. Another thing that causes employee commitment to form is because many employees at the Sritex Company itself has been working for a long time, even the age of recative is already above 50 years. This shows that the Sritex Company really cares about its employees, so they can still work long time there.
2. **Communication.** Communication has sufficient impact in forming employee commitment because employees clearly know the vision, mission of the new company. This gives rise to a deep conviction for a better future than before. Another thing is that in the communication carried out, the company trilogy is always instilled to the employees, namely that the company is a rice field. This resulted in the emergence of an optimistic attitude of employees at work because if you want to live well, then together look after the rice fields, namely the company.
3. **Management structure.** The influence exerted on the new management structure based on the results of the interviews had little impact. This is due to executives who have just acted as role models for employees, thus creating close relationships with employees.
4. **Compensation.** Compensation turned out to have a slight impact on the formation of employee commitments. This is due to employees assuming there will be a change in salary if the company gets high production profits. They also assumed that the previous salary was sufficient.

## **C. Why do employees choose to keep working?**

After the acquisition process is completed, the Sritex Company communicates intensely to employees, from which the employees want to continue working. Based on the results of the interview, obtained several reasons employees choose to remain working, namely:

1. **Job security.** The factor of job security guarantee applied by the Sritex Company makes employees choose to keep working. This is due to employees having great confidence that the Sritex Company really appreciates its workforce. Another thing is that employees have been looking for info about work at the Sritex Company through their colleagues, where information is obtained that many workers in the Sritex Company still works even though it's over 45 years old.
2. **Social Status.** This social status is more related to the people's perception of employees. Through work activities, neighbors give better respect. In addition, the existence of work activities will provide income that can be used to meet household needs, such as buying furniture and home appliances that are better seen by others.
3. **The difficulty of finding work.** The problem of finding a difficult job at this time turned out to have little impact. This is due to the fact that some employees explained that if they did not work they would trade only on a small scale.

## **D. Employee's motivation for changing**

Based on the findings obtained by researchers through in-depth interviews, known things that cause employee motivation towards changes made by the Sritex Company at the Sinar Pantja Djaja Company, including:

1. Responsibility. Based on in-depth interviews, reasons of responsibility make employees highly motivated for the changes that occur. The form of responsibility referred to here is the responsibility towards the family, especially to children. This responsibility is in the form of a desire to provide a good life for children, a good education for their future.
2. Compensation. Regarding compensation in the form of salary income has a considerable impact on the formation of motivation for change. This is caused, changes made have an impact on salary increases even though the extra provided is not large, but better than the previous company.
3. Work environment. Work environment factors that have undergone a change, apparently also have an impact on the formation of the motivation of employees of the Sinar Pantja Djaja Company to change. This is due to the pride of those who have the same work and uniform atmosphere with their parent company, the Sritex Company.
4. Training. The training factor that is done by the Sritex Company toward the Sinar Pantja Djaja Company did not affect the formation of motivation. This is due to the training given only to some employees, especially on production employees.

Based on the research findings, it was concluded that the change process carried out by the Sritex Company to individual employees of the Sinar Pantja Djaja Company impacts the creation of a synergy relationship between the parent company and the group. This can be seen where the behavior of employees of the Sinar Pantja Djaja Company gradually disappears and changes. Based on these findings, the factor of providing information and communication has a considerable impact in changing these behaviors.

In the aspect of building employee commitment to support new work, it is seen that work safety and communication factors play a large role. While in the aspect of reasons employees choose to keep working, job security guarantees and the need for social status plays a major role in answering this problem. Whereas in the aspect of employee motivation, it can be concluded that because of the responsibility towards the family and the financial needs of the salary causes why the motivation of employees is high in carrying out their work.

### **Implications for managers and advanced research**

This study highlights the relevance of change as the impact of acquisitions made by the company related to the achievement of the vision, mission and goals of the new company. This further highlights how to change the behavior of the old employee to accept the new behavior. In general, the expected impact is to achieve an increase in company income.

It is hoped that some of the things outlined above can be further carried out research on a wider range of companies and in different industries, especially relating to cultural aspects and their impact. In addition, it is believed that quantitative research that focuses on a particular industry can be very helpful in distinguishing clearer management and strategic approaches from being more successful from less successful companies.

As a general conclusion, it is felt that the overall objectives of this study have been fulfilled by showing that the findings obtained can lead to the success of the change process after the deal acquisition is carried out, especially in the use of their management approaches and strategies.

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