

The Central Role of Middle Leaders in Public Administration Facing Organizational Merger Policies

Damasceno Dias^{1,2}, Isabel C. P. Marques^{1,2} & Fernanda Nogueira^{1,2}

¹ Universidade de Lisboa, Institute of Social and Political Sciences, Centre for Public Administration and Public Policies, Rua Almerindo Lessa, 1300-663, Lisbon, Portugal

² Centre for Public Administration and Public Policies, Institute of Social and Political Sciences, Universidade de Lisboa, Rua Almerindo Lessa, 1300-663, Lisbon, Portugal

Correspondence: Isabel C. P. Marques, Universidade de Lisboa, Institute of Social and Political Sciences, Rua Almerindo Lessa, 1300-663 Lisboa, Portugal. Tel: 351-9-6373-9830. E-mail: imarques@iscsp.ulisboa.pt

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Abstract

In this research studies were carried out in two merging Public Administration institutions, one with a public labor regime and the other a private one, which aimed to analyze culture and intermediary leadership. Study conducted based on the action-research methodology, with (i) quantitative approach to analyze the organizational climate and motivation with 79 leaders of institutions A and B using SPSS Statistic software, (ii) content analysis of 62 interviews with leaders from different hierarchical levels about the merger process and the perception of middle managers, and (iii) narrative analysis of the main aspects of the merger process. In the first, quantitative study, the organizational climate is analyzed, highlighting the role of middle management as facilitators of change. The second, qualitative section interprets the results obtained in the interviews with the leaders, showing that the process, from the start, did not have any convinced objectors, and that if there were any divisions, it would be due to the conduct of the process and not to an option at the start. The third chapter recounts the most significant episodes of the merger and reveals that the project gradually lost its meaning and became a mere change by decree. A descriptive analysis is made of the diagnosis presented by a consulting company, whose results seem to point to the "groupthink" phenomenon, reinforcing the Administration's expectations.

Keywords: public administration, mergers, organizational change, middle leadership

1. Introduction

1.1 Research Background and Significance

1.1.1 Research Background

The current organizational context has been characterized by important changes and transformations caused by various factors, with particular emphasis on the significant advances that have been made in technology and its consequent dissemination, the emergence of the knowledge society and, above all, greater consumer demand. The Public Administration, at present, does not escape these changes, and its inevitable reform is on the agenda. However, it is neither easy nor consensual to define its scope or the strategy to be adopted.

It is at this juncture that it has been asserting itself in Public Administration. A new organizational paradigm emerges, *New Public Management* (NPM), compatible with a certain set of key ideas and fundamental processes

(Stransky-Can, 2022; Broucker et al., 2015) of which we can highlight: the reduction of the size of organizations and the emergence of a new posture of their leaders (Cavelier et al., 2017); decentralization allowing greater autonomy and responsibility and new organizational configurations (Muczyński, 2022; Ohrling et al., 2022); the decrease in hierarchical levels (Fores et al., 2016) and consequent debureaucratization of services (Park, 2010); the focus on networked organizations, as a way to leverage information and communication technologies; and the increasing orientation of public services towards the citizen/user (Scupola & Mergel, 2022).

In Portugal one of the NPM mechanisms that has been emerging is mergers, both in the private and public sectors (Madureira, 2020). State reform has been a focus in several countries (Ofoulhast-Othamot, 2022; Farr-Wharton et al., 2021). Particular action, in Portugal, is that of hierarchical integration in use in merger movements in the public sector (Reis & Sarmento, 2019).

The challenges in merger processes are often pointed out in the literature as "clash of cultures" (Ibrahimi & Liassini, 2021) sometimes resulting in failure rates (Ashkenas & Francis, 2000) necessitating hierarchical integration, flexibility. However, a gap emerges from the literature findings, namely, whether cultural issues configure a symptom or cause of the challenges imputed to organizational change.

On the other hand, the role of facilitators and, above all, the crucial role of middle management during the merger process must be highlighted (Beer, Eisenstat & Spector, 1990). The middle managers end up being considered as the translators of change and the insufficient mobilization of these middle managers leads to a stormy transition of mergers because they transmit with greater serenity, the sense of the transformations to be operated (Balogun, 2003). Middle leadership can be the driving force behind innovation, competitiveness and change in organizations (Zheng et al., 2020).

1.1.2 Research Significance

In this context, we intend to analyze the change undertaken in the merger process of two Portuguese Public Administration Institutes, one with a civil service labor regime and a civil service contractual tie, and the other, with a private labor regime, by means of four studies, later triangulated, with description of the results in the face of the merger process.

1.2 Literature Review

1.2.1 Organizational Culture, Leadership and the Merger Processes

When the culture of one organization begins to be exposed to another, the state of equilibrium is disrupted, often causing communication problems between the cultures (Bhaskaran, 2021). Values and beliefs, specific to each organizational culture, eventually become the biggest sources of interaction problems (Lockwood et al., 2020). Conner and Patterson (1982) state that to ensure the success of a change process requires the commitment and involvement of three dimensions: the promoters of change (the people who have the power to legitimize the change); the agents of change (those who are responsible for its implementation); the targets of change (the people who must adapt to the new reality as a result of this change).

In the 1990s there was a change in focus. Kotter and Heskett (1993) state that the great engine of change is culture, where the strength of conviction and the quality of the leaders are the basis for the success of cultural change, provided that it is carried out in a continuous, planned and controlled manner. As for the "Groupthink" phenomenon, this can occur in situations where the thinking that people develop, when integrated into groups, without strong leadership, converges in search of unanimity, completely nullifying the motivations to realistically evaluate the alternatives that present themselves. Recognizing the complexities, importance, and demands of leadership, "leadership teams" or "leadership communities" (Savović & Babić, 2021) are beginning to emerge, integrating leaders from the various levels of the organization's structure in order to mobilize wills, skills, and knowledge to achieve organizational goals.

The relationship between culture and leadership deserves further study, considering that the relationship between both tends to influence positively or negatively the performance of organizations, including in merger processes. If on the one hand the culture of an organization and the way people respond to the challenges of change and innovation is substantially influenced by the leader's behaviors (Fishman & Kavanagh, 1989), organizational leadership is one of the key sources of influence on organizational cultures (Lockwood et al., 2020).

There is a need to carefully select the methodology to be used to manage the type of change that will occur; establish fluid and engaging communication channels that allow all stages of the process to be conveyed to all people; identify and select facilitators of change, making them partners and then try to convince the most skeptical and most critical of the change; and finally, lead the process by recognizing that change is an emotional process and as such, people need to be changed, with dignity, by being explained to them the true meaning of that change

(Smollan & Griffiths, 2020).

Stoker's (2006) study shows that there is a discrepancy between the perception of top management and middle management in change processes by concluding that this difference lies in the mutual expectations created by the two levels of leadership, which allow the point of intersection to be found. To this end, it is crucial to recognize the role that can be attributed to middle leadership in buying and selling ideas between top management and the operational level, and in translating the expectations and desires between these two forces (Bhaskaran, 2021).

2. Method

As a central objective this study aims to analyze the role of middle managers in the processes of organizational mergers and change, while introducing the problem of culture and the question of the creation of meaning that is transmitted to the bases by these actors, through the leadership they exercise in their areas of influence and as a group.

The study focuses on two institutions. Institution "A" was created in 1977, having been given a statute that, in practice, converted it into a financial institution regulating and managing credit lines aimed at supporting the development of the agriculture, forestry, livestock and fishing sectors. Institution "B" was created in 1986, by virtue of Portugal's accession to the European Communities, fulfilling the need to adapt the previous national aid system for the agriculture and fishing sectors to the community acquis, with the purpose of centralizing and managing the financial flows of the European Agricultural Guidance and Guarantee Fund (EAGGF) as the financing and discipline manager for the intervention of the other bodies involved. The merger process is based on the model of a single board of directors that took on the duties attributed by the statutes approved by the two institutions.

This is a case report, within the context of action research studies, given the presence of one of the authors with the dual role of human resource management and as a participant observer. The research aims to contribute by facilitating the understanding of the merger process. The "Action" component gains body in that it aims to produce a change in a community or organization or program (Dick, 2000). Figure 1 presents the protocol of the study.

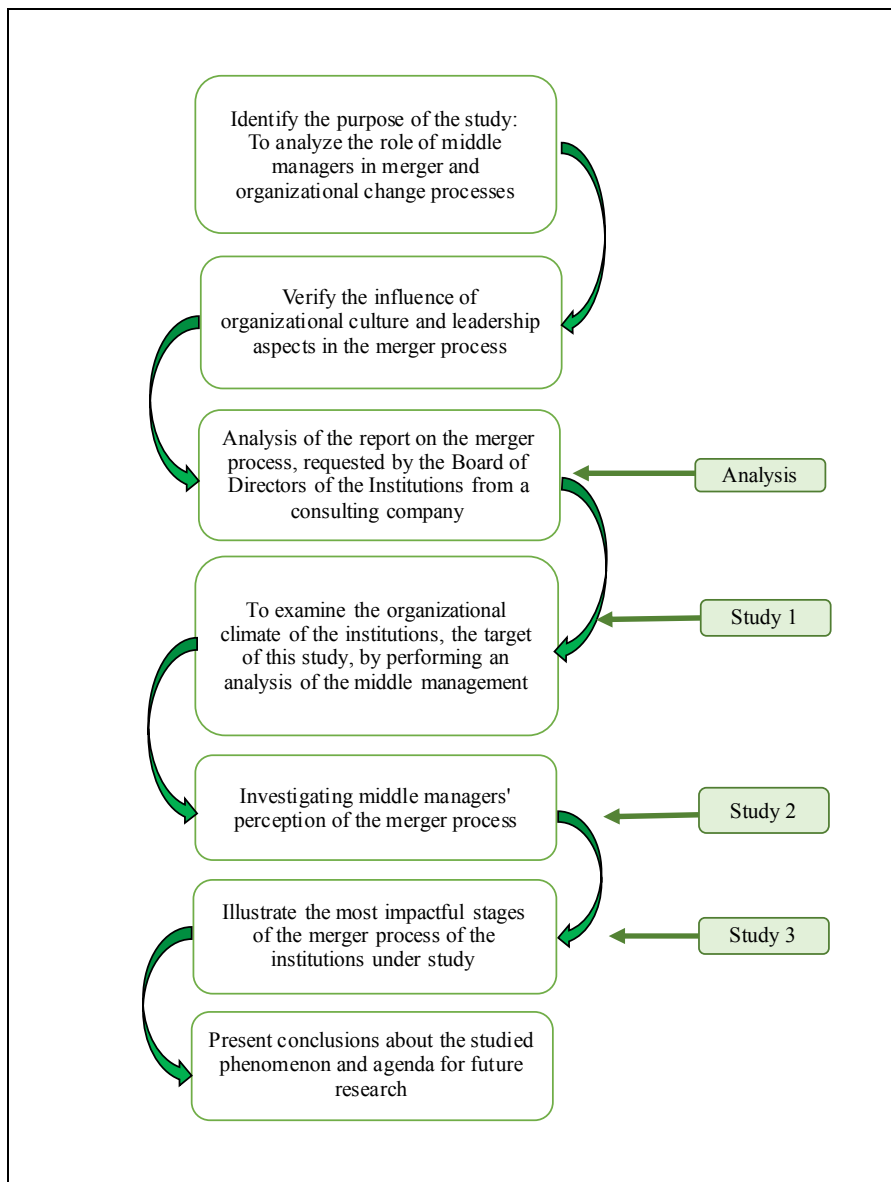


Figure 1. Study protocol

3. Discussion

3.1 Requesting the Merger of Two Public Institutions: Analysis Found in Report

Based on a request from the Board of Directors (BoD) of institutions A and B to a contracted consulting firm, a report was issued assessing the congruence between the proposed organic structure and the objectives to be achieved with the future organizational design, including the adequacy of human resource management in the different areas of activity. In the analysis of the report, it is emphasized that the understanding of people seems to support the conclusions and recommendations of what the stakeholders consider to be the new strategy.

The data in the report refer to cultural and status differences, with the assumption that convergence could be found in status change and that an adjusted culture would result. Given that the data on culture were conceived in a framework of antithetical categories, that is, categories placed in a *continuum* between two extremes, when placed as categories in isolated form, rather than in the form of an orthogonally constructed framework, the resulting values would not have to show a balance between the various quadrants (Quinn, 1996). At the very least the culture would be more bureaucratic (rules) in the Civil Service organization and more goal- or innovation-focused in the more entrepreneurial organization (Urbanek, 2020).

The data found by the consultants seem to be in line with what one would expect in any bureaucratic and administrative

organization, where power is essentially political and not managerial, as is the case of the two institutions under analysis. Everything indicates that the strategy for presenting the data seems to be not to make waves and to highlight the aspects that could comfort the BoD 's point of view, since the aspects favorable to the merger were globally more relevant than the potential problems. However, it can be concluded with some confidence that the group resulting from the consultancy firm/ BoD pairing functioned as a true "groupthink".

The analysis reveals, with a meridian clarity, that the sentences were transcribed exactly and the deadlines that the BoD needed to validate the course of the merger process were pointed out, transforming it into a mere legal formality and actually implementing it within the established deadline. We consider that in this process, the initial group, called the project committee, functioned, according to Janis' (1982) logic of "groupthink" where all respondents involved say only what management expects to be said.

From the research/action point of view, it makes sense to combine the traditional effectiveness and efficiency auditing processes resulting from the intervention to contribute to the change process. The follow-up audit could be equivalent to the role that Weick and Quinn (1999) attribute to the change facilitator, avoiding the possible alignment effect with top management that is often attributed to hired consulting firms and that often only provide reinforcement of groupthink. Such a fact leads to the questioning: if it is so easy to enact the merger, why then waste time with the intervention of committees, facilitating agent, or middle management involvement?

It is in this context that internal auditing can no longer follow its course and research is forced to refer exclusively to the rules of the case study.

3.2 Study 1: Organizational Climate and Motivation Analysis

This study of quantitative nature intends to evaluate the measure of motivation in two organizations in the process of merger. It is based on the assumptions of the EFQM model (European Foundation for Quality Management), in which the variables used in the work and the relationship that was assumed to exist between them are presented (Neves & Lopes, 2002). The model is part of a systemic perspective that allows a better understanding of the functioning related to the less tangible part (climate, satisfaction and commitment) in terms of causes and effects. Based on the EFQM model of total quality management, it considers the means (leadership, people management, management strategy, resources used and processes for transforming resources into outputs), and the results (employee satisfaction, customer satisfaction and the company's impact on the community).

The questionnaire called "employee motivation survey" is composed of several items that assess a set of dimensions relevant to understanding organizational climate and motivation, as seen in Figure 2.

The instruments that allowed assessing the dimensions under analysis were adjusted, following the procedures and recommendations suggested by Hill and Hill (2002) in assessing construct validity. The technique of principal components factor analysis was used, showing the dimensionality of the instrument. The reliability of the dimensions was evaluated by determining Cronbach's alpha coefficient, which showed adequate values overall. In the case of the leadership instrument, in addition to the previously mentioned procedures, confirmatory factor analyses were also performed, which showed adequate goodness of fit indices.

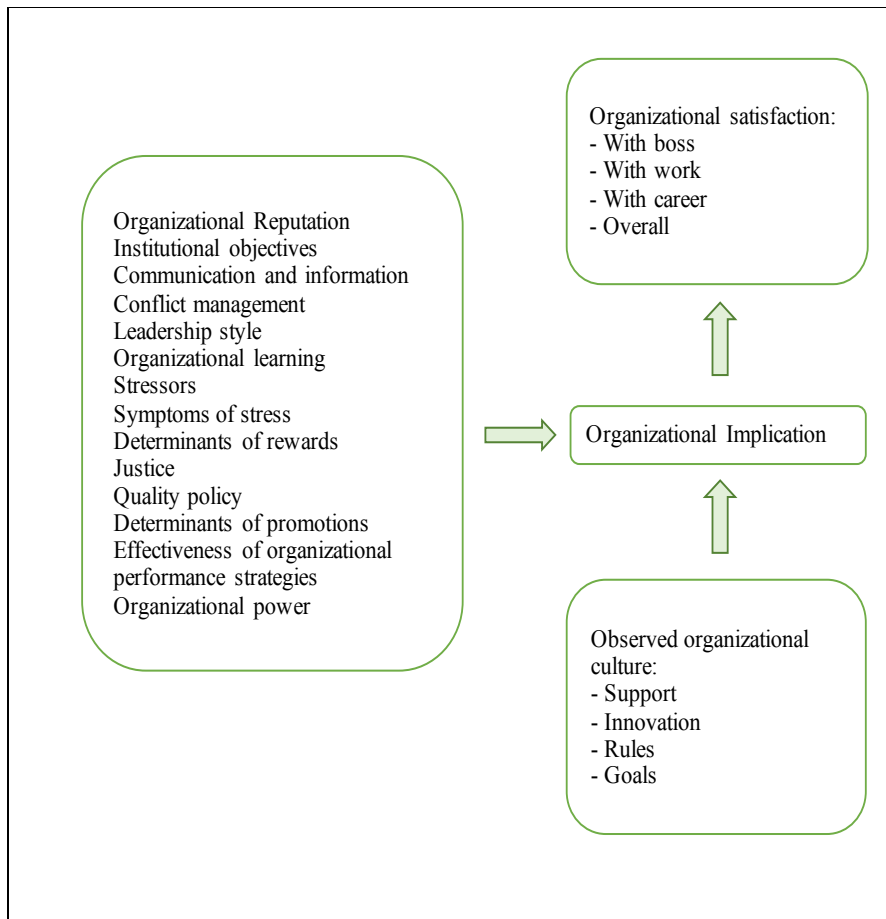


Figure 2. Analysis Model, adapted from Quinn's Model (1988)

3.2.1 Sample

The sample obtained consisted of 79 managers, 36 from institution A and 43 from institution B, 57% male and 43% female. In terms of age, 43% (34) are between 51 and 60 years old, followed by 40.5% (32) in the 41 to 50 years old age group. The majority of the employees, 84.8% (67) hold a university degree, followed by the 12th grade or equivalent with 10.1%. With regard to the area in which they work, the vast majority, 47.9% (34), work in support services. With regard to the length of time they have worked at the institution, 35.4% (28) belong to the group of 16 to 20 years, followed by 25.3% (20) who have worked at the institution for more than 20 years.

3.2.2 Instruments Used

A questionnaire was developed with the objective of assessing the social and organizational climate of the two institutions. Table 1 shows the dimensions, factors, and items that make up the questionnaire.

Table 1. Instruments and factors of the questionnaire for assessing social and organizational climate

Dimension	Factor
Organizational reputation	Organizational reputation
Company Goals	Functional objectives (4); Global objectives (3)
Communication and Information	Transmission and sharing of information with management (3); Overall information and communication (4)
Leadership Style	Coordinator (11); Monitor (9); Mentor (8); Facilitator (13); Director (7); Innovator (8); Producer (10) and Broker (7)
Organizational Learning	Organizational Learning
Stress Factors	Ambiguity (5); Person-Paper Conflict (4) and Workload (2)
Symptoms of stress	Symptoms of stress (5)
Determinants of rewards	Determinants of rewards
Justice	Distributive justice and internal equity (6) and external equity (2)
Quality Policy	Quality Policy
Promotion Determinants	Promotion Determinants
Impact of promotions	Impact of promotions
Effectiveness of organizational performance	Effectiveness of organizational performance
Organizational satisfaction	With the boss (4); With the job (4); With the career (3) and Global satisfaction (8)
Organizational Implication	Organizational Implication
Observed Organizational Culture	Support (4); Innovation (3); Rules (4); Objectives (3)

3.2.3 Construction/Adaptation and Validation Studies of the Instruments Used

The exploratory factor analyses of each construct showed interpretable constructs, with high factor weights. The evaluation of internal consistency through Cronbach's Alpha showed adequate values. However, it was necessary to make adjustments by eliminating items that did not favor validity and reliability. The confirmatory factor analyses for the eight leadership roles showed adequate goodness of fit indices. Overall, the results show construct validity and instrument reliability (Table 2).

Table 2. Leadership roles: items, percentage of explained variance, internal consistency (Cronbach's alpha) and goodness-of-fit indicators

Roles	Items	% of explained variance	Cronbach's Alpha	Goodness-of-fit
Coordinator	g2, g36, g51, g96, g84, 49, g74, g1, g7, g43, g41	66.2	.95	$\chi^2/df = 1.06$ and RMSEA = 0.029
Monitor	g25, g77, g31, g55, g67, g44, g81, g82, g42	64.1	.93	$\chi^2/df = 1.44$ and RMSEA = 0.077
Mentor	g78, g76, g4, g28, g102, g71, g87	64.1	.90	$(\chi^2/df = 1.25$ and RMSEA = 0.058
Facilitator	g15, g32, g90, g22, g92, g34, g14, g40, g48, g61, g56, g6, g11	65.2	.95	$(\chi^2 /df = 1.42$ and RMSEA = 0.075
Director	g80, g98, g83, g88, g59, g100, g21	72.2	.92	$(\chi^2 /df = 1.24$ and RMSEA = 0.057
Innovator	g68, g19, g75, g64, g66, g79, g23, g62	68.8	.93	$(\chi^2 /df = 1.40$ and RMSEA = 0.073
Producer	g33, g69, g97, g20, g52, g57, g30, g89, g47, g50	64.9	.94	$(\chi^2 /df = 1.03$ and RMSEA = 0.052)
Broker	g12, g18, g65, g72, g16, g24, g73	61.7	.89	$(\chi^2 /df = 0.78$ and RMSEA = 0.000

χ^2 - Chi-Square; *df*- degree of freedom; RMSEA- Root Mean Square Error of Approximation

3.2.4 Analysis of the Results

The results show no statistically significant differences between the two organizations, evidencing similar cultures and climates, except for the Human Resources management practices, where satisfaction with career is higher for institution A than for institution B. This fact seems justified by the fact that institution A has a private employment relationship and is a signatory to a collective bargaining agreement, in which issues related to career are well defined and structured. The analysis of organizational culture within the framework of Quinn's model (1996) revealed a proximity, as shown in the diagram in Figure 3.

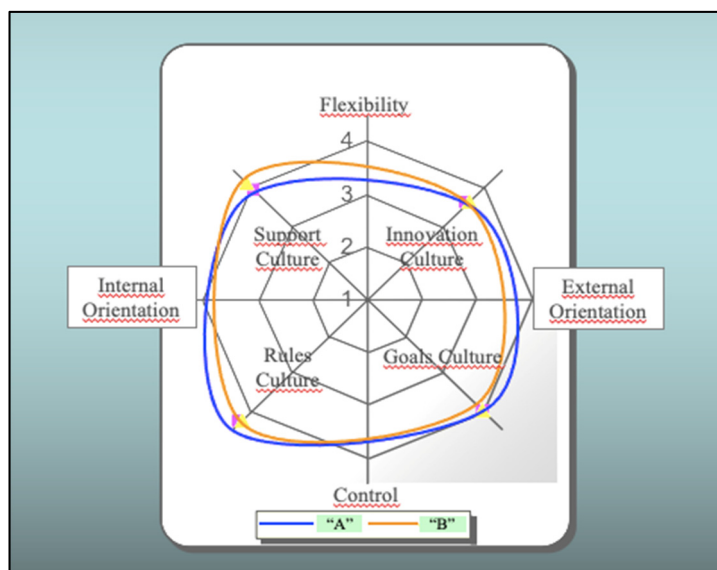


Figure 3. Organizational culture analysis of organizations A and B

Since no overall differences were found that would allow us to discover factors explaining the difficulties encountered in the process, we then started an analysis between the group of leaders at the 1st level, the directors, considered to be the top leaders closest to the Board of Directors, and those at the 2nd level, the heads of service, considered to be the middle leaders closest to the operational level. This analysis showed statistically significant differences (available from the authors upon request) between the leadership of the directors group and the leadership of the heads of services group in the following dimensions: (i) in organizational reputation where the group of directors presented a more accentuated perception, which seems to indicate that because they are closer to the Board of Directors, they try to project to the outside the institutional identity that still remained bicephalous (institution A/institution B) and organizational effectiveness in order to make it appear that the institutions, despite everything, responded to the needs of the public; (ii) in communication, information, transmission and sharing of information with the leadership, it was also more accentuated in the directors group, which seems tautological, since this group has the privilege of possessing all the information about the merger process; (iii) in the stress factors and workload, it was more accentuated in the directors group, which may be justified by the accumulated stress overload, by the dragging of the process and probably by the internal conflict that they accumulate, for recognizing that the participation and involvement of the heads of service is crucial; (iv) in the monitoring leadership role, evidence of this role seems to be associated with the need for this group of directors to have the responsibility to monitor and explain, in interaction with the Board of Directors, the whole merger process; (v) in the innovative leadership role (it was one of the most evident in the directors' group) where the whole change process is concentrated at this level of leadership, requiring a deep intervention in order to make the two institutions more agile, in order to provide a better service to customers; (vi) in the determinants of rewards, where there seemed to be a notion that, effectively, this level of management was the one that deserved the greatest consideration by the Board of Directors; (vii) in the quality policies, where it seemed clear that the emphasis on undertaking changes, going against routines, generating new processes, implementing new ways of organizing the work, were the responsibility of this hierarchical level; (viii) and in the organizational satisfaction with management and organizational satisfaction with the work, corroborating the previous comment on the determinants: organizational reputation; organizational effectiveness; communication, information, transmission and sharing of information with the boss; stress factors and workload; monitor leadership role; innovative leadership role; determinants of rewards; quality policies and organizational satisfaction.

The synthesis of the results presented seems to confirm that neither the climate nor the clash of cultures created obstacles to the merger process, contrary to what might be assumed. Only one difference was observed in the dimension career satisfaction, which we believe is justified by the difference in the types of employment relationship that the two institutions had. Significant differences in several dimensions, lies in the comparison between the two levels of leadership, the one closer to the Board of Directors (directors' group) and the one closer to the operational level (heads of service group). Possibly this is not a problem of culture, but of management, insofar as the role of middle management in the creation of meaning, which is transmitted to the bases, and in its double role of buying from the top and selling to its employees a new organizational project, was not considered.

Manz, Bastien and Hostager (2002), in analyzing the process of change, in the model they entitled "bi-cycle", making an analogy to the way a bicycle works, draw attention to the importance of the middle cog (visionary leadership), between the back wheel (participative leadership) and the front wheel (transactional leadership). They focus, in this way, on the need to permanently move the middle wheel, that is, the visionary cycle, so that the people involved do not lose the sense of change. Therefore, they understand that the ones who should permanently "pedal" the cogwheel are the leaders who are in direct contact with the operational base. They are the translators of change and, therefore, the key players in the change cycle (Eriksson & Hallberg, 2022).

The process thus seems constrained to split organizations in two, and it is precisely in the inner core of the body of middle leaders that the boundary between the bottom and top of the organization passes, and in this case an organizational bottleneck has been created.

3.3 Study 2: Qualitative Analysis of Middle Managers' Perceptions of the Merger Process

The third part of the empirical work aims to analyze the perception of middle managers about the merger process. The study used 62 interviews with managers of different hierarchical levels, distributed among the various functional areas, and was conducted using new information and communication technologies, exploring their potential, with the use of a free *software moodle* program, which allowed the interviews to be processed electronically, while ensuring the necessary confidentiality.

We tried to use a technique based on a process called tapering, which consists in asking at the beginning broad

questions about the topic under consideration, appealing precisely to each individual's interpretation of him/herself and his/her other experiences, in line with Bruner's reasoning (1990).

For data treatment, content analysis was performed. We followed the phases proposed by Bardin (1977): description (the summarized enumeration, after treatment, of the text characteristics) and interpretation. After the pre-analysis of the transcribed interviews (floating reading or loose reading), we proceeded to a detailed analysis of each of the interviews, starting from the general to the particular, and began to identify major thematic areas to later arrange them into categories. From the content analysis carried out on the interviews, we proceeded to verify the form of internal articulation between the different organs of the institutions. This seems to indicate the existence of a certain convergence as to the degree of understanding of the objectives by the hierarchical structure of both bodies, although the majority of respondents associated the objectives with aspects of an economic nature.

The information was transmitted preferably through informal channels, so it seems to us that little care was taken to design a communication strategy, segmented according to the different internal audiences, so that the information would arrive in a clear and timely manner.

Following this, the theme that is linked to the respondents' own implication in relation to their agreement with the need for the merger is addressed, finding that 38% did not agree with the merger, at first, and 12% hesitated in their answer, which indicates that the respondents were divided given that the positive answers were 50%. Given these answers, the perception that we had of the separation of the two blocks seems to be confirmed; everything indicates that, given that the universe of respondents includes leaders from the 1st level - management, and those from the 2nd level - heads of service, that this dichotomy in the answers can be attributed to the cleavage between these two hierarchical levels, to the extent that the first level was the one that had the information coming from the top. To understand to what extent this agreement or disagreement was shared by the superiors, here too, apparently, there is a tendency to split into two blocks: 20% responded that they did not agree and 12% were hesitant, which corroborates the analysis made earlier, i.e., the existence of a group that aligned with the top and another not so aligned.

According to the literature (Farr-Wharton et al., 2021), the use of the specific hierarchical framework (middle management) may be the key to convey the important messages from the top to the bottom. In this context, it was proposed to check how the news of the merger was received by their employees and subordinates. This question, more than all the previous ones, confirms that the middle hierarchical group was effectively divided into three subgroups: the first clearly favorable in the responses; a second clearly unfavorable group; and a third group, which we admit lies between the two previous ones, in which it sometimes joins the first and sometimes the second, creating dichotomies between two thirds and one third of the favorable or unfavorable responses. In order to verify how the group of respondents perceived the alignment of their peers vis-à-vis the merger process, there are among the respondents those who say that their peers are also aligned (49%), which seems to us to be the group of respondents closer to the top, the directors, and respondents who say they are not aligned (51%), which seems to us to be the group closer to the bottom, the 2nd level or the heads of services.

As the merger process was underway, and it was important that it proceeded without disruptions in the normal functioning of the services, the intention was to understand to what extent functional issues were taken into account. We verified that the respondents that had some information were around 54%, and that those who had no explanation were around 46%, which globally seems to indicate that the procedures relative to the merger were not understood and apprehended. As we understand that the information provided in these processes could be related to the desire to be part of the project and somehow induce people to participate, we verified that the majority of the respondents said that they were not properly informed.

Given that the merger process would be consummated as the organic structure was being adapted to the new reality, the team feeling that was developing in the meantime verified that the majority refused the process. We tried to understand what the respondents' perception was of what could still be done so that people would adhere to the process, and we verified that their concerns cover the various aspects associated with a participative process, with no distinction between institution A and institution B.

In the opinion of the respondents, the possible obstacles to the integration of the two institutes obtained the following percentages: culture clash (22%); diverging statutes (17%); employee mistrust (7%); different working methods (19%); lack of communication (7%); strategic vagueness (28%). These are obstacles to the creation of a unification project and a clear lack of an adequate strategy. It is curious to verify that culture/strategy problems agglutinate about half of the questions (50%).

As for the added value that the process can induce there is some synchrony with the responses obtained. In most mergers the synergies turn out to be negative (Alsakafi et al., 2019). The responses seem to reflect this suspicion,

in part, about the situation. Most of the responses obtained about the potential scope that the new body to be created would bring point to a stagnation and even fear of keeping the job, and 33% are hesitant about the use of their skills, and again, even the top third of respondents also show some distrust about the future.

Finally, it was verified to what extent the working methods of the two organizations may be incompatible, having found that 26% of the respondents find them compatible and 38%, although with modifications, also find that the working methods may become compatible. This confirms that if there are flaws, they point to the progressive distancing of top management from the majority of managers, and especially from those closest to the base, the heads of service. The data reveal the fracture of the management corps and the "impossibility" of the middle leaders exercising the mediation function as a corps.

Given the theoretical approach that considers middle managers as necessary intermediaries in the process of organizational change, this aspect was clearly neglected, behaving, in the meantime, as a force that annuls itself within the action. If we bear in mind the development of competencies that Bennis (1989) and the essential steps that Schein (1999) advocates for people in the organization to take on change, it also seems to corroborate the understanding that we have been expressing, insofar as, by comparing the perspectives mentioned above with the summary results of the interviews, we see the contrasts shown in Table 3.

Table 3. Verifications obtained in the study in contrast to the literature

1st Contrast	Competence (Bennis, 1989)	
	Leading with Vision	Little conviction towards the new vision: the merger decision appears as imposed and not as an assumed will
	Schein's Step (1999)	
Induce a new vision		
2nd Contrast	Competence (Bennis, 1989)	Exclusion from information about the process: information transmitted preferably to directors; decisions taken without the participation of middle management (the heads of service)
	Leading with meaning	
	Schein's Step (1999)	
3rd Contrast	Train and give feedback; develop a positive role	Distrust of the future Uncertainty about your destination Uncertainty about the course of the process; not in control of the situation; overtaken by events
	Competence (Bennis, 1989)	
	Lead by creating trust	
4th Contrast	Schein's (1999) stages	Lack of interaction and participation: interaction with both the immediate level (directors) and the Board of Directors was inconsistent The communication system was hampered precisely because of the remoteness of the middle leaders in the merger process
	Provide training opportunities; create a sense of change and self-learning; support and energize groups	
	Align organizations with new ways of working and thinking	

There seems to be a paradox in these merger processes: the middle leadership becomes unstable when it is the middle leadership that can gain the basis for the success of the operation by mediating between the top and the bottom, with the middle leadership playing the role of a consistent and creative active group

3.4 Study 3: Narrative Episodes of Merger

This last study, qualitative, has as its main objective to understand how people construct the experience of participating in a merger project. It seeks to perceive the emerging signs of change, to make them more salient, capturing the signs that translate and explain the anguishes and all that goes on at the margins of the change process itself. The methodological orientation was derived from hermeneutic interpretation, using in this case the analysis of this method of narrating events.

The research diary was then presented in the form of a narrative, after analysis and ordering of the episodes collected by one of the authors of this text who played the role of participant observer. From the text produced it can be seen that the composition of the Board of Directors (BoD), at the outset, with the inclusion of elements that had previously belonged to the two institutions, if on the one hand it brought advantages namely at the operational level, on the other hand, at the level of the merger process itself, this situation proved to be delicate to the extent that it generated a certain atmosphere of division between them.

The Solomonic attempt by the Board of Directors to appoint half of the directors of institution "A" and the other half of institution "B" ended up creating two apparently antagonistic blocks of directors in each of the structures, with a feeling of "us and them", seeming to us to have lost a sense of cohesion and complicity. The synergy that was expected and desirable in projects of this nature, worked the other way around. The different human resource practices have done nothing to facilitate the process.

The cartoonish, and even somewhat amusing, episode of changing logos, for some A/B and others B/A, seems to reflect that the so-called symbolic, intangible issues endure beyond the organizational rules and routines. The political change of the Board of Directors would further complicate an already confusing situation. If in fact the process was not running as desired, the change of leadership from the top, without the maintenance of at least one member of the previous team, completely ruined the process. It seems desirable to us that projects of this nature are conducted, from beginning to end, by the same team, guided by the same project leader, as recommended by Womack et al. (1990), based on their explanation of the successes in Japanese culture. The feeling of protection of employees by middle management functioned almost as if it were a trade union; this complicity that characterized the relationship and interaction between middle management and employees could have been used precisely to energize and facilitate the process if the focus had been on involving middle management in the process, as recommended by Hersey and Blanchard's leadership model (1981). Curiously, it was found that the middle management was clearly involved in the first phase, to be then divided in two, the group of leaders closest to the BoD and those closest to the operational base.

From the narratives it appears that the problem of communication, or lack of it, was becoming visible if not critical. Before, there seemed to be a bottleneck that funneled the flow of information down and up. There was a lack of someone to mediate the messages either from above or below. According to the research of Dotlich, Noel, and Walker (2005), the biggest difficulty lies in managing the "neutral zone," as we mentioned earlier. From this perspective, it seems that the role of middle leadership is crucial to ensure that the transition is successful, which was not considered in this case.

4. Validation of the Collected Data and Integrative Analysis of the Results

The results of the analyses and studies, globally, point to support the validity of the concept of blockage or "translation" between the bottom and the top of the organizations as applied to middle management in its triple dimension (Figure 4).

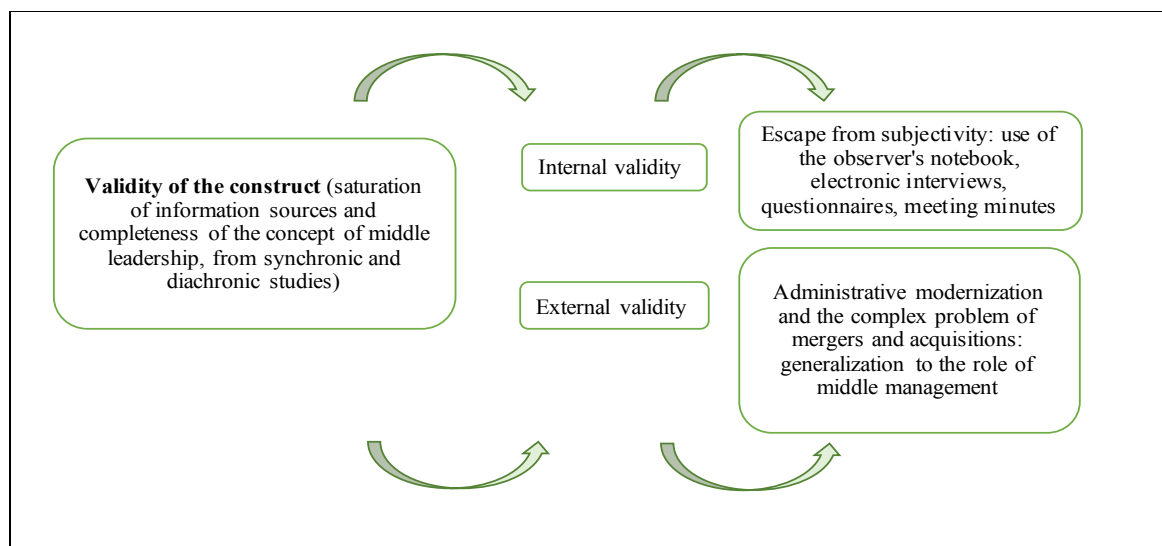


Figure 4. Data validation and results analysis

Internal validity depends on the criteria of acceptance and consistency as an information medium of other studies,

and of the subgroup under study, to answer the first criterion. This validation, due to its difficulty in terms of operationalization, sought ways to escape subjectivity to enhance the degree of validity of the results. Regarding external validity, the intention was to generalize, bearing in mind the most cited source of inspiration for administrative modernization and the vast and complex problem of mergers and acquisitions, highlighting the role of middle management.

From the overall analysis of the results, it is important to note the following points:

- Preparing institutions for the need for change, agility and flexibility; aligning the Portuguese Public Administration with this new paradigm in light of the New Public Management concept;
- The merger/acquisition as a way to induce profound changes and create synergies, avoiding duplication of structures; it must be very well prepared and conducted by stable project teams;
- The mediation possibilities of the middle leaders should be recognized;
- Organizational narratives allow people's opinions to be situated, act as mnemonics, as guiding action, and can be returned to stakeholders as tools for sharing values and meanings.

The case under study fits precisely into the environment of this paradigmatic change, referred to in the first point, and that can be associated with the change by merger/acquisition of two very different bodies of the Public Administration, decided by Decree.

As for the problem of creating a new structure from one or more existing structures, the decisive role of middle management is revealed, considered as the translators of change, in its role of "buying" and "selling" a project (Balogun, 2003), in line with what Weick and Quinn (1999) had also proposed. The change in question, seen as an imperative Decree, determining the merger of two very different organizations, bypassed the issues raised by these authors, and did not involve middle management in the process. The results of several investigations even point to a level of failure (due to bankruptcy or less effectiveness, less efficiency, or both) close to 70% of the cases (Ashkenas & Francis, 2000).

Only a few investigations within the literature on organizational change have consistently raised the need for mediation between the top and the bottom levels of organizational structures, hence the problem of middle management with a double role, buying from the top and selling to its employees a new organizational project (Mintzberg, 2005). These investigations reveal the need to uncover the role of middle management, which contributes to the blocking of the process.

The clash of cultures, in turn, has both positive and negative relevance. On the positive side because it seems to be seen as a symptom and not as the cause of failures. On the negative side, it has relevance because it doesn't allow us to focus on the real problem of the creation of a project, born from the whole in the process of merger, consolidating only the idea of the importance of avoiding an incompatibility that could endanger the project conceived by the top of the organization.

The issue of valuing idiosyncratic credit, in the sense that Ashkenas and Francis (2000) refer to it, which often the top either does not possess or does not exercise, may be pertinent to the extent that middle leadership is better positioned and in a position to be able to translate the top's project into bottom aspirations, and the often almost hidden achievements of the bottom into vectors that can be integrated into the top's project. In the early 1980's, Mintzberg (1983) pointed out the need for an inversion of the hierarchical pyramid when it is the specialists who guide the top. Since the top has political legitimacy, as is the case here, dismissing middle managers in such a profound change process is equivalent to dismissing the guide in unknown and hostile territory. The case under study shows that these roles have not been assured.

5. Conclusions

The results obtained show the concern to respond only to the formal demands of the merger decree, understood as a mere juridical/administrative act. In this process, the initial group, designated as the Project Committee, functioned only according to Janis' (1982) logic of groupthink. Everyone was saying what they expected to see or what the administration expected.

The measure of motivation is verified from a questionnaire survey and, in a second phase, structured interviews with the middle leaders, demonstrates that after a certain period, the entire logic of action came down to cutting costs and eliminating redundancies. As it was not possible to establish a consensus as to who would be expendable, each sub-group started to avoid exposure that would, in practice, put in question the continuity of their bond as a middle leader. The research diary presented allowed for the ordering of the lived experiences as they made sense

and demonstrates that the project came down to the formal implementation of a merger decree, fifty years after Crozier (1963) had evidenced that societies and organizations do not change by decree.

The consultants' analysis of the initial report is in line with the bureaucratic and administrative organization. The strategy of data presentation seems to emphasize the aspects that can comfort the BoD's point of view, since the aspects favorable to the merger progress were globally more relevant than the potential problems. The data is observed with a clarity, where the objectives of the BoD were achieved without questioning by the institutions, only to validate the course of the merger process, where the report became a mere formality.

The results presented seem to confirm that neither the climate nor the clash of cultures is the creator of obstacles to the merger process. In fact, the problem was not one of culture, but one of management, due to the fact that the role of middle leadership was not taken into account, which transmits to the bases, in its double role of buying from the top and selling to its employees a new organizational project. Analyzing the managers' perception of the merger process, a split in the agreement is observed, possibly reflecting the lack of information. Given that the universe of respondents included managers from the 1st level - management, and those from the 2nd level - service managers, this dichotomy in responses may occur due to the cleavage between these two hierarchical levels, to the extent that the first level was the one that held the information coming from the top.

As for the transmission of information, it was transmitted preferably through informal channels, so it seems to us that there was little care in outlining a communication strategy, segmented according to the different internal audiences. The proximity between employees and middle management could have been used to make the process more dynamic and easier, if the focus had been on involving middle management in the process. In these contexts, this study confronts the findings with the literature and, in practical terms, highlights relevant points that should be taken into account when there is a need for mergers between institutions, whether public or private, in order to have a participant transition by the members of both organizations to be unified. It is essential to carry out new studies that address the competencies and influences of the middle manager, including in different sectors of the economy, both in public and private organizations.

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