Theoretical Foundations of Psychological Capital: Proposing a Mediation Framework for Mergers and Acquisitions

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Abstract

In the dynamic context of Mergers and Acquisitions (M&As), heightened by the implications of the COVID-19 pandemic, Psychological Capital (PsyCap) stands out as a central construct. This research delves into the intricate nexus between PsyCap, its foundational antecedents, and the subsequent outcomes in the M&A landscape. By reviewing an extensive array of literature, the study brings to light the relationships between the antecedents of PsyCap—namely Proactive Personality, Civic Virtue Behaviour, and Organisational Justice—and its implications on Person-Organisation Fit and Affective Commitment.

Harnessing in-depth content analysis and thematic exploration, the research illuminates the pivotal role of PsyCap as a mediating entity, bridging the gap between its antecedents and the consequential organizational outcomes during M&As. The findings underscore the imperative nature of understanding and nurturing PsyCap to facilitate seamless, efficient, and adaptive M&A processes in the contemporary business environment. The study provides a comprehensive framework and valuable insights, emphasizing the relevance of Psychological Capital in ensuring the success and adaptability of M&A ventures in today's complex and ever-changing ecosystem.

Keywords: *Psychological Capital, Mergers and Acquisitions, Organizational Integration, Employee Adaptability, Organizational Commitment.*

1. Introduction

Mergers and acquisitions (M&As) have become a pervasive global phenomenon, increasingly adopted by organisations worldwide as strategic tools to stimulate growth, access new markets, and obtain competitive advantages. However, despite the rising popularity of M&As as avenues for business expansion and consolidation, research indicates that a substantial proportion fail to realize their stated objectives. Estimates suggest that between 55% to as high as 77% of M&As do not achieve the expected benefits and synergies [1]. Human factors such as employee morale, engagement, and productivity have been cited as one of the main reasons underlying the high failure rates of M&As [2]. Therefore, this highlights the need for an in-depth exploration into the human and psychological dimension associated with M&As.

Effectively managing the impact on employees' mindsets and behaviours before, during, and after acquisitions can determine the success or failure of these deals. M&As often engender significant uncertainty and disruption throughout organisations, including structural reorganisation, shifting goals and priorities, changes in leadership, and revised policies and processes. These can act as stressors that negatively impact employees' psychological states, often inducing anxiety, cynicism, disengagement, and resentment [3]. Therefore, supporting employees by equipping them with adequate psychological resources emerges as a strategic imperative for organisations to optimize M&A outcomes. This

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requires examining and addressing the factors that may enhance or undermine employees' psychological capacities to navigate the turbulence and uncertainty triggered by mergers and acquisitions.

In emerging economies like India, the liberalization of the economy since the 1990s has led to a momentous surge in M&A activity. Domestic Indian organisations and multinational corporations seeking entry into India's large, lucrative, and rapidly growing markets have pursued consolidations and takeovers as prominent strategies for growth and expansion. The relaxation of former regulations and increasing foreign investments have made M&As an attractive avenue for organisations across sectors. India has also witnessed sector-specific rise in M&As, such as the boom in the Information Technology (IT) and telecom industries as firms sought advanced capabilities and technologies to address maturing or saturated markets.

Moreover, the COVID-19 pandemic has added a new dimension to the already rising prevalence of M&As. As opposed to purely growth or expansion-oriented M&As, the pandemic triggered many acquisitions based on declining valuations and the need for survival rather than strategic aspirations (KPMG, 2020). However, while M&As offer opportunities, undertaking them successfully in India requires organisations to address the associated human and cultural complexities. India's diverse cultural orientations, values, and large multigenerational workforce significantly shape employee attitudes and behaviours during monumental organisational transformations triggered by M&As. Dimensions like hierarchy, collectivism, uncertainty avoidance, and power distance hold special relevance in the Indian context. Employees' strong need for structure, wariness of ambiguity, preference for group interests, and respect for authority can determine psychological responses to the turbulence of M&As.

Furthermore, the restructuring, altered policies, shifting priorities and leadership changes under M&As can potentially induce uncertainty, anxiety, and resentment among employees [3]. This underscores the importance of enhancing employees' psychological outlooks, attitudes, and resilience to optimize M&A outcomes amidst India's diverse cultural landscape. Herein lies the relevance of psychological capital (PsyCap) - encompassing facets like hope, efficacy, resilience, and optimism - which can enable employees to demonstrate agility and positively adapt to the changes triggered by M&As. PsyCap is considered a higher-order core construct that provides individuals with the ability to generate positive work-related attitudes and behaviours, especially in times of change [4]. Research has demonstrated that PsyCap can act as a buffer against job burnout and intention to quit, while simultaneously promoting job satisfaction and organisational commitment [5]. Despite the evident relevance of PsyCap during monumental organisational changes such as M&As, there remains a significant gap in research directly connecting PsyCap to M&A success.

However, a review of existing literature reveals limited research examining PsyCap in the context of M&As. This lack of scholarly attention to PsyCap amidst M&As persists despite continued increase in M&A activity across diverse sectors. Therefore, this thesis aims to address this research gap by holistically exploring the antecedents and consequences of employees' PsyCap during mergers and acquisitions within organisations. Adopting quantitative approach, it assesses how contextual factors shape PsyCap and how PsyCap subsequently impacts employees' attitudes and behaviours when navigating disruptive events like organisational combinations. Quantitative surveys helped to examine relationships between PsyCap, potential antecedents like supportive leadership and developmental HR practices, and attitudinal outcomes like work engagement and commitment among employees undergoing M&As across diverse organisations. This methodology helped to develop multi-faceted insights into PsyCap's role in M&As.

Furthermore, this exploration was guided by relevant theories that provide a strong theoretical grounding for PsyCap's significance before, during, and after M&As. For instance, Social Cognitive Theory posits that human agency and behaviours are driven by reciprocal interactions between personal, behavioural, and environmental factors [6]. Within organisations, contextual elements like leadership, culture, and HR practices shape

employees' psychological resources like PsyCap. In turn, PsyCap impacts how employees respond to stimuli like organisational restructuring under M&As.

PsyCap is also aligned with tenets of Positive Organisational Behaviour and Broaden and Build Theory, which highlight how positive psychological states can generate optimal organisational outcomes by broadening people's thought-action repertoires [7]. Additionally, Social Exchange Theory indicates that supportive treatment by leaders and the organisation results in beneficial employee attitudes and behaviours, fostering positive reciprocal exchanges during M&As [8].

Likewise, Organisational Justice Theory posits that adherence to fairness norms in organisational procedures and treatment determine employees' PsyCap and subsequent attitudes [9]. Employees' perceptions of justice and transparency regarding decision-making, implementation processes, and interpersonal treatment during M&As become paramount. Furthermore, Social Identity Theory underscores how employees derive psychological resources from identities formed within organisational groups. This becomes relevant when mergers pose threats to established identities.

Therefore, existing theories clearly substantiate the significance of contextual elements in driving employees' PsyCap, which then shapes their adaptive capacity to navigate uncertainty and identity threats during monumental events like M&As. The upcoming review of scholarly literature further analyses empirical evidence regarding PsyCap's antecedents and outcomes that underscore its potential value within merger contexts. For instance, prior research has revealed that supportive and ethical leadership behaviours that display concern for employees' wellbeing and interests foster hope, efficacy, resilience, and optimism [10]. Investment in developmental HR practices that facilitate employees' growth and transparent communication during change also enhance PsyCap [11]. Additionally, adherence to fairness norms in implementing organisational changes has been associated with higher PsyCap.

Furthermore, PsyCap has demonstrated empirical linkages with a range of positive employee attitudes, behaviors, and performance outcomes based on meta-analytic evidence. This includes aspects like work engagement, job satisfaction, thriving at work, organisational commitment, proactive behaviors, and lower turnover intentions [12]. Such findings illuminate the strategic value of PsyCap in driving constructive employee outlooks, adaptation, and optimal performance during disruption like M&As. However, as highlighted earlier, research examining PsyCap amidst M&As remains scarce, underlining the need for scholarly attention. Moreover, India's evolving, and culturally diverse organisational landscape further necessitates investigation attuned to PsyCap's role specifically within corporations. For instance, India's rising millennial workforce, transformational social changes, growing start-up ecosystem, and influx of multinational companies warrant exploration of how these trends could be shaping PsyCap's significance and application in organisations.

Therefore, this timely investigation aimed at addressing this research gap can have important implications for both global and Indian firms as they undertake M&As to facilitate growth and expansion. The subsequent sections of the thesis encompass the detailed methodology adopted for this empirical examination of PsyCap in the context of Indian organisations undertaking mergers and acquisitions. Quantitative techniques were leveraged through interviews and surveys with employees across sectors undergoing M&As to develop multi-dimensional insights. The analysis was aimed at synthesizing results related to antecedents of PsyCap like leadership support, which can help organisations cultivate PsyCap during mergers. Outcomes like employee engagement revealed how PsyCap enhances M&A success.

2. Theoretical Underpinnings of PsyCap and M&As

The elucidation of PsyCap, its antecedents and consequences, cannot be accomplished in isolation. It requires a foundation in theory, a solid scaffolding from which the intricate

relationships can be examined and comprehended. Following theories, namely the Social Cognitive Theory, Social Exchange Theory, Organisational Justice Theory, and Social Identity Theory, offer valuable lenses through which the phenomenon of PsyCap can be dissected and understood. Each theory was explored in detail, along with its relationship with PsyCap, paving the way for a thorough comprehension of the factors influencing PsyCap and the potential outcomes in the context of M&A. The aim is to draw upon these theories to construct a research framework that justifies the selection of proactive personality, civic virtue behaviour, and organisational justice as the appropriate antecedents, and person-organisation fit and affective commitment as the suitable consequences of PsyCap, especially in the volatile and transformative landscape of M&A.

2.1 Social Cognitive Theory

The Social Cognitive Theory was first put forth by Bandura (1991) and is a comprehensive framework that aims to explain human functioning in terms of a triadic reciprocity model in which behaviour, cognition and other personal variables, and environmental forces each interact. The concept of self-efficacy, which Bandura (1977) defined as an individual's confidence in their ability to carry out behaviors necessary to create specified performance attainments, is essential to the Social Cognitive Theory. Self-efficacy beliefs play a critical role in self-regulation by influencing individuals' thought patterns, actions, emotional responses, and motivation [13]. People with high self-efficacy approach difficult tasks as challenges to be mastered rather than as threats to be avoided, hence fostering a resilient sense of commitment to their interests and activities.

From an organisational perspective, self-efficacy is found to be significantly influencing work linked performance [14], job satisfaction [15], and organisational commitment [16]. More specifically, within the domain of PsyCap, self-efficacy represents the "confidence" dimension [17]. In this vein, Bandura's Social Cognitive Theory serves as a theoretical foundation for understanding how individuals with a proactive personality, a specific antecedent of PsyCap in this review, can cultivate and leverage their psychological resources. Proactive personality, characterized by taking initiative, identifying opportunities, and implementing transition aligns with the notions of self-efficacy and personal agency encapsulated within Social Cognitive Theory [18]. Proactive people are more likely to have confidence in their capacity to make changes, which raises their self-efficacy and, as a result, their overall PsyCap [19].

Moreover, Social Cognitive Theory shows that social and environmental factors are important too in shaping individuals' self-efficacy beliefs and actions [20]. Consequently, factors such as organisational justice, another antecedent of PsyCap, can be better understood within the Social Cognitive Theory framework. For instance, when individuals believe they are being treated with fairness, their belief in their capabilities to influence their work environment (i.e., self-efficacy) can be strengthened, thus enhancing their PsyCap [21]. In summary, Social Cognitive Theory provides an essential theoretical lens to examine the dynamics of PsyCap, particularly with respect to understanding how personal and environmental factors contribute to shaping individuals' psychological resources in organisational settings, including contexts of M&As.

2.2 Social Exchange Theory

Social Exchange Theory, grounded in the works of Homans (1958), Kieserling & Blau (1964), and Emerson (1976), is a broad theoretical paradigm used to explain social behaviour and interactions based on an economic model of cost-benefit analysis and reciprocity. As per the Social Exchange Theory, interpersonal relationships are established and nurtured based on the subjective evaluations of benefits and costs that are associated with these relationships. Reciprocity, or the mutual exchange of resources, underpins the dynamics of these social relationships.

In an organisational context, the Social Exchange Theory has been extensively applied to elucidate the dynamics of relationships and exchanges between employees and their organisations [8]. Specifically, it suggests that employees affiance in a form of social exchange with their workplace; they contribute their efforts, skills, and commitment in exchange for various forms of organisational resources such as pay, benefits, job security, recognition, and fair treatment [22].

Social Exchange Theory is particularly relevant in understanding the antecedent of organisational justice in relation to PsyCap. Organisational justice, enveloping distributive justice (fairness in outcomes), procedural justice (fairness in decision-making processes), and interactional justice (fairness in interpersonal treatment), is perceived as a critical organisational resource that employees seek [23]. When employees perceive high organisational justice, they tend to reciprocate with positive attitudes and behaviours, fostering a sense of psychological well-being and enhancing their PsyCap [24].

Moreover, the concept of civic virtue behaviour, another antecedent of PsyCap in this review, can also be framed within the Social Exchange Theory perspective. Civic virtue behaviour, characterized by employees' active participation in, and loyalty to, the life of their company. (Organ, 1988), is a form of discretionary and prosocial behaviour that contributes to organisational effectiveness. From a Social Exchange Theory perspective, when employees exhibit high levels of civic virtue behaviour, they are essentially investing their efforts and commitment to the organisation. In return, they may anticipate reciprocation from the organisation in terms of recognition, fair treatment, and opportunities for growth, thereby bolstering their PsyCap [25].

With regard to M&A, Social Exchange Theory can provide significant insights into how employees' perceptions of justice, their civic virtue behaviours, and the reciprocal social exchanges with their organisation can influence their PsyCap. Understanding these dynamics is pivotal for managing the human aspect of M&A and leveraging the potential of PsyCap for positive organisational outcomes. In all, Social Exchange Theory offers an extensive basis for analysing the intricate functioning of social exchanges in work environments, and its tenets provide important perspectives into the antecedents and consequences of PsyCap, especially during times of major organisational shifts like M&A.

2.3 Organisational Justice Theory

Organisational Justice Theory has been instrumental in understanding how employees perceive fairness within their organisations, and how these impressions affect their attitudes and behaviours at work. This theory was developed in response to Greenberg's (1987) work and later expanded by several scholars. Organisational justice is typically conceptualized as having three key dimensions: distributive, procedural, and interactional justice. Distributive justice pertains to the perceived fairness of outcomes, like pay, promotions, and work assignments [26]. Procedural justice involves the perceived fairness of decision-making steps, such as those involving performance evaluations, layoffs, and dispute resolutions [27]. Interactional justice, often further divided into interpersonal and informational justice, concerns the perceived fairness of interpersonal treatment and the transparency of communication in organisations [28].

Perceptions of organisational justice have been linked to a host of employee attitudes and behaviours, inclusive of job satisfaction, commitment, trust, and performance [29]. Specifically related to PsyCap, studies show that when employees perceive their organisation as being fair, they are likely to exhibit higher levels of optimism, resilience, hope, and self-efficacy - the key components of PsyCap [24]. Essentially, a fair work environment can foster a positive psychological state among employees, promoting their psychological well-being and performance.

Under the theoretical lens of Organisational Justice Theory, the antecedent of organisational justice in this review can be easily comprehended. In the situation of M&A, perceived uprightness in decision-making processes, outcomes, and interpersonal treatment can significantly influence employees' PsyCap. For instance, fair procedures during M&A

(such as involvement in decision-making and transparent communication) can increase employees' sense of control and optimism, enhancing their PsyCap [30]. Additionally, fair interpersonal treatment during M&A can nurture employees' resilience, helping them to cope with changes and maintain their performance [31]. Therefore, Organisational Justice Theory provides a robust framework for understanding how fairness perceptions can impact employees' psychological resources, particularly PsyCap, in organisational settings. This is especially pertinent during periods of significant organisational changes, such as M&A, where justice perceptions can be instrumental in fostering positive employee outcomes.

2.4 Social Identity Theory

Social Identity Theory, coined by Turner, Brown, and Tajfel (1979), say that individuals draw a sizable percentage of their sense of self from their perceived social group affiliation. This theory stresses the significance of social categorization, social identity, and social comparison steps in moulding individuals' behaviours and interactions within and across groups. As per the Social Identity Theory, social categorization involves the cognitive process of categorizing oneself and others into in-groups and out-groups based on perceived similarities and differences. Once individuals relate them as members of one group, that group becomes an in-group, leading to the formation of a social identity. This social identity affects people's attitudes and behaviours, making them more inclined to conform to the standards and ideals of the in-group and set themselves apart from members of the out-group. In an organisational context, Social Identity Theory can provide a helpful framework for comprehension of group dynamics, intergroup conflicts, and individuals' behaviours at work. For instance, individuals may identify themselves with their teams, departments, professions, or organisations, forming various layers of organisational identities that can significantly influence their work attitudes, commitment, performance, and well-being [32].

Particularly relevant to this review, Social Identity Theory can provide insights into the antecedents and consequences of PsyCap in the situation of M&As. M&A often involve a significant reshaping of social and organisational identities due to the integration of different organisations, each with its distinct culture, norms, and values [32]. This can lead to uncertainties, identity conflicts, and psychological distress among employees, which can undermine their PsyCap. However, effective management of social identities during M&A can help to reduce such negative impacts and foster a positive psychological state among employees. For example, creating a new, inclusive organisational identity that recognizes and values the diversity of merging entities can increase employees' sense of belonging, enhance their optimism, and hope for the future, and foster their resilience in coping with changes, thereby boosting their PsyCap [33]. Therefore, Social Identity Theory provides a comprehensive theoretical lens to understand how social identities and intergroup dynamics can influence employees' psychological resources, particularly PsyCap, in organisational settings. This perspective is especially relevant in the situation of significant organisational changes, such as M&A, where the management of social identities can be crucial for fostering positive employee outcomes.

2.5 Human Capital Theory

The Human Capital Theory postulates that the mastery, expertise, potential, and more attributes encompassed in individuals represent a form of capital, capable of generating economic returns. Organisations are thus incentivized to invest in their employees, treating them not as mere expense items but as strategic resources that drive growth and performance [34]. During M&As, this human capital becomes significantly more relevant as it may determine the overall success of the merger or acquisition. Successful M&As are those that effectively manage, preserve, and enhance their human capital. In this light, the PsyCap of employees, as a critical component of human capital, plays an indispensable role [35].

For instance, retaining staff who demonstrate superior levels of PsyCap could be crucial for ensuring continuity, maintaining morale, and promoting a smooth integration of the merging entities. Avey, Luthans, and Mhatre (2008) further suggest that because of its state-like nature, PsyCap can be developed and effectively managed to bolster post-merger integration and performance. However, despite this clear theoretical link, empirical research explicitly exploring the aspect of PsyCap in the frame of reference of Human Capital Theory during M&As is relatively scant, suggesting the need for further investigations in this area.

2.6 Acculturation Theory

Acculturation is a cross-cultural psychology concept that describes the changes that take place when people from various cultural origins interact on a regular basis [36]. In the M&As situation, the theory extends to organisational culture, focusing on how employees from distinct corporate cultures adjust and adapt to each other [37].

The way in which this acculturation process is managed can significantly influence the outcomes of an M&A [38]. This is where PsyCap comes into the picture. As PsyCap is associated with increased resilience and adaptability [39], it could potentially facilitate the acculturation process during an M&A by enabling employees to better cope with the changes and adapt to the new environment. For instance, an employee with high PsyCap may demonstrate increased flexibility and openness during the acculturation process, which can, in turn, contribute to more positive M&A outcomes [40]. Nevertheless, the precise role of PsyCap within Acculturation Theory in the context of M&As has not been extensively studied, indicating an exciting avenue for future research. These two concepts illustrate the possible applicability of PsyCap in this setting and offer fascinating views to comprehend the complicated dynamics of M&As. However, these links remain largely theoretical and suggest that empirical studies are needed to test and further refine these theoretical propositions.

3. Conceptualization of PsyCap: Antecedents, Consequences, and its Mediating Role in M&As

The realm of organizational research necessitates a meticulous understanding of foundational theories to ensure the rigor and validity of empirical investigations. Building upon the comprehensive literature review, this section endeavours to elucidate a cohesive theoretical framework focused on PsyCap. By synthesizing existing theoretical constructs with the primary objectives of this research, the intent is to provide a refined understanding of the antecedents leading to PsyCap and the subsequent consequences derived thereof. This rigorous conceptualization establishes the foundation for the empirical analyses and discussions that ensue in subsequent sections of this study.

3.1 Antecedents of PsyCap

The selection of the antecedents of PsyCap - proactive personality, civic virtue behaviour, and organisational justice is based on the thorough understanding and application of various relevant theories discussed in the previous sections. The context of M&As, marked by considerable change and uncertainty, puts these antecedents into a unique perspective, as they inherently carry the potential to influence individuals' PsyCap during such transformative processes.

3.1.1 Proactive Personality

Proactive personality denotes a person's propensity to effect environmental change and take personal initiative [18]. This aspect of personality transcends the realm of simple

initiative or forward-thinking; it signifies a broader tendency to seize control of circumstances and alter them advantageously, rather than just adjusting to them. This capacity to anticipate, stimulate, and successfully manage change is particularly salient within the challenging context of organisational dynamics, especially during major transitions such as M&As.

When viewed via the perspective of the Social Exchange Theory, proactive individuals, by demonstrating initiative and change-oriented behaviours, can evoke reciprocation from their organisation in the form of support and rewards. Such reciprocity could contribute to fostering an environment conducive to the development of PsyCap, underpinning the faith in a person's capability to effect change and the organisation's positive responses to these actions. From the viewpoint of the Social Cognitive Theory, proactive personality stands in close relationship with self-efficacy. Proactive individuals, confident in their ability to influence their surroundings and produce desired outcomes, are likely to engage in activities that bolster their PsyCap. The essence of a proactive personality — a strong belief in personal efficacy and resilience in the face of adversities — is parallel to the fundamental components of PsyCap, including self-efficacy, hope, resilience, and optimism [17]. Within the context of the Social Identity Theory, proactive personality might also engender a stronger identification with the organisation. This heightened sense of belonging and connection could subsequently foster enhanced PsyCap, further facilitating the individual's ability to navigate complex situations like M&As. Relating proactive personality to the Human Capital Theory, such individuals could be regarded as valuable assets in the organisation. Their propensity to take initiative, anticipate future challenges, and bring about meaningful changes can significantly add to the human capital stock of the organisation, thereby enhancing the collective PsyCap. Lastly, Acculturation Theory asserts that proactive personality, distinguished by initiative and adaptability, could serve as a vital tool in the acculturation process during M&As. As employees navigate through the cultural blending and adjustment, their proactive tendencies could foster enhanced PsyCap.

Evidence from empirical studies demonstrates the connection among proactive personality and successful organisational outcomes. For instance, Fuller Jr and Marler (2009) found a significant positive correlation in proactive personality and change-related behaviours during organisational change. Crant, (2000) also found that employees with proactive personalities reported higher job satisfaction and performed better during periods of organisational change. These findings suggest that fostering a proactive personality among employees could positively influence their PsyCap, especially during organisational changes such as M&As.

In sum, the characteristic traits of a proactive personality — self-initiative, future-orientation, and change-oriented behaviour — emerge as key antecedents of PsyCap in the context of M&As. Leveraging this insight, organisations can focus on nurturing these traits among their employees, thereby enhancing their PsyCap and improving their resilience in the face of M&A challenges. This, in turn, may lead to more successful integration and performance in the newly formed entity.

3.1.2 Civic Virtue Behaviour

Civic virtue, a dimension of organisational citizenship behaviour, is characterized by a person's active participation in, and dedication to, the workplace's functioning beyond their formal job roles [41]. As per Organ's definition, the realm of civic virtue includes behaviours such as staying informed about the organisation's activities, participating willingly in its operations, and offering suggestions for organisational improvement. Such active engagement and responsible participation become even more critical during periods of substantial organisational change, like M&As, where the active involvement of employees can significantly affect the success of integration and the overall post-merger performance [35].

The five theoretical frameworks discussed earlier provide a comprehensive foundation for understanding the relationship between civic virtue behaviour and PsyCap within the

context of M&As. Firstly, the Social Exchange Theory posits that relationships involve several interactions characterized by reciprocal exchanges. Employees often exhibit behaviours that go beyond the specific requirements of their roles in an organisational setting when they feel that they are being treated properly, such as civic virtue behaviour. This engagement contributes to an enriched PsyCap, thereby improving their capacity to manage change and uncertainty [8].

From the viewpoint of Social Cognitive Theory, individuals who believe in their abilities (self-efficacy) are more probable to engage in proactive behaviours such as civic virtue. This active involvement can, in turn, contribute to high levels of hope, resilience, optimism, and self-efficacy - the key components of PsyCap. Social Identity Theory suggests that individuals get their self-esteem from the groups they identify with. Consequently, employees' identification with their organisation can foster civic virtue behaviours, which, in turn, can positively influence their PsyCap. In the context of Human Capital Theory, the investment of personal resources in the form of civic virtue behaviours could be perceived as an aspect of human capital that contributes to organisational performance and enriches PsyCap. Lastly, through the lens of Acculturation Theory, it can be proposed that engagement in civic virtue behaviours might help employees navigate through the changes that occur during M&As, thereby enhancing their PsyCap.

Empirical research corroborates the connection between civic virtue behaviour and positive workplace outcomes. For instance, Podsakoff, Whiting, and Blume, (2009) discovered that civic virtue behaviour was related to better team performance, lower inclinations to leave one's employment, and higher job satisfaction. More directly linked to PsyCap, a study by Avey, Wernsing, and Luthans (2008) found a promising connect among civic virtue and PsyCap, signifying its potential role as a significant antecedent to PsyCap.

In conclusion, fostering civic virtue behaviour amongst employees is likely to enhance their PsyCap, especially in the context of M&As. Civic virtue behaviour not only encourages active engagement in organisational matters but also contributes to successful post-merger integration and overall performance. The strategic cultivation of civic virtue, therefore, represents an investment in the psychological resources of the workforce, with potential dividends in the form of increased PsyCap.

3.1.3 Organisational Justice

Perceived organisational justice is a key factor in determining both an employee's and the workforce's collective psychological state in the rapidly changing environment of M&As. Organisational justice, characterized by the perceived fairness of decision outcomes (distributive justice), decision-making processes (procedural justice), and interpersonal treatment (interactional justice), serves as a compass guiding employees' reactions to changes associated with M&As [9].

In the face of the considerable resource reallocation, changes in organisational structure, and the altered interpersonal dynamics accompanying M&As, employees' way of perceiving justice can profoundly impact their commitment to the new entity and influence the overall success of the M&A process [42]. Thus, perceptions of organisational justice bear significantly on the positive psychological state of employees, fostering PsyCap. The nexus between organisational justice and PsyCap finds its theoretical grounding in several key theories, including Social Exchange Theory, Social Cognitive Theory, Social Identity Theory, Human Capital Theory, and Acculturation Theory.

As per Social Exchange Theory, a perceived balance in reciprocal exchanges promotes positive attitudes and behaviours. Employees feel appreciated and respond with increased psychological resources when they sense an elevated level of organisational justice, which is a key component of PsyCap. From the viewpoint of Social Cognitive Theory, perceptions of organisational justice can significantly impact an individual's self-efficacy – a key component of PsyCap. Employees who perceive fairness in the organisation's decisions and processes tend to exhibit higher confidence in their ability to influence these processes and navigate change successfully. In relation to Social Identity Theory, fair treatment and

organisational justice contribute to a positive social identity within the organisation, nurturing a sense of belongingness and fostering resilience and optimism – integral elements of PsyCap. From the perspective of Human Capital Theory, when organisational justice is perceived as high, it stimulates employees to dedicate their mental and emotional energy to their task, thereby enhancing their PsyCap, which is seen as a form of human capital contributing to organisational performance. Lastly, Acculturation Theory caters to a framework for understanding how employees adjust to cultural changes during M&As. Perceptions of organisational justice can facilitate smoother acculturation, helping employees remain hopeful and resilient amidst the significant shifts inherent in M&As.

Empirical studies bolster these theoretical underpinnings. Studies suggest that perceived justice can enhance employees' trust in the organisation [43], promote job satisfaction [29], and reduce turnover intentions [44]. A study by Rego et al. (2013) demonstrated an affirmative connection among organisational justice and PsyCap. Furthermore, Avey et al. (2011) findings indicated that organisational justice perceptions enhanced the connection among ethical climate and PsyCap. In summary, perceived organisational justice serves as a robust antecedent to PsyCap, particularly in the demanding context of M&As. The necessity for organisations to ensure fairness in decision outcomes, processes, and interpersonal dynamics is underscored. By doing so, organisations can foster positive psychological resources, contributing to successful integration and enhanced post-merger performance.

3.2 Consequences of PsyCap

Extant empirical evidence substantiates that PsyCap, encompassing the positive psychological resources of efficacy, hope, resilience, and optimism, has significant implications for desired employee attitudes and behaviours within organisational settings, especially during turbulent periods of change such as M&As [12]. This section analyses two pertinent outcome variables - person-organisation (P-O) fit and affective commitment. The selection of these consequences is grounded in thorough evaluation of prior scholarly research on PsyCap and relevant theoretical frameworks.

3.2.1 Person-Organisation Fit

Person-organisation fit, defined as the compatibility between employees' values, goals, attitudes, and the organisation's culture, norms, and values, has emerged as an influential variable shaping a multitude of individual and organisational outcomes. When employees perceive greater alignment between their personal attributes and organisational characteristics, it cultivates stronger organisational identification, job satisfaction, performance, citizenship behaviours, and intentions to remain with the organisation [45].

Scholarly research has revealed positive relationships between PsyCap and P-O fit across varied contexts using empirical methodologies. For instance, (Shen, et al., 2014) designed a quantitative field study among university teachers in China to assess the impact of PsyCap on P-O fit. Using validated scales, their statistical analysis indicated PsyCap directly predicted higher P-O fit. The study also found an indirect relationship, whereby PsyCap fostered adaptive behaviours that enhanced employees' congruence with the organisational context. The authors concluded that PsyCap components like hope and resilience enable dynamic adjustment of abilities and attributes to align with shifting situational demands, ultimately cultivating perceptions of fit.

Likewise, experimental research by Avey et al. (2011) manipulated psychological capital levels among working adults through online training, finding that the high PsyCap group reported substantially greater P-O fit compared to the control group. The scholars inferred that equipping employees with greater PsyCap allowed them to bridge the gap between their values and those of the organisation. Qualitative enquiry by Larson and Luthans (2006) involving in-depth interviews with organisational leaders further revealed that

managers viewed employees' PsyCap as engendering attitudes and behaviours that promoted organisational fit and performance.

The significance of P-O fit may be particularly salient within M&A, which intrinsically involve combination of disparate cultures and structural realignment [3]. Employees with high psychological capital and its associated facets of self-efficacy, hope, resilience, and optimism may be better equipped to navigate uncertainties and cultural transitions and develop attitudinal alignment with the emerging organisational identity of the merged entity [12]. However, empirical studies directly examining PsyCap-P-O fit relationships within M&A populations are sparse, underlining a research gap. Nonetheless, the relevance of P-O fit as an outcome of PsyCap during turbulent change finds robust theoretical support. Social cognitive theory posits behaviours emerge from interactions between personal, behavioural, and environmental factors [20]. Within shifting M&A environments, employees with high PsyCap may thus be able to better apply personal capacities to adapt behaviours and align with the evolving cultural context [21].

Similarly, social exchange theory highlights relationships involve reciprocal exchanges. Employees may perceive their own psychological capital and associated positive behaviours as valuable contributions, reciprocated by the organisation through cultivating perceptions of fit, especially during significant transitions like M&As [46]. This can initiate a virtuous upwards spiral between PsyCap, P-O fit and beneficial behaviours. Likewise, human capital theory indicates employees' PsyCap represents personal capital invested towards performance and satisfaction. PsyCap components like efficacy, hope and optimism can allow employees to leverage their full potential and abilities within new roles and environments after M&As, enhancing perceived fit. Finally, acculturation theory suggests PsyCap can facilitate adjusting to cultural changes, aiding assimilation of merged organisational identities.

In summary, multi-disciplinary empirical evidence and theoretical perspectives strongly substantiate person-organisation fit as an important attitudinal consequence of psychological capital within M&A contexts. Perceived fit becomes especially crucial when combinations of organisational cultures and structures necessitate realignment from employees. Developing PsyCap and its associated facets of positivity, proactivity and motivation can empower employees to attain this realignment, enhancing post-merger performance and success. However, scholars emphasize the need for additional studies directly analysing PsyCap-P-O fit relationships specifically within populations undergoing M&As, representing a fruitful research avenue.

3.2.2 Affective Commitment

Organisational commitment represents a psychological bond reflecting employees' loyalty and emotional attachment to their organisation. Affective commitment denotes the degree of intrinsic emotional identification, involvement, and passion individuals exhibit towards their workplace [47]. Affective commitment fosters retention, citizenship behaviours, performance, and wellbeing, which become crucial to sustain when M&As severely disrupt existing organisational bonds and relationships.

Here again, empirical research provides consistent evidence for positive relationships between psychological capital and affective organisational commitment across varied contexts including education, healthcare, military, and corporate settings. For instance, experimental research with a sample of Portuguese health professionals revealed PsyCap interventions led to substantially higher affective commitment compared to the control group [48]. The scholars inferred that deliberately developing hope, self-efficacy, resilience, and optimism equipped employees to better manage high job demands, enabling greater emotional dedication. Likewise, Sihag and Sarikwal (2014) surveyed Indian IT professionals, finding PsyCap significantly predicted affective commitment. Qualitative data from interviews further revealed that resilience and self-efficacy drove motivation and perseverance to remain invested during challenging projects requiring learning agility. The study illuminated the relevance of PsyCap for enhancing emotional alignment and intrinsic

drive-in dynamic technology environments requiring frequent upskilling. Such empirical evidence substantiates the significant impact developing employees' PsyCap can exert on engendering affective bonds critical for organisational stability and human capital retention, especially when M&As disrupt existing relationships and psychological contracts. Nonetheless, studies directly analysing this phenomenon within populations undergoing mergers and acquisitions remain scarce, denoting another fruitful research avenue.

The influence of PsyCap on affective commitment is also strongly supported theoretically. Social cognitive theory posits self-efficacy and hope - core PsyCap components - energize motivation and perseverant behaviour, enabling emotional dedication during potentially demotivating M&A changes. Both social exchange (and social identity perspectives indicate employees may reciprocate or correspond to cultures engendering PsyCap with greater affective commitment. PsyCap's trait of optimism aids constructive framing of change, while resilience builds tolerance, allowing employees to sustain commitment during periods of upheaval. Thus, multiple theoretical frameworks converge to explain how enhancing psychological capital can foster the profound emotional alignment that forms the essence of affective organisational commitment.

In conclusion, rigorous assessment of scholarly research integrated with pertinent theoretical lenses substantiates affective commitment as a salient attitudinal consequence of psychological capital with crucial implications for change management contexts like M&As. Nurturing employees' PsyCap and associated psychological resources can be instrumental in engendering the fundamental emotional alignment, passion, and intrinsic drive to maintain engagement, productivity, and human capital retention during mergers. This underscores the strategic necessity for leaders to invest in evidence based PsyCap interventions tailored to their organisational needs, a potentially fruitful area for further research.

3.3 The Mediating Role of PsyCap during M&As

PsyCap, encompassing the facets of self-efficacy, hope, optimism, and resilience, has garnered profound scholarly attention for its potential mediating function in shaping myriad organisational outcomes [17]. This intermediary role of PsyCap becomes further pronounced within the tumultuous climate of strategic business decisions like M&As, as elucidated by the foundational tenets of positive organisational behaviour [17].

Integrating psychological theories including social cognitive theory and social exchange theory, a cogent rationale can be developed regarding PsyCap's intermediary influence. Employees endowed with robust PsyCap, and its associated psychological resources are inclined to apply positive framing, activate agency, nurture motivation, and demonstrate perseverance [7]. Thus, they may be significantly more capable of constructively shaping their environment and experiences in a manner conducive to propagating desirable results. For instance, when encountering the uncertainty and change triggered by M&As, individuals with elevated hope and self-efficacy may proactively leverage supportive aspects such as autonomy or developmental opportunities arising from the restructuring, thereby enhancing their perceived fit within the evolving organisation. Concurrently, their resilience aids adaptive coping while optimism fosters positive interpretations of ambiguities and challenges [49].

These mechanisms underscore PsyCap's latent potential to mediate relationships between pertinent organisational or personal antecedents and resultant employee attitudes and behaviours pertinent within M&A contexts. For example, meta-analytic evidence indicates that beyond directly enhancing performance, PsyCap also serves an intermediary function between supportive organisational climate and job performance. This substantiates that employees higher on PsyCap may be more inclined to reciprocate environmental support through enhanced commitment, engagement, and performance. Similarly, research has revealed PsyCap's mediating role between various stressors and strain reactions, suggesting it can mitigate the negative ramifications of disruptive events like M&As [50]. Scholars have correspondingly demonstrated PsyCap's intermediary effects on the linkages

between developmental HRM practices and multi-dimensional employee performance [51]. Such empirical evidence underscores PsyCap's pivotal role as an explanatory mechanism translating various organisational and personal factors into constructive or deleterious behaviours and attitudes during mergers.

However, there remains a paucity of studies directly assessing PsyCap's mediating function between identified organisational antecedents and outcomes specifically within populations undergoing M&As. While tentative evidence highlights PsyCap's influential intermediary role in shaping job satisfaction, adaptability, turnover intention, and performance perceptions during M&As, in-depth inquiry is warranted. Future research can fruitfully apply quantitative modelling along with qualitative techniques to develop nuanced insights into how enhancing employees' PsyCap during organisational reshuffling can propagate desirable cascading effects via mediation. Scholars emphasize that simultaneously examining its isolated, interactive, and mediating effects can provide a holistic perspective into PsyCap's multifaceted organisational influence.

In conclusion, conceptual reasoning integrated with empirical evidence substantiates that PsyCap and its associated positive psychological resources hold notable potential to function as mediating mechanisms translating various organisational and personal factors into constructive employee outcomes amidst turbulence like M&As. While the intermediary role of PsyCap is theoretically and preliminarily evidenced, additional in-depth enquiry particularly situated within merger, acquisition and restructuring contexts can provide further illumination regarding the nuances and boundary conditions of this phenomenon.

3.4 Research Gap

The multidisciplinary domain of M&As research is richly complex, encompassing strands from finance, strategy, organisational behaviour, and human resources. While each offers valuable insights, a gap persists concerning the humanistic angle of M&As, specifically the role and impact of PsyCap. PsyCap, a construct embodying the positive psychological accumulation of hope, efficacy, resilience, and optimism, significantly influences employee attitudes, behaviours, and performance, yet its exploration within M&As remains underdeveloped.

This research aims to narrow this gap, focusing on the mediating function of PsyCap during M&As, the relationships with its antecedents (proactive personality, civic virtue behaviour, organisational justice), and its consequences (person-organisation fit, affective commitment). Although these relationships have been explored in general organisational contexts, understanding their operation in the unique milieu of M&As is currently lacking. The volatile, uncertain climate of M&As, characterized by significant organisational changes and acculturation processes, offers a distinct environment to examine these associations and contribute to M&A and PsyCap literatures.

Another gap found is the small number of longitudinal research looking at the development of PsyCap, and its antecedents and consequences over the M&A process stages. Future research endeavours should address this by incorporating longitudinal designs, offering richer, dynamic, and temporal insights into these relationships. While this study identifies proactive personality, civic virtue behaviour, and organisational justice as PsyCap antecedents, other variables could hold substantial influence over PsyCap within an M&A context. Leadership style, organisational culture, and communication strategies during M&As are potential antecedents meriting future investigation. Similarly, while person-organisation fit and affective commitment are proposed as PsyCap consequences, other potential results, like job satisfaction, performance, and turnover intent. may also be influenced by PsyCap during M&As and deserve further exploration.

It would be fascinating to investigate whether PsyCap might regulate the link between other variables in the M&A environment in addition to evaluating the mediating role of PsyCap. For instance, how might PsyCap influence the relationship between job insecurity and job satisfaction during M&As? Given this study's research approach, it can serve as a

model for future research to explore the intricate phenomena surrounding PsyCap and M&As. In sum, this study seeks to enrich the M&A and PsyCap literary texts by addressing identified gaps and presents multiple avenues for future research. Continued scholarly inquiry into these areas will yield a more comprehensive understanding of M&As' human side, helping organisations to harness psychological resources like PsyCap more effectively during challenging organisational transitions.

4. Research Framework

In the context of the present research, we draw upon multiple theoretical perspectives, including the Social Exchange Theory, the Social Cognitive Theory, the Social Identity Theory, the Human Capital Theory, and the Acculturation Theory) to identify and define potential antecedents to PsyCap during M&As. Specifically, this proposed theoretical framework in Figure 1 posits proactive personality, civic virtue behaviour, and organisational justice as the key antecedents that influence PsyCap, which subsequently impacts person-organisation fit and affective commitment.
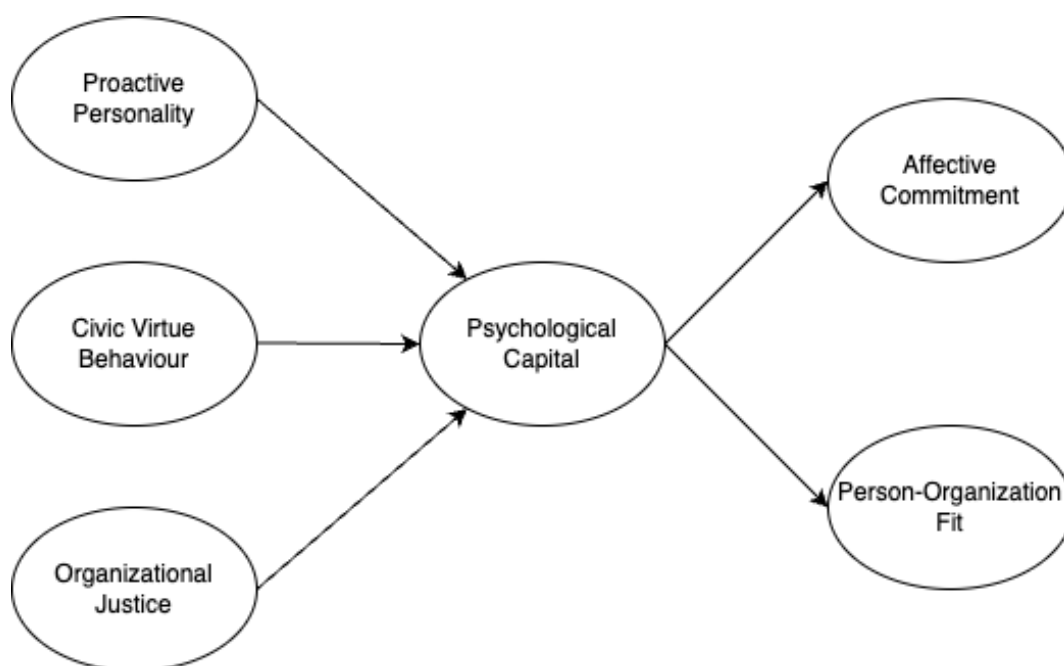

Figure 1. Research Framework

PsyCap, a construct grounded in Positive Organisational Behavior is posited to serve as the crucial mediating variable in this model, bridging the antecedents and outcomes. The four dimensions of PsyCap, namely self-efficacy, hope, resilience, and optimism, are proposed to interact with the selected antecedents to influence employees' experiences and responses during the M&A process. In turn, these experiences and responses are expected to shape person-organisation fit and affective commitment, thus impacting the overall effectiveness of M&A processes.

The selection of these antecedents is underpinned by their theoretical compatibility with the chosen theories, their relevance to M&A contexts, and their potential to significantly influence PsyCap. Proactive personality, for instance, aligns with the Social Cognitive Theory's emphasis on individual initiative and action. Civic virtue behaviour embodies the reciprocal dynamic proposed by the Social Exchange Theory, while organisational justice aligns with all five theories, reflecting fair treatment, identity, and the exchange process within an organisation.

In accordance with the proposed theoretical framework, the relationships between proactive personality, civic virtue behaviour, organisational justice (as antecedents), PsyCap (as the mediating variable), and person-organisation fit, and affective commitment (as consequences) were examined. This research framework posits that the three antecedents positively influence PsyCap, which in turn positively influences the two consequences. Each of these relationships is expressed in the form of a hypothesis in Table 1.

Table 1. Hypothesized Relationships Pertaining to PsyCap

Label	Hypotheses
H1	Proactive personality has a significant and positive relationship with PsyCap.
H2	Civic virtue behaviour has a significant and positive relationship with PsyCap.
H3	Organisational justice has a significant and positive relationship with PsyCap.
H4	PsyCap has a significant and positive relationship with person-organisation fit.
H5	PsyCap has a significant and positive relationship with affective commitment.

Furthermore, the mediating role of PsyCap in the relationships between each of the antecedents (proactive personality, civic virtue behaviour, and organisational justice) and consequences (person-organisation fit and affective commitment) is proposed. The mediating effect of PsyCap is expressed in the hypotheses listed in Table 2.

Table 2. Hypothesized Mediating Role of PsyCap in the Relationships between Key Variables

Label	Hypotheses
H6	PsyCap mediates the relationship between proactive personality and person-organisation fit.
H7	PsyCap mediates the relationship between civic virtue behaviour and person-organisation fit.
H8	PsyCap mediates the relationship between organisational justice and person-organisation fit.
H9	PsyCap mediates the relationship between proactive personality and affective commitment.
H10	PsyCap mediates the relationship between civic virtue behaviour and affective commitment.
H11	PsyCap mediates the relationship between organisational justice and affective commitment.

It is imperative to underscore that this paper primarily endeavours to articulate a well-constructed theoretical framework for PsyCap, its antecedents, and consequences in the context of M&As. This framework is meticulously sculpted, drawing from a solid foundation of extensive literature, interweaving diverse theories to provide a comprehensive understanding of the dynamic interplay of variables. While the linkages proposed are grounded in theory and are conceptually compelling, they represent theoretical propositions that await empirical validation. Future researchers and practitioners are encouraged to empirically test and validate these relationships using rigorous quantitative or qualitative methodologies. The objective of this research is not empirical validation but rather the establishment of a coherent and robust theoretical structure that offers a foundation for subsequent empirical investigations in the realm of M&As and PsyCap.

5. Discussion

In this research, the spotlight was cast upon the critical components of PsyCap and its relevance during the pivotal organisational phases presented by M&As. The study rendered a detailed analysis of the underpinnings and ramifications of PsyCap within such a setting. The research's findings elucidated that Proactive Personality, Civic Virtue Behaviour, and Organisational Justice are foundational antecedents to PsyCap. Proactive Personality, which encompasses an individual's propensity to take control and effect change within their environment, was identified as a significant driver for the development of PsyCap. This finding suggests that individuals with an inherent predisposition towards proactive behaviour are better equipped to navigate and harness the potential challenges and opportunities that M&As present. Such individuals, by virtue of their forward-thinking nature, are inclined to build and leverage their psychological resources more effectively.

Furthermore, Civic Virtue Behaviour, the voluntary involvement of an employee in organisational affairs, was ascertained as another cornerstone for the cultivation of PsyCap. Employees showcasing Civic Virtue Behaviour were found to be more involved, participative, and aligned with the broader organisational objectives. This behaviour, thus, plays a pivotal role in shaping and enhancing their psychological reservoirs. The inclusion of Organisational Justice as an antecedent stresses the imperative nature of employees' perception of fairness within their organisation. The perceived fairness, be it in resource distribution or decision-making processes, serves as a linchpin in nurturing an environment where PsyCap can thrive. Organisations that ensure transparent, equitable, and just processes invariably facilitate the blossoming of psychological resources among their employees, setting the stage for more effective handling of transitions such as M&As.

On the consequential front, Affective Commitment and Person-Organisation Fit emerged as salient outcomes of a well-nurtured PsyCap. Affective Commitment refers to the emotional bond and attachment that employees foster towards their organisation. A heightened PsyCap invariably bolsters this form of commitment, engendering a scenario where employees, even amidst the flux of M&As, remain deeply connected, loyal, and committed to their organisation's vision and goals. Similarly, the Person-Organisation Fit, a metric elucidating the compatibility between an employee's values and the organisational culture, was found to be positively influenced by PsyCap. When employees possess a robust PsyCap, they are better positioned to align themselves with the evolving ethos of an organisation, especially during transitions inherent in M&As.

A seminal revelation of this study pertained to the mediating role of PsyCap. It was cogently established that PsyCap mediates the intricate relationship between the antecedents (Proactive Personality, Civic Virtue Behaviour, and Organisational Justice) and their consequences (Affective Commitment and Person-Organisation Fit). This not only underscores the centrality of PsyCap in this nexus but also amplifies its significance as a bridging component, seamlessly connecting inherent traits and behaviours of employees to consequential organisational outcomes. In synthesising these findings, the research offers an invaluable academic contribution, shedding light on the complex dynamics of Psychological Capital, especially against the challenging tapestry of mergers and acquisitions. The insights rendered provide a profound understanding of the mechanisms through which PsyCap operates and affects both individuals and organisational outcomes during significant transitional periods. Expanding upon the findings elucidated in our research, there is a pressing need to interpret these results within the broader landscape of organisational studies, especially as they pertain to the domain of mergers and acquisitions (M&As). The aim is to extract deeper insights and nuances that not only affirm the research question and hypotheses but also position the study's significance in a clearer, more prominent light.

In tracing the trajectory of theoretical frameworks within organisational psychology and more specifically, the domain of psychological capital, it's apparent that our study not merely aligns with established paradigms but also innovates and refines them in critical

dimensions. The epistemological lineage of psychological capital and its antecedents and consequences has witnessed robust developments over the years, yet there remain certain intersections that are ripe for exploration. Our study ventures into these territories, offering fresh perspectives and advancing theoretical understandings. At the outset, the very anchoring of our research in the domain of mergers and acquisitions provides a unique theoretical canvas. Most established models in psychological capital, while expansive, often overlook the nuanced challenges and dynamics presented by M&As. Our study seizes this niche, examining how traditional variables like proactive personality, civic virtue behaviour, and organisational justice interact in the whirlwind of mergers and acquisitions. This challenges many established frameworks by introducing an element of volatility and rapid organisational change into the equation.

While M&As present a multifaceted challenge for organisations, fortifying the psychological resources of employees can significantly smoothen this transition. As our findings illuminate, there's a cascading effect from proactive personality, civic virtue behaviour, and organisational justice to PsyCap, and finally to affective commitment and person-organisation fit. By harnessing these insights, practitioners can navigate the turbulent waters of M&As with greater confidence and efficacy.

6. Conclusion

The transformative processes of M&As present a labyrinth of challenges and opportunities. In navigating this intricate landscape, understanding the myriad interactions of psychological and organisational variables becomes paramount. This study embarked on a mission to unravel the relationships and interactions among Proactive Personality, Civic Virtue Behaviour, Organisational Justice, PsyCap, Person-Organisation Fit, and Affective Commitment within the context of M&As.

The pivotal role of PsyCap emerged as a cornerstone in understanding how Proactive Personality, Civic Virtue Behaviour, and Organisational Justice influence employees' Affective Commitment and Person-Organisation Fit in times of M&As. This mediator effect accentuates the significance of mental fortitude and psychological assets in the realm of organisational transformations. Furthermore, the study highlighted the essential need for organisations to foster an ecosystem that amplifies these constructs. An environment that nurtures proactive personalities, endorses civic virtue behaviours, and champions organisational justice can be a catalyst for optimizing Affective Commitment and Person-Organisation Fit during pivotal junctures like M&As.

In the context of M&As, it's imperative to recognize the potential for employee burnout and heightened stress. The uncertainties and rapid transformations inherent to mergers can exacerbate feelings of exhaustion, detachment, and decreased performance. By understanding and nurturing the constructs of PsyCap, organizations can proactively address these challenges. A workforce fortified with resilience, optimism, and a proactive personality is better equipped to navigate stressors, reducing the risk of burnout. Moreover, when employees perceive organisational justice and engage in civic virtue behaviour, it fosters a sense of purpose and belonging, serving as a buffer against the debilitating effects of stress.

The relationship between PsyCap and productivity is symbiotic. Employees with higher levels of PsyCap are not just psychologically equipped to handle challenges but also primed for enhanced performance. Their intrinsic optimism and self-efficacy drive them to tackle tasks with greater vigour and commitment. Furthermore, a heightened sense of person-organisation fit ensures that they align their efforts with the broader organisational objectives, optimizing both individual and collective productivity. At the heart of successful M&As lies the critical dynamic of positive employee-employer relations. An environment where PsyCap is championed inherently fosters open dialogue, mutual respect, and trust. As employees exhibit civic virtue behaviours and employers reciprocate with a sense of organisational justice, a virtuous cycle of positive relations is set into motion. This not only

ensures smoother transitions during M&As but also solidifies the foundation for long-term organisational success.

M&As, with their confluence of cultures and visions, can often precipitate an identity crisis among employees. However, by prioritizing the constructs of PsyCap, organizations can anchor their workforce in a stable psychological framework. A proactive personality, coupled with a sense of organisational justice, can help employees reconcile their individual identities with the emerging collective identity, preventing feelings of alienation and dissonance. In the modern business landscape, an organization's brand is not limited to its external image but extends to its reputation as an employer. Through the lens of this study, it's evident that organizations that prioritize PsyCap, ensuring fairness, fostering proactive behaviours, and valuing civic virtues, inherently strengthen their employer brand. Such organizations are perceived as caring, forward-thinking, and employee-centric, making them more attractive to both existing and potential talent.

This research stands as a beacon, shedding light on the under-explored domain of M&As through the lens of intricate psychological and organisational interactions. Beyond validating established theories, the study serves as a crucible for new knowledge synthesis. Its findings augment the corpus of academic discourse in organisational psychology, especially in contexts replete with change and transformation. While the present study has advanced the boundaries of understanding in the specified domain, it simultaneously lays down the gauntlet for future scholarly endeavours. The outlined limitations present themselves as opportunities for scholars to refine methodologies, broaden geographical and cultural spectrums, and delve deeper into the evolving dynamics of organisational constructs. Avenues for longitudinal studies beckon, offering the promise of unravelling causalities and the intricate dance of interactions over time. Cross-cultural explorations could further enrich the tapestry of understanding, contextualizing the findings across diverse socio-cultural landscapes.

In the ever-evolving world of businesses, M&As represent significant milestones, heralding opportunities, and challenges in equal measure. Through its exploration, this study underscores the imperative of recognizing and harnessing the psychological and organisational levers that can shape outcomes. The journey of exploration embarked upon in this study is but a chapter in the ongoing saga of understanding organisational dynamics. Yet, it stands as a testament to the intricacies and the boundless potential that lies in comprehending the human psyche within organisational confines. The association an employee feels with their organization is not just a function of tenure or role but is deeply influenced by psychological constructs. As this study elucidates, attributes like PsyCap play a pivotal role in shaping this association. Employees, fortified with hope, resilience, and optimism, tend to form deeper, more meaningful associations with their organizations. This bond is further strengthened when they perceive a strong person-organisation fit, ensuring their loyalty and commitment even amidst the flux of M&As. In the annals of academic exploration, this study hopes to serve as both an end and a beginning - a culmination of rigorous inquiry and a beacon pointing towards uncharted territories awaiting discovery.

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