Mergers and Non-contractible Benefits: The Employees' Perspective*

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ABSTRACT

Incomplete contract theory, supported by anecdotal evidence, suggests that when a firm is acquired, workers may be adversely affected in non-contractible aspects of their work experience. This paper empirically investigates this prediction by combining M&A events from the Refinitiv database and web-scraped Glassdoor review data. We find that: (a) Controlling for pre-trends, mergers lead to lower satisfaction, especially on non-contractible dimensions of the employee experience (about 6% of a standard deviation); (b) The effect is stronger in the target firm than in the acquiring firm; (c) Text analysis of employee comments indicates that the decline in satisfaction is primarily associated with perceived breaches of implicit contracts.

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1 Introduction

Mergers and acquisitions are common corporate activities that have been acknowledged by both practitioners and scholars as drivers of change. A merger can affect various stakeholders, such as customers, shareholders, and workers. A large body of work attempts to model and measure the effect of mergers on customers (and suppliers), often with the objective to provide guidance to antitrust authorities (Shapiro (2019)). Another substantive body of research investigates the financial impact of mergers on shareholders (Firth (1980); Agrawal et al. (1992); Moeller et al. (2005); Healy et al. (1992)). Another literature studies the effect of mergers on workers (Marinescu and Hovenkamp (2019); Naidu et al. (2018), Arnold (2019), Arnold et al. (2023)). If firms compete for the same talent pool, a merger can lead to less competition and lower wages.

However, the effect of a merger on workers may go beyond wages and may affect non-monetary aspects of the employee experience. A priori, the effect is ambiguous. For instance, a merger could help employees, especially in the target firm, by providing more financial resources, allowing them to pursue their business strategy more effectively, and thus leading to more job satisfaction. Anecdotally, this is what happened when Google acquired YouTube in 2006 (Hartmans and Leskin (2020)).

A merger could also create dissatisfaction. Take Amazon's acquisition of Whole Foods in 2018. Before the merger, Whole Foods was known for its decentralized and participatory team work culture (Burkus (2016)). Bonuses were paid on the basis of team data, and existing team members had the right to decide who joined the team. Employees were reportedly very happy with the system. However, after the merger, the Whole Foods approach was replaced by Amazon's trademark management style, based on relentless drive to optimize operational efficiency. Amazon rolled out a new inventory management system and held employees individually accountable through scorecards. Employee compliance was ensured by frequent

checks called 'walks' that may involve on-the-spot quizzes, in which employees are asked to recite their departments' sales goals, top-selling items, previous week's sales, and other information. According to Peterson (2018), interviews of current and former employees, morale was "crushed" by a system that was perceived as "punitive". One store supervisor reported: "The stress has created such a tense working environment. Seeing someone cry at work is becoming normal."

The phenomenon whereby mergers reduce the non-monetary benefits of workers is predicted by two incomplete contracts theories: Shleifer and Summers (1988) and Hart and Holmstrom (2010).

Shleifer and Summers (1988) begin by noting that in a world of incomplete contracts workers may not make efficient firm-specific investments because they fear that their investments will not be rewarded in the future. Firm owners may ameliorate the situation by offering non-legally binding implicit contracts based on the current owner's reputation. However, if the firm is acquired, the new owners may not feel bound by those promises. In fact, the paper argues, the willingness to break costly promises, may be a leading reason behind the profitability of hostile takeovers.

This logic is connected to relational contracts (Baker et al. (2001)), where reneging temptation is shown to be higher under integration than under non-integration. Gibbons and Henderson (2012) use the Credit Suisse First Boston example to argue that a merger jeopardizes the *acquired firm's relational contract*. Due to credibility and clarity issues, the acquirer may choose not to honor the implicit contract that was in place in the target company before the merger.

The second theory is developed by Hart and Holmstrom (2010). Firms exist because it is hard to write complete contracts—so ownership matters for decision-making in unforeseen situations. The identity of the owners of an asset matters to determine how the asset will be used. In the case of firms, a change in the identity of owners will affect how the firm is run.

If the new owners – as is likely to be in the case of a firm that is acquired by another firm – are less aligned in terms of preferences with the employees, that will lead to worse outcomes for the employees.

Both theories make two common sets of predictions. First, they both predict that the negative effect of a merger will tend to be stronger on the employees of the acquired firm than of the acquiring firm. For Shleifer and Summers (1988), it is because the change of ownership of the acquired firm offers the opportunity to renege on past promises. For Hart and Holmstrom (2010), the acquired is more likely to be run by a leadership that is less aligned with the goals of the workers.

Second, both theories predict that the effect will be stronger on the non-contractible dimensions of the employees' experience. Contractible dimensions include wages and other contractual employee benefits. Non-contractible dimensions instead include amenities as well as job satisfaction in a broad sense. Employees may have preferences for certain technologies or certain processes, or they may care about how their human capital fits their current firm's needs, which affects the employees' future compensations and promotions. Employees may derive utility from alignment between their personal and organizational values. Both theories predict that the effect will be stronger for non-contractible dimensions – Shleifer and Summers (1988) because implicit contracts are more likely to cover non-contractible dimensions, Hart and Holmstrom (2010) because a change of alignment in preferences is more likely to affect non-contractible dimensions.

To examine how worker satisfaction changes after an M&A, we combine two data sources. We construct a sample of M&A events from 2008 to 2020 using the Refinitiv database. We measure worker satisfaction using web-scrapped Glassdoor review data. Specifically, we aggregate the "Overall Rating" in the reviews from "Current Employees" for each firm-year by taking the average. We then drop the mergers where either the acquiring or the target firm has less than 3 reviews in the three-year window around the merger. We also drop the

mergers where either the acquiring or the target firm was involved in more than one merger in the three-year window around that merger. The final sample consists of 359 mergers.

First, we observe that mergers result in a significant reduction in worker satisfaction within the involved firms, with the overall satisfaction index decreasing by 4% of a standard deviation post-merger. Glassdoor ratings encompass various aspects, including compensation, work-life balance, culture, career opportunities, management, recommendation, outlook, and CEO approval. We categorize compensation and work-life balance as "hard" dimensions due to their more quantifiable and contractible nature, while the remaining categories are labeled "soft" dimensions, representing less tangible, non-contractible benefits. The drop in worker satisfaction is concentrated in the soft dimensions (6% of a standard deviation). All six individual soft factors display a significant negative change. The coefficients of the two hard dimensions are not significantly different from zero (and the point estimates are much smaller).

Second, when we split merging firms into acquirers and targets, most of the action is on the latter. The estimated additional effect for soft dimensions for target firms is -0.121, or a 15% standard deviation decline. This finding is consistent with the theoretical prediction that relational contracts are more likely to survive in the acquiring firm.

Lastly, we attempt to investigate the mechanism behind the observed patterns under the guidance of the two theories discussed above. We exploit the narrative component of the Glassdoor review dataset to understand if workers ascribe the decline in satisfaction to a breach of implicit contract (Shleifer and Summers (1988)) or a realignment of the firms' priorities (Hart and Holmstrom (2010)). We ask an AI to produce realistic synthetic reviews that would be written by an employee who felt that the company had broken an implicit contract with its workers, and we do the same for an employee who felt that they are misaligned with the new management. We find that for both theories the similarity between the actual reviews and the synthetic reviews increases differentially in target firms

after a merger. This relative increase is about 10% of a standard deviation in our similarity measure. When we include both theories in a regularized regression (either L1 or L2), breach of promise appears to be the dominant mechanism.

Our paper contributes to the existing literature in the following ways.

First, we contribute to the literature on the consequence of mergers. While most prior studies focus on the financial consequence of M&A and its impact on shareholders and consumers (Firth (1980); Agrawal et al. (1992); Moeller et al. (2005); Healy et al. (1992); Kim and Singal (1993); Focarelli and Panetta (2003)), we point out a previously understudied non-financial consequence of M&A, worker satisfaction, and shed light on the impact of M&A on another type of stakeholders, the employees. Our findings complement Arnold (2019), which shows that mergers that increase local labor market concentration reduce worker earnings. We shows that mergers can impact workers utility through a different channel. Moreover, by studying how employee perception evolve after an M&A, this study helps to uncover the underlying factors contributing to the success or failure of M&As and reconcile the conflicting findings regarding whether M&A generates or diminishes value for shareholders, as employee perception has been linked to improved stock market performance in previous studies (Green et al. (2019); Guiso et al. (2015); Edmans (2011)). A recent study, Fairhurst et al. (2024), also studies employee satisfaction around mergers. However, the research question is different. While their work centers on acquiring firms and examines how employee morale contributes to merger success, our paper focuses on the erosion of non-contractible benefits within target firms.

Second, we contribute to the literature on employee perception. Existing literature finds that employee perception of the firm is positively associated with the firm's financial performance (Green et al. (2019); Guiso et al. (2015); Edmans (2011)). In addition, employee perception is commonly regarded as resistant to change and tends to remain stable unless triggered by specific events, such as corporate tax avoidance news, financial reporting pres-

sure, or other corporate scandals (Lee et al. (2021); Ji et al. (2022); Gadgil and Sockin (2020)). This paper contributes by pointing out a major corporate event that is likely to change employee perception, M&A. We find that employee perception of the firm declines after an M&A, with smaller firms and firms with better pre-merger employee perception experiencing a larger decline.

2 Data and Descriptive Statistics

2.1 Data and Sample Construction

We start from the M&A data obtained from Refinitiv. The following sample selection restrictions are imposed. First, only completed deals (i.e., status flag = "C") are retained. Second, we drop the mergers that are actually investment deals, i.e., mergers where the acquiror is identified as a "Financial Acquiror", mergers that are identified as a "Special Purpose Acquisition", and mergers where the acquiror industry is "Investment & Commodity Firms, Dealers, Exchanges". Furthermore, mergers that are divestitures or spinoffs are excluded from the sample, i.e., mergers that are flagged as "Divestiture", mergers that are flagged as "Spinoff", and mergers where the acquiror CUSIP number is identical to the target CUSIP number. To align with the start date in Glassdoor, we only keep the mergers occurring strictly after 2008. In addition, mergers are retained only if at least one firm involved is listed in Compustat after 2008. We match Refinitiv firms with Compustat firms using the 6-digit CUSIP.

We use the web-scraped Glassdoor review data to measure worker satisfaction. First, we eliminate the reviews with missing dates, retain only reviews from individuals identifying themselves as "Current Employees", and drop any duplicate reviews identified by matching the year, date, document length, and ratings.[1] Second, we convert the ratings in the raw

[1] As laid-off employees tend to view the company more negatively than current employees, our estimated

data, initially represented as strings, into numeric variables. For dimensions reported as percentages (such as overall rating, balance, culture, diversity, opportunities, compensation, and management), the percentage sign is removed, and the values are converted to integers, then divided by 100 (e.g., "80%" $\Rightarrow$ 80 $\Rightarrow$ 0.8). As for the remaining three dimensions (recommends, outlook, and approval of CEO), the following conversion is applied: -2 $\Rightarrow$ NA, -1 $\Rightarrow$ 1, 0 $\Rightarrow$ 2, 1 $\Rightarrow$ 3. We then aggregate the ratings to firm-year-quarter by taking the average. This aggregated rating data is merged with firm information scraped from the firm's "overview" page, such as firm size. We manually look up the firm size if it is missing.

The Glassdoor review data is then combined with the merger data using an inner join, ensuring that only firms present in both datasets are retained. We compute the "period" of each year in the Glassdoor data as the number of quarters after the merger (negative for quarters before the merger occurred).

Additional sample restrictions are imposed as follows. First, mergers are retained only if both the acquiring and target firms have at least 1 review each quarter from one quarter before to one quarter after the merger. Second, in order to be able to identify pre-trends, mergers are retained only if both the acquiring and target firms were involved in only one merger in the merger year.

Finally, we perform the following steps. First, the data is transformed into a "long" format. In the original data, each observation represents a merger. In the long format, each observation represents a firm, with additional columns indicating the merger ID and a binary variable indicating whether the firm acted as the target or acquiror in that particular merger. Second, the rating variables are demeaned and standardized by industry-year-quarter. This involves computing the average rating across all firms (both targets and acquirors) within each industry-year-quarter. This industry-year-quarter average is then subtracted from the raw ratings to obtain the demeaned version. We then standardize the variables by dividing

effect of the merger on non-contractible benefits likely represents a lower bound.

them by the standard deviation of ratings within each industry-year-quarter. Third, we compute the pre-merger average ratings for each firm, which is the average of the firm's ratings across the 12 periods before the merger quarter. Finally, we assign the firm's size to be equal to the midpoint of the firm size "bin" given in Glassdoor. That is, if Glassdoor reports that the size of a firm is 1 to 50 employees, we assign the firm's size to be 25.5. The size of the largest category (>10,000 employees) is set as 20,000.

The final sample consists of 361 mergers.

2.2 Descriptive Statistics

Table 1 reports the descriptive statistics of the Glassdoor overall rating and all sub-ratings of all firms in the sample. To ensure comparison, the ratings are standardized by subtracting the industry-year-quarter mean and dividing by the industry-year-quarter standard deviation.

3 Empirical Results

3.1 Net Effect of Merger

We first examine the net effect of a merger on worker satisfaction by estimating the following equation:

$$Worker\,Satisfaction_{it} = \beta_0 + \beta_1 Post_{it} + \phi_i + \delta_t + \epsilon_{it} \tag{1}$$

Where $Worker\,Satisfaction_{it}$ takes the value of the aggregated overall rating of firm i in quarter t and the ratings of each of the following dimensions: compensation, balance, culture, opportunities, recommendation, management, outlook, and approval of CEO. To enable comparison, each rating is normalized by subtracting the industry-year-quarter mean and

dividing by the industry-year-quarter standard deviation. We refer to compensation and balance as the "hard" dimensions as they are more quantifiable than other dimensions and compute the hard rating as the average of compensation rating and balance rating, and the soft rating as the average of culture rating, opportunities rating, recommendation rating, management rating, outlook rating, and approval of CEO rating. We also compute the average of hard rating and soft rating as an additional outcome variable. $Post_{it}$ is an indicator variable equal to 1 if firm i has undergone the merger by quarter t and 0 otherwise. We also include firm fixed effects ϕ_i to account for time invariant firm heterogeneity and year-quarter fixed effects δ_t to account for macro-shocks common to all firms. The coefficient of interest is β_1.

The results are reported in Table 2. The results suggest that the merger generates a lump sum cost for the worker satisfaction in the firms involved. Specifically, worker satisfaction decreases by 4% standard deviation point after the merger. Moreover, the decline in worker satisfaction is driven by the soft dimensions. In Panel B, ratings on all soft dimensions experience a significant decline following the merger.

To delve deeper into the trend of worker satisfaction before and after the merger, we follow Freyaldenhoven et al. (2021) and estimate the following equation:

$$Worker\,Satisfaction_{it} = \sum_{\tau=-12}^{12} \beta_\tau d_{it}^\tau + \phi_i + \delta_t + \epsilon_{it} \tag{2}$$

where $Worker\,Satisfaction_{it}$ takes the value of the overall rating, hard rating, and soft rating of firm i in year-quarter t demeaned at the industry level; d_{it}^τ is an indicator variable equal to 1 if period t is τ quarters relative to the year when firm i was involved in a merger. We group the periods earlier than -12 into period -12 and the periods later than +12 into period +12. ϕ_i is firm fixed effects and δ_t is quarter fixed effects. The results are reported in Table 3. Figure 2 graphically shows the change in worker satisfaction for all firms before and

after the merger by plotting the estimated β_τ with their respective confidence intervals. The graph also indicates that the coefficients of β_τ ($\tau < 0$) are not significantly different from zero. This implies that worker satisfaction does not significantly change in the pre-period, thus providing some evidence for the parallel trend assumption.

Figure 2 suggests that the bulk of the merger effect starts 2 quarters after the transaction and increases until quarter 9, 10, or 11. This dynamic pattern – both the approximate time horizon and the gradualism – is detectable in most of our figures and regressions. It aligns with the received wisdom among merger practitioners. For instance, Milde et al. (2023) divides the post-merger integration process into three phases: Horizon 1 covers the first 100 days and "prioritizes business continuity"; Horizon 2 stretches from day 100 through years 2-3 and "focuses on integrating business processes and operations"; Horizon 3 goes from years 2-3 to years 4-5 and "aims to achieve the merger's strategic benefits on a larger scale." The article also claims (Exhibit 3) that over 60% of the process integration targets are achieved in the 6-24 months window.

3.2 Effect of Merger on Target Firms

3.2.1 Target Effect

We next investigate whether the decline in worker satisfaction is driven by the target or the acquiror by estimating the following equation:

$$Worker\,Satisfaction_{it} = \beta_0 + \beta_1 Post_{it} \times Target_{it} + \beta_2 Post_{it} + \beta_3 Target_{it} + \phi_i + \delta_t + \epsilon_{it} \quad (3)$$

Where $Target_{it}$ is an indicator variable equal to 1 if firm i is the target firm of the merger in quarter t and 0 otherwise. $Post_{it}$ is an indicator variable equal to 1 if firm i has undergone the merger by quarter t and 0 otherwise. ϕ_i is firm fixed effects and δ_t is quarter fixed effects.

The results are reported in Table 4. The coefficient of $Post_{it} \times Target_{it}$ is significantly

negative for soft ratings, suggesting that the decline in the non-contractible benefits is driven by target firms. In terms of economic magnitude, the decline in target firms' soft ratings is over 15% standard deviation larger than the decline in acquiring firms' soft ratings.

Similar to Table 3, we estimate Equation 2 in the subsample of acquirers (targets) and report the results in Table 5. Figure 3 plots the estimated coefficients with their respective confidence intervals and graphically shows the change in worker satisfaction in target firms and acquiring firms before and after the merger. These graphs further corroborate the previous finding that the decline in worker satisfaction after the merger is driven by the target firms, which we term the "target effect". In addition, in both graphs, the coefficients in the pre-period are not significantly different from zero, thus providing some support for the parallel trend assumption.

3.2.2 Size Effect and Quality Effect

In our sample, the target firm is on average smaller than the acquiring firm and has better pre-merger ratings. Therefore, in this section, we explore whether the observed target effect is driven by differences in firm size, pre-merger quality, or whether ownership itself also plays a significant role. Specifically, we calculate the relative size of the two firms before the merger, $Relative\ Size_{it}$, and their relative ratings, $Relative\ Quality_{it}$.

$Relative\ Size_{it}$ is constructed as follows. Let s_{it} denote the size of firm i in quarter t. Let $\hat{s}_i = \frac{\sum_{t=T_{ij}-2}^{T_{ij}} s_{it}}{3}$ be the pre-merger average size of firm i, where T_{ij} is the quarter when the merger between firm i and firm j occurs. The relative size of firm i is then given by $Relative\ Size_{it} = 2\frac{\hat{s}_j}{\hat{s}_j+\hat{s}_i} - 1$, which ranges from -1 to 1. That is, if firm i is on average larger (smaller) than firm j before the merger, $Relative\ Size_{it}$ is negative (positive). If firm i and firm j are of equal size before the merger, $Relative\ Size_{it}$ equals 0.

$Relative\ Quality_{it}$ is defined as the difference in the pre-merger average ratings of the two firms. That is, $Relative\ Quality_{it}$ is equal to $\hat{s}_i - \hat{s}_j$.

We then estimate the following equation:

$$\begin{aligned} Worker\,Satisfaction_{it} = \beta_0 + \beta_1 Post_{it} + \beta_2 Post_{it} \times Relative\ Size_{it} \\ + \beta_3 Post_{it} \times Relative\ Quality_{it} + \beta_4 Post_{it} \times Target_{it} + \beta_5 Relative\ Size_{it} \\ + \beta_6 Relative\ Quality_{it} + \beta_7 Target_{it} + \phi_i + \delta_t + \epsilon_{it} \quad (4) \end{aligned}$$

Where $Post_{it}$ is an indicator variable equal to 1 if firm i has undergone the merger by year t and 0 otherwise. We also include firm fixed effects ϕ_i and quarter fixed effects δ_t.

The results, shown in Table 6, reveal that the coefficients on $Post_{it} \times Relative\ Quality_{it}$ are significantly negative across all columns, indicating that the higher-quality firm in the merger consistently experiences a decline in worker satisfaction across all dimensions. Notably, the coefficient on $Post_{it} \times Target_{it}$ is significantly positive for hard ratings (driven by the compensation dimension) yet significantly negative for soft ratings (driven by the culture dimension) after controlling for size and quality effects. This suggests that employees in the target firm are financially compensated for a deteriorating workplace culture after ownership transitions to the acquiring firm. In essence, these findings imply that ownership itself contributes to the erosion of non-contractible benefits following the merger.

3.3 Mechanism

In this section, we conduct textual analysis on Glassdoor employee reviews to investigate whether the decline in employee satisfaction is driven by firms' breaking their implicit contracts with the employees or by employees' misalignment with the new leadership.

3.3.1 Text Pre-Processing

We begin by tokenizing the reviews into individual words or tokens using the NLTK package.[2] All tokens are converted to lowercase, and non-alphabetic tokens are removed. To standardize word forms, we apply Porter stemming, which reduces words to their root forms.[3]

Since phrases can be essential in conveying nuances of employee complaints, we then use the 'Phrases' function from Gensim to identify potential bigrams—pairs of consecutive words that frequently co-occur.[4] This function scans the tokenized text to detect commonly occurring word pairs. When training the bigram model, we set min_count=10 to filter out words and bigrams that appear fewer than 10 times in the dataset, removing rare or potentially uninformative pairs. Additionally, we set the threshold parameter to 10, which controls the strength of association between word pairs. This parameter helps ensure that selected bigrams are not only frequent but also contextually meaningful, resulting in a coherent and relevant model output.

3.3.2 Word Embedding

We perform word embedding on the pre-processed Glassdoor reviews to understand the meaning of the reviews. The basic concept of the word embedding model is that words that occur in similar contexts have similar meanings (Harris (1954)). The word embedding model is often implemented using the Word2Vec algorithm developed by Mikolov et al. (2013).

We use Gensim Word2Vec to train the word embedding model.[5] We set the vector size to 300 to capture a wide array of semantic relationships while maintaining computational efficiency. The window size is set to 5, indicating that the model considers five words/bigrams

[2] https://www.nltk.org/index.html
[3] https://www.nltk.org/howto/stem.html
[4] https://radimrehurek.com/gensim/models/phrases.html
[5] https://radimrehurek.com/gensim/models/word2vec.html

before and after the target word/bigram in the text to learn the word associations. Furthermore, we train the model for 20 iterations. Each iteration helps the model adjust the word vectors to better capture the nuances of their meanings and contextual relationships. This number of iterations is chosen to strike a balance between model accuracy and training time, ensuring that the embeddings are well-trained without overfitting the training data.

3.3.3 ChatGPT Based Measure

To quantify the extent to which a review reflects an employee's complaint about their company breaching an implicit contract or their misalignment with the new leadership, we use ChatGPT to generate synthetic reviews that simulate such complaints. Appendix A and Appendix B provides the ChatGPT prompt and the synthetic reviews for breach of implicit contracts and misalignment, respectively.

We then tokenize the synthetic reviews using a similar method as described in Section 3.3.1 and obtain the embedding vector of each token in the synthetic reviews using the model trained in Section 3.3.2. For each synthetic review, we average the vectors of its tokens to obtain a score vector for the review. We then average the review-level vectors to obtain a representative vector for "breaking implicit contract".

$$v = \frac{1}{N}\sum_{k=1}^{N}(\frac{1}{B_k}\sum_{b_k=1}^{B_k} v_b)$$

where $k = 1, 2, ..., N$ are the synthetic reviews indicating breach of implicit contract, $b_k = 1, 2, ..., B_k$ are the bigrams in each synthetic review k, and v_{b_k} is the embedding vector of bigram b_k.

To apply the representative vectors to real employee reviews, we first calculate the score vector of the cons section of real review m, $v_{m_{cons}}$, by averaging the vectors of all tokens in the cons section of review m. After that, we calculate the similarity between each "cons"

review and the representative vector for breach of implicit contract, $sim_{m_{cons}}$.

$$v_{m_{cons}} = \frac{1}{B_{m_{cons}}} \sum_{b_{m_{cons}}}^{B_{m_{cons}}} v_{b_{m_{cons}}}$$

$$sim_{m_{cons}} = \frac{v_{m_{cons}} \cdot v_{weak}}{|v_{m_{cons}}|\,|v_{weak}|}$$

To derive a firm-year measure, we average these similarity scores for all reviews pertaining to a firm in a specific year-quarter and derive the final measure, named *Breach of Implicit Contract*.

We then repeat the same procedure for employees' misalignment with the new management, and obtain a firm-year-quarter level measure *Misalignment*.

3.3.4 Do Employees Complain More After the Merger?

In this section, we investigate whether employees express complaints about their company breaching an implicit contract or about their misalignment with the new management. We first test the breach of implicit contract hypothesis by estimating the following equations:

$$Breach\ of\ Implicit\ Contract_{it} = \beta_0 + \beta_1 Post_{it} + \phi_i + \delta_t + \epsilon_{it} \tag{5}$$

where $Breach\ of\ Implicit\ Contract_{it}$ is the measure derived in Section 3.3.3. $Post_{it}$ is an indicator variable equal to 1 if firm i has undergone the merger by quarter t and 0 otherwise. We also include firm fixed effects ϕ_i to account for time-invariant firm heterogeneity and quarter fixed effects δ_t to account for macro-shocks common to all firms. The coefficient of interest is β_1.

The results are reported in Column 1 of Table 7. The coefficient of $Post_{it}$ is significantly positive, suggesting that employees express more complaints about their companies' breaking the implicit contract after the merger.

To shed further light on whether such an effect is stronger for target firms, we estimate the following equation:

$$Breach\ of\ Implicit\ Contract_{it} = \beta_0 + \beta_1 Post_{it} \times Target_{it} + \beta_2 Post_{it} + \beta_3 Target_{it} + \phi_i + \delta_t + \epsilon_{it} \tag{6}$$

where $Target_{it}$ is an indicator variable equal to 1 if firm i is the target firm of the merger in quarter t and 0 otherwise.

The results are reported in Column 2 of Table 7. The significantly positive coefficient for $Post_{it} \times Target_{it}$ indicates that the increase in employee complaints about breaches of implicit contracts after the merger is more pronounced in target firms.

Next, we investigate whether employees express complaints about their misalignment with the new management. Specifically, we re-estimate equation 5 and equation 6, replacing $Breach\ of\ Implicit\ Contract_{it}$ with the measure $Misalignment$ derived in Section 3.3.3. The results are reported in Table 8. Similarly, the findings show that employees express more complaints about their misalignment with the new management after the merger, especially in the target firm.

3.3.5 Mediation Analysis

To complete the mechanism test, we re-estimate equation 1 and equation 3 and include *Breach of Implicit Contract* and $Misalignment$ as explanatory variables. The results are reported in Table 9. The findings show that, both *Breach of Implicit Contract* and $Misalignment$ partially mediate the negative effect of merger on soft ratings. When included simultaneously, the coefficient of *Breach of Implicit Contract* remains stable, while the coefficient of $Misalignment$ reverses sign and declines in magnitude, suggesting that *Breach of Implicit Contract* is the dominant mechanism.

To further compare the explanatory power of the two mechanisms, we apply regulariza-

tion using both L1 (lasso) and L2 (ridge) penalties to address multicollinearity and assess coefficient stability. The results are consistent across both specifications: the coefficient on *Breach of Implicit Contract* remains stable and statistically robust, while the coefficient on *Misalignment* reverses sign and declines in magnitude. These patterns further support the interpretation that *Breach of Implicit Contract* is the dominant mediating channel through which mergers adversely affect soft ratings.

3.3.6 Typical Words

To shed further light on the "Breach of Implicit Contract" mechanism, we construct another measure to reflect employees' complaints about "Breach of Implicit Contract". Specifically, we identify the "typical" words in ChatGPT-generated synthetic reviews about "Breach of Implicit Contract". "Typicity" is defined as the ratio of the frequency of a word in synthetic reviews to its frequency in average real reviews. Appendix C presents the top 50 typical words and bigrams. For each real review, we calculate the sum of the frequencies of words appearing in the top 50 typical words list. This review-level measure is then aggregated to the firm-year-quarter level by averaging across all reviews, resulting in the variable # Typical Words.

We re-estimate equation 5 and equation 6 with # Typical Words as the outcome and report the results in Table 10. The findings remain consistent.

4 Conclusion

Mergers are triggers for changes, affecting both the transferrable and non-transferrable benefits of the two firms (Hart and Holmstrom 2010). Using web-scrapped Glassdoor review data, we investigate the change in non-transferrable benefits, specifically employee satisfaction, following a merger. We find that mergers generate a lump sum cost for both firms in

terms of employee satisfaction, driven by the decline in the less quantifiable, "soft" dimensions of Glassdoor ratings, such as culture, career opportunities, or management, etc. We also find that the negative impacts are more pronounced in target firms. Furthermore, textual analysis of Glassdoor employee reviews indicates that the decrease in satisfaction stems from feelings of disappointment due to perceived breaches of trust and unkept promises.

Our findings shed new light on the non-financial consequences of mergers, providing important managerial implications for practitioners looking to evaluate the comprehensive cost and benefit of a merger, or a potential merger. The paper also offers insights into the determinants of employee satisfaction, which is usually considered as sticky and resilient to changes unless triggered by some major events such as mergers.

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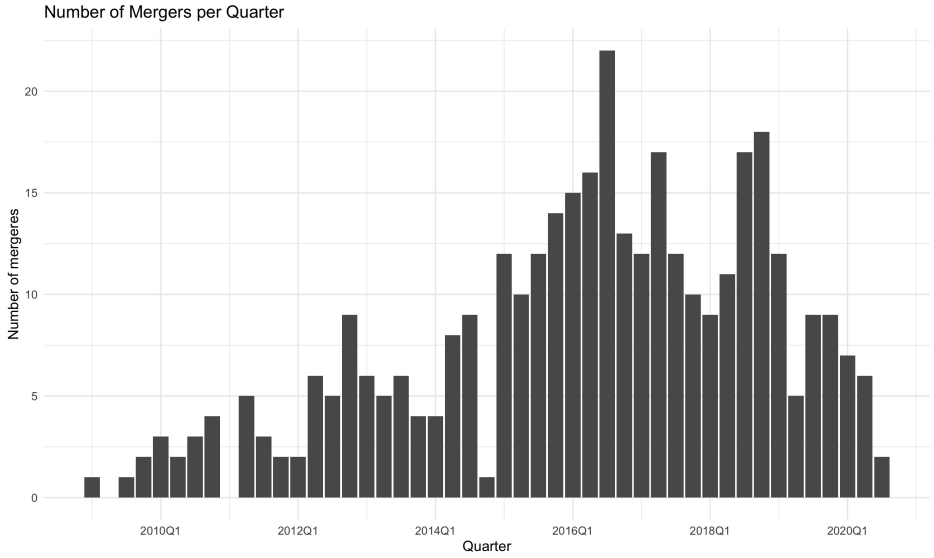
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Figure 1. Number of Mergers per Quarter

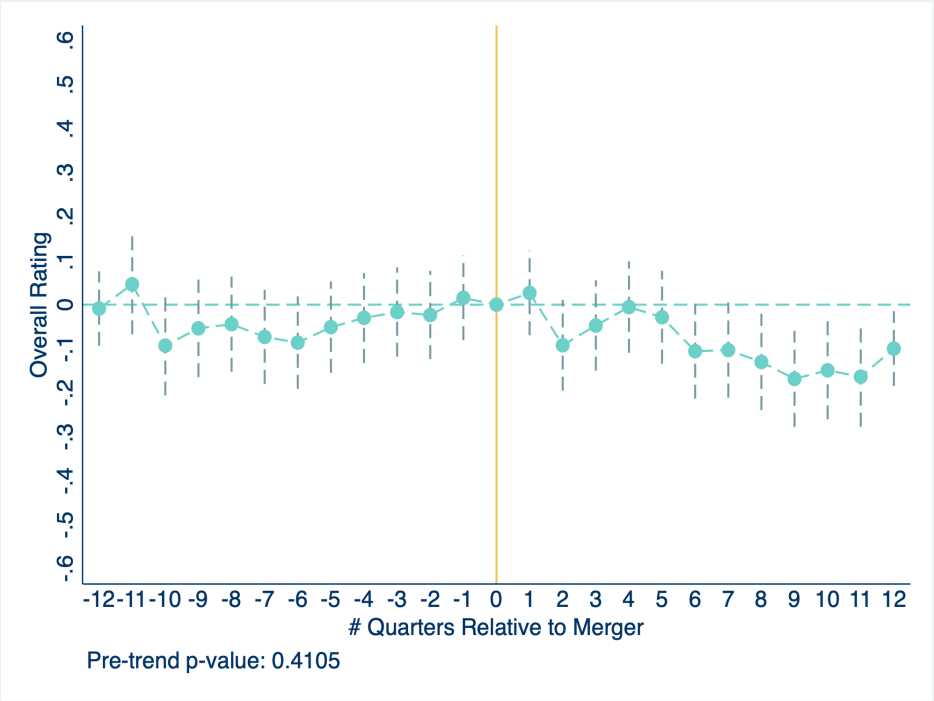


This figure presents the descriptive statistics on the number of mergers each year.

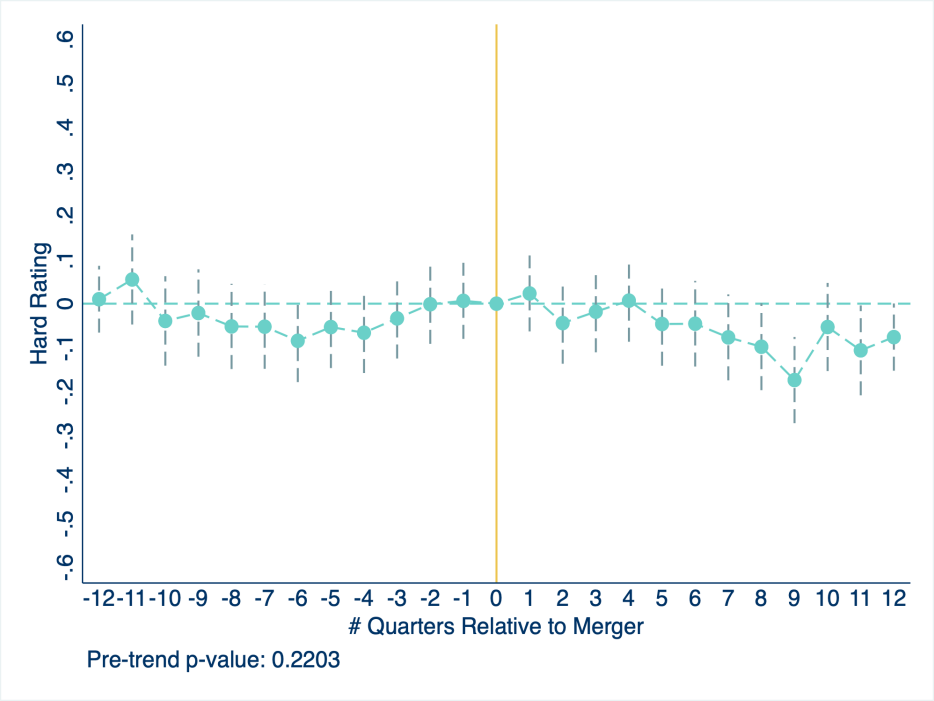
Figure 2. Quarter-by-Quarter Effect of Merger

This figure presents the estimated quarter-by-quarter effect of merger on all firms using an event study regression. The outcome variable is overall rating. Period 0 is the quarter when the merger occurs. The bars around the point estimates represent 95 percent confidence intervals.

(a) Overall Rating



(b) Hard Rating



(c) Soft Rating

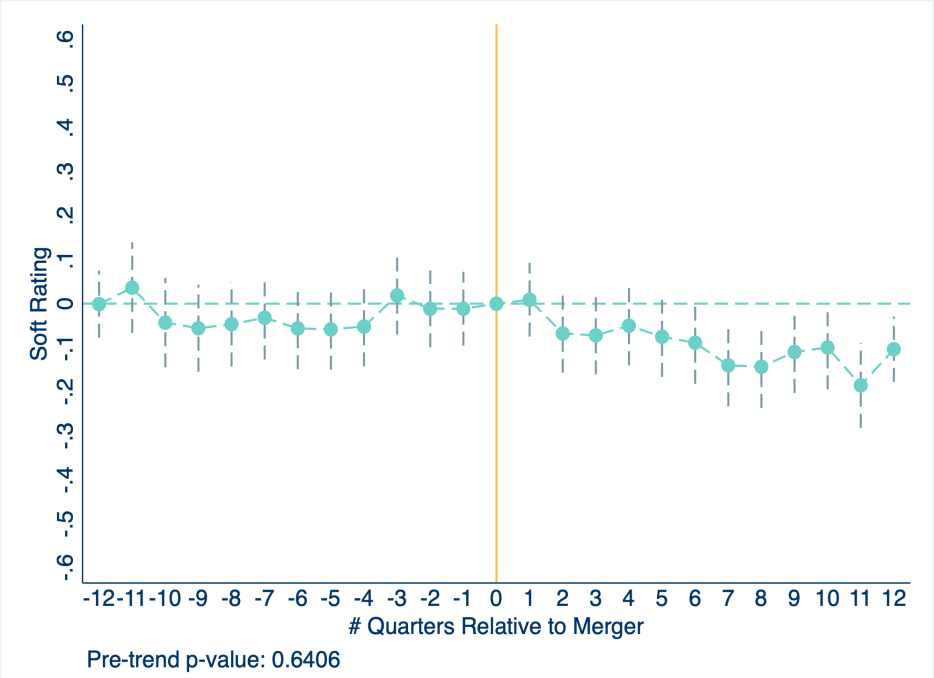
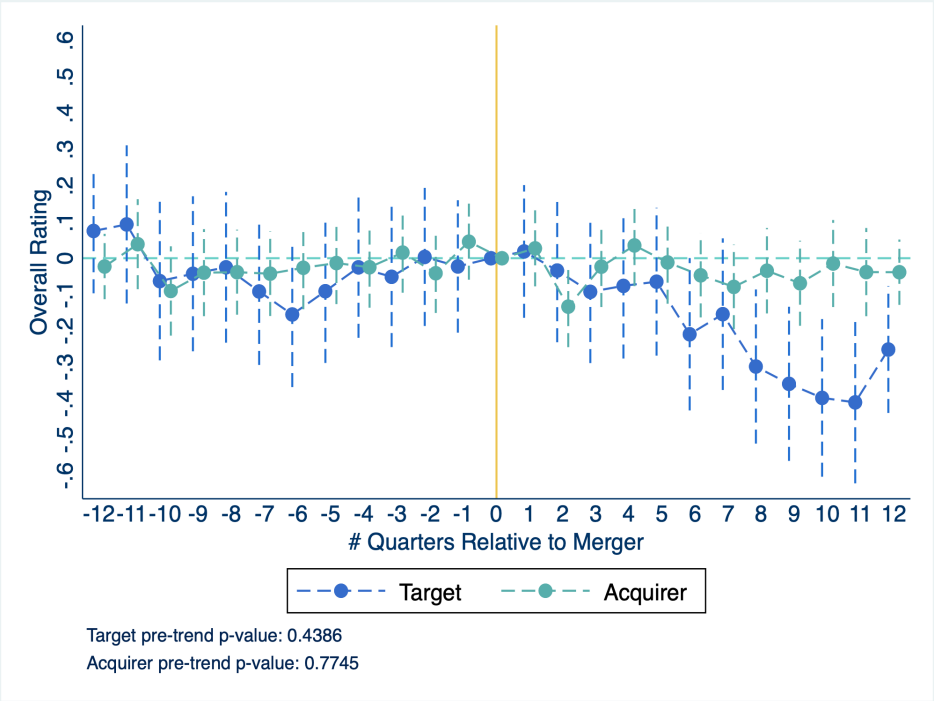


Figure 3. Quarter-by-Quarter Effect of Merger in Targets and Acquirers



This figure presents the estimated quarter-by-quarter effect of merger in target firms and acquiring firms separately using an event study regression. The outcome variable is overall rating. Period 0 is the quarter when the merger occurs. The bars around the point estimates represent 95 percent confidence intervals.

Table 1. Summary statistics

This table presents summary statistics of the variables used in the analysis.

	count	mean	median	sd	min	max
Overall Rating	19146	-0.000	0.054	0.945	-4.639	2.972
Hard Rating	18773	-0.000	0.021	0.859	-3.894	2.791
Soft Rating	15309	-0.002	0.050	0.788	-3.803	2.285
Balance	18803	-0.000	0.040	0.945	-4.141	3.419
Compensation	18810	-0.000	0.056	0.945	-3.773	3.206
Culture	16148	-0.000	0.061	0.949	-4.386	3.016
Opportunities	18811	-0.000	0.041	0.945	-4.698	3.175
Management	18810	0.000	0.005	0.945	-3.588	3.363
Recommendation	18338	0.000	0.140	0.945	-3.943	2.456
Outlook	15945	0.000	0.098	0.949	-4.532	2.718
Approval of CEO	17944	0.000	0.117	0.944	-4.851	2.662
Target	19146	0.393	0.000	0.488	0.000	1.000
Relative Size	17344	-0.058	0.000	0.571	-0.997	0.997
Relative Quality	15226	0.000	0.000	0.122	-0.500	0.500

Table 2. Net Effect of Merger

This table presents the results from tests estimating the net effect of merger. To enable comparison, each rating is normalized by subtracting the industry-year-quarter mean and dividing by the industry-year-quarter standard deviation. All regressions include firm and year-quarter fixed effects. *, **, *** indicate statistics significance at the 0.10, 0.05, and 0.01 levels, respectively, using a two-tailed t-test.

(a) Panel A

	(1) Overall Rating	(2) Hard Rating	(3) Soft Rating
Post	-0.040**	-0.016	-0.054***
	(0.020)	(0.018)	(0.018)
Constant	0.020*	0.008	0.029**
	(0.012)	(0.011)	(0.011)
Observations	19146	18793	15305
Adjusted R^2	0.203	0.236	0.259

(b) Panel B

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Hard		Soft					
	Balance	Compensation	Culture	Opportunities	Management	Recommendation	Outlook	Approval of CEO
Post	-0.028	-0.006	-0.049**	-0.042**	-0.050**	-0.057***	-0.110***	-0.085***
	(0.020)	(0.019)	(0.021)	(0.020)	(0.020)	(0.021)	(0.022)	(0.021)
Constant	0.014	0.003	0.028**	0.021*	0.025**	0.029**	0.062***	0.043***
	(0.012)	(0.011)	(0.014)	(0.012)	(0.012)	(0.012)	(0.014)	(0.012)
Observations	18825	18834	16149	18828	18833	18351	15944	17963
Adjusted R^2	0.206	0.265	0.250	0.201	0.217	0.164	0.174	0.178

Table 3. Quarter-by-Quarter Effect of Merger

This table presents the results from tests estimating the quarter-by-quarter effect of the merger. To enable comparison, each rating is normalized by subtracting the industry-year-quarter mean and dividing by the industry-year-quarter standard deviation. periodmk is an indicator variable equal to 1 if year-quarter t is k quarters before the merger, and periodk is an indicator variable equal to 1 if year-quarter t is k quarters after the merger. All regressions include firm and year-quarter fixed effects. *, **, *** indicate statistics significance at the 0.10, 0.05, and 0.01 levels, respectively, using a two-tailed t-test.

(a) Panel A

	(1) Overall Rating	(2) Hard Rating	(3) Soft Rating
periodm12	-0.009	0.010	-0.001
	(0.043)	(0.039)	(0.039)
periodm11	0.046	0.055	0.036
	(0.058)	(0.052)	(0.052)
periodm10	-0.093	-0.039	-0.043
	(0.058)	(0.052)	(0.052)
periodm9	-0.054	-0.021	-0.056
	(0.057)	(0.051)	(0.050)
periodm8	-0.044	-0.052	-0.047
	(0.055)	(0.049)	(0.049)
periodm7	-0.073	-0.052	-0.032
	(0.054)	(0.049)	(0.048)
periodm6	-0.086	-0.084*	-0.056
	(0.054)	(0.048)	(0.047)
periodm5	-0.051	-0.053	-0.058
	(0.053)	(0.048)	(0.047)
periodm4	-0.030	-0.066	-0.052
	(0.052)	(0.047)	(0.046)
periodm3	-0.017	-0.033	0.019
	(0.052)	(0.047)	(0.046)
periodm2	-0.023	-0.001	-0.012
	(0.051)	(0.046)	(0.045)
periodm1	0.015	0.006	-0.011
	(0.049)	(0.044)	(0.043)
period1	0.027	0.023	0.009
	(0.049)	(0.044)	(0.043)
period2	-0.092*	-0.044	-0.068
	(0.053)	(0.047)	(0.046)
period3	-0.047	-0.018	-0.072
	(0.052)	(0.047)	(0.045)
period4	-0.005	0.007	-0.050
	(0.053)	(0.048)	(0.046)
period5	-0.028	-0.046	-0.075
	(0.054)	(0.048)	(0.047)
period6	-0.106*	-0.046	-0.089*
	(0.055)	(0.050)	(0.048)
period7	-0.103*	-0.077	-0.140***
	(0.055)	(0.050)	(0.048)
period8	-0.130**	-0.098*	-0.143***
	(0.056)	(0.050)	(0.048)
period9	-0.169***	-0.174***	-0.110**
	(0.056)	(0.050)	(0.048)
period10	-0.149***	-0.053	-0.100**
	(0.057)	(0.051)	(0.049)
period11	-0.164***	-0.106**	-0.186***
	(0.058)	(0.052)	(0.049)
period12	-0.100**	-0.076*	-0.104***
	(0.043)	(0.039)	(0.038)
Constant	0.056	0.038	0.060**
	(0.035)	(0.032)	(0.031)
Observations	19146	18793	15305
Adjusted R^2	0.204	0.237	0.260

(b) Panel B

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Hard		Soft					
	Balance	Compensation	Culture	Opportunities	Management	Recommendation	Outlook	Approval of CEO
periodm12	0.028	0.005	-0.004	-0.015	0.034	-0.029	0.029	-0.003
	(0.043)	(0.042)	(0.046)	(0.044)	(0.043)	(0.045)	(0.048)	(0.045)
periodm11	0.077	0.047	0.045	0.029	0.061	0.066	0.081	-0.007
	(0.059)	(0.056)	(0.062)	(0.059)	(0.058)	(0.061)	(0.065)	(0.061)
periodm10	-0.025	-0.047	-0.049	-0.105*	-0.038	-0.121**	0.031	-0.100
	(0.058)	(0.056)	(0.061)	(0.058)	(0.058)	(0.060)	(0.064)	(0.061)
periodm9	0.026	-0.060	-0.030	-0.060	-0.039	-0.025	-0.011	-0.061
	(0.057)	(0.055)	(0.060)	(0.057)	(0.056)	(0.059)	(0.063)	(0.059)
periodm8	-0.041	-0.048	-0.041	-0.085	-0.031	0.041	0.023	-0.032
	(0.055)	(0.053)	(0.057)	(0.056)	(0.055)	(0.057)	(0.061)	(0.058)
periodm7	-0.053	-0.039	-0.075	-0.095*	-0.059	-0.012	0.037	0.014
	(0.055)	(0.053)	(0.057)	(0.055)	(0.054)	(0.057)	(0.060)	(0.057)
periodm6	-0.078	-0.081	-0.059	-0.076	-0.026	-0.084	-0.048	-0.046
	(0.054)	(0.052)	(0.056)	(0.054)	(0.053)	(0.056)	(0.059)	(0.056)
periodm5	-0.051	-0.044	-0.082	-0.042	-0.046	-0.060	-0.048	-0.055
	(0.053)	(0.051)	(0.055)	(0.053)	(0.053)	(0.055)	(0.058)	(0.055)
periodm4	-0.043	-0.079	-0.072	-0.065	-0.047	-0.056	-0.047	-0.057
	(0.052)	(0.050)	(0.054)	(0.053)	(0.052)	(0.054)	(0.057)	(0.055)
periodm3	-0.024	-0.033	0.020	-0.057	-0.004	0.028	0.062	0.034
	(0.052)	(0.050)	(0.054)	(0.052)	(0.052)	(0.054)	(0.057)	(0.054)
periodm2	0.038	-0.033	-0.001	-0.031	-0.005	-0.012	-0.020	-0.053
	(0.051)	(0.049)	(0.053)	(0.052)	(0.051)	(0.053)	(0.056)	(0.053)
periodm1	0.008	0.013	-0.037	-0.020	-0.008	0.075	-0.005	-0.023
	(0.049)	(0.048)	(0.050)	(0.050)	(0.049)	(0.051)	(0.053)	(0.051)
period1	0.018	0.033	0.012	-0.033	0.012	0.026	-0.048	-0.044
	(0.049)	(0.048)	(0.050)	(0.050)	(0.049)	(0.051)	(0.053)	(0.051)
period2	-0.086	0.003	-0.085	-0.077	-0.067	-0.025	-0.090	-0.144***
	(0.053)	(0.051)	(0.053)	(0.053)	(0.052)	(0.055)	(0.057)	(0.055)
period3	-0.016	-0.014	-0.037	-0.048	-0.061	-0.071	-0.099*	-0.144***
	(0.053)	(0.051)	(0.053)	(0.053)	(0.052)	(0.055)	(0.057)	(0.055)
period4	0.037	-0.017	-0.059	-0.048	-0.037	-0.001	-0.085	-0.070
	(0.053)	(0.051)	(0.054)	(0.054)	(0.053)	(0.055)	(0.057)	(0.055)
period5	-0.024	-0.061	-0.097*	-0.072	-0.066	-0.087	-0.125**	-0.110*
	(0.054)	(0.052)	(0.055)	(0.054)	(0.054)	(0.056)	(0.058)	(0.057)
period6	-0.033	-0.055	-0.089	-0.083	-0.036	-0.120**	-0.096	-0.105*
	(0.056)	(0.053)	(0.056)	(0.056)	(0.055)	(0.057)	(0.059)	(0.058)
period7	-0.086	-0.063	-0.140**	-0.153***	-0.127**	-0.087	-0.199***	-0.160***
	(0.056)	(0.054)	(0.056)	(0.056)	(0.056)	(0.057)	(0.059)	(0.058)
period8	-0.074	-0.103*	-0.137**	-0.138**	-0.104*	-0.146**	-0.137**	-0.159***
	(0.056)	(0.054)	(0.057)	(0.057)	(0.056)	(0.058)	(0.060)	(0.058)
period9	-0.188***	-0.143***	-0.166***	-0.169***	-0.197***	-0.113*	-0.142**	-0.049
	(0.056)	(0.054)	(0.056)	(0.056)	(0.056)	(0.058)	(0.059)	(0.058)
period10	-0.060	-0.042	-0.101*	-0.122**	-0.112**	-0.129**	-0.137**	-0.096
	(0.057)	(0.055)	(0.057)	(0.057)	(0.057)	(0.059)	(0.061)	(0.060)
period11	-0.090	-0.120**	-0.176***	-0.181***	-0.159***	-0.181***	-0.247***	-0.251***
	(0.058)	(0.056)	(0.058)	(0.059)	(0.058)	(0.060)	(0.062)	(0.060)
period12	-0.073*	-0.075*	-0.111**	-0.125***	-0.114***	-0.083*	-0.132***	-0.138***
	(0.044)	(0.042)	(0.045)	(0.044)	(0.043)	(0.045)	(0.047)	(0.045)
Constant	0.029	0.039	0.068*	0.073**	0.047	0.049	0.068*	0.074**
	(0.035)	(0.034)	(0.036)	(0.035)	(0.035)	(0.037)	(0.038)	(0.037)
Observations	18825	18834	16149	18828	18833	18351	15944	17963
Adjusted R^2	0.206	0.265	0.250	0.201	0.217	0.165	0.175	0.179

Table 4. Target Effect

This table presents the results from tests estimating the effect of merger on the target firms. To enable comparison, each rating is normalized by subtracting the industry-year-quarter mean and dividing by the industry-year-quarter standard deviation. All regressions include firm and year-quarter fixed effects. *, **, *** indicate statistics significance at the 0.10, 0.05, and 0.01 levels, respectively, using a two-tailed t-test.

(a) Panel A

	(1) Overall Rating	(2) Hard Rating	(3) Soft Rating
Post × Target	-0.032	0.032	-0.121***
	(0.027)	(0.025)	(0.026)
Post	-0.029	-0.029	-0.014
	(0.023)	(0.020)	(0.020)
Target	-0.034	-0.068	-0.001
	(0.064)	(0.058)	(0.058)
Constant	0.034	0.035	0.031
	(0.028)	(0.025)	(0.025)
Observations	19146	18793	15305
Adjusted R^2	0.203	0.236	0.260

(b) Panel B

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Hard		Soft					
	Balance	Compensation	Culture	Opportunities	Management	Recommendation	Outlook	Approval of CEO
Post × Target	0.015	0.050*	-0.097***	-0.050*	-0.030	-0.039	-0.169***	-0.180***
	(0.028)	(0.027)	(0.030)	(0.028)	(0.028)	(0.029)	(0.032)	(0.029)
Post	-0.034	-0.025	-0.015	-0.025	-0.040*	-0.044*	-0.050**	-0.023
	(0.023)	(0.022)	(0.024)	(0.023)	(0.022)	(0.023)	(0.025)	(0.023)
Target	-0.072	-0.065	-0.001	-0.037	-0.046	-0.016	0.025	-0.016
	(0.065)	(0.062)	(0.069)	(0.065)	(0.064)	(0.067)	(0.073)	(0.067)
Constant	0.042	0.029	0.029	0.036	0.043	0.035	0.054*	0.050*
	(0.028)	(0.027)	(0.030)	(0.028)	(0.028)	(0.029)	(0.032)	(0.028)
Observations	18825	18834	16149	18828	18833	18351	15944	17963
Adjusted R^2	0.206	0.265	0.250	0.201	0.217	0.164	0.176	0.180

Table 5. Quarter-by-Quarter Effect of Merger in Target and Acquiring Firms

This table presents the results from tests estimating the quarter-by-quarter effect of the merger in the subsamples of target firms and acquiring firms separately. To enable comparison, each rating is normalized by subtracting the industry-year-quarter mean and dividing by the industry-year-quarter standard deviation. periodmk is an indicator variable equal to 1 if year-quarter t is k quarters before the merger, and periodk is an indicator variable equal to 1 if year-quarter t is k quarters after the merger. Columns 1, 3, and 5 (2, 4, and 6) use the sub sample of target (acquiring) firms. All regressions include firm and year-quarter fixed effects. *, **, *** indicate statistics significance at the 0.10, 0.05, and 0.01 levels, respectively, using a two-tailed t-test.

	(1)	(2)	(3)	(4)	(5)	(6)
	Overall Rating		Hard Rating		Soft Rating	
	Target	Acquirer	Target	Acquirer	Target	Acquirer
periodm12	0.075	-0.023	0.005	0.041	0.154*	-0.044
	(0.088)	(0.046)	(0.081)	(0.041)	(0.085)	(0.041)
periodm11	0.093	0.039	0.014	0.098*	0.215**	-0.044
	(0.111)	(0.063)	(0.102)	(0.056)	(0.105)	(0.056)
periodm10	-0.063	-0.090	-0.014	-0.041	0.072	-0.084
	(0.112)	(0.063)	(0.102)	(0.055)	(0.104)	(0.055)
periodm9	-0.043	-0.040	-0.164*	0.086	0.004	-0.064
	(0.109)	(0.061)	(0.100)	(0.054)	(0.101)	(0.054)
periodm8	-0.025	-0.039	-0.073	-0.025	0.026	-0.064
	(0.106)	(0.060)	(0.097)	(0.053)	(0.098)	(0.052)
periodm7	-0.092	-0.043	-0.079	-0.022	0.048	-0.059
	(0.103)	(0.060)	(0.095)	(0.052)	(0.097)	(0.052)
periodm6	-0.155	-0.026	-0.204**	0.003	-0.017	-0.067
	(0.102)	(0.058)	(0.093)	(0.051)	(0.094)	(0.051)
periodm5	-0.091	-0.013	-0.110	-0.008	-0.070	-0.035
	(0.101)	(0.058)	(0.092)	(0.051)	(0.093)	(0.050)
periodm4	-0.025	-0.025	-0.142	-0.010	-0.056	-0.039
	(0.099)	(0.057)	(0.090)	(0.050)	(0.092)	(0.049)
periodm3	-0.051	0.016	-0.104	0.019	0.013	0.029
	(0.099)	(0.056)	(0.090)	(0.050)	(0.090)	(0.049)
periodm2	0.004	-0.041	-0.005	0.002	0.039	-0.041
	(0.097)	(0.056)	(0.089)	(0.049)	(0.088)	(0.048)
periodm1	-0.023	0.046	0.022	-0.003	-0.017	-0.004
	(0.093)	(0.054)	(0.085)	(0.047)	(0.085)	(0.046)
period1	0.019	0.027	-0.026	0.049	-0.001	0.008
	(0.093)	(0.054)	(0.086)	(0.047)	(0.085)	(0.046)
period2	-0.034	-0.134**	-0.034	-0.054	-0.019	-0.104**
	(0.101)	(0.057)	(0.092)	(0.050)	(0.092)	(0.048)
period3	-0.093	-0.023	-0.076	0.015	-0.149	-0.036
	(0.100)	(0.057)	(0.092)	(0.050)	(0.091)	(0.048)
period4	-0.076	0.035	-0.042	0.035	-0.143	-0.008
	(0.102)	(0.057)	(0.094)	(0.050)	(0.093)	(0.048)
period5	-0.065	-0.012	-0.102	-0.014	-0.145	-0.047
	(0.104)	(0.058)	(0.096)	(0.051)	(0.095)	(0.049)
period6	-0.210*	-0.047	-0.082	-0.023	-0.162*	-0.059
	(0.107)	(0.059)	(0.099)	(0.052)	(0.098)	(0.050)
period7	-0.154	-0.079	-0.168*	-0.026	-0.272***	-0.083
	(0.107)	(0.060)	(0.100)	(0.052)	(0.097)	(0.050)
period8	-0.299***	-0.034	-0.248**	-0.013	-0.287***	-0.081
	(0.109)	(0.060)	(0.101)	(0.053)	(0.098)	(0.050)
period9	-0.347***	-0.069	-0.373***	-0.058	-0.270***	-0.037
	(0.108)	(0.060)	(0.100)	(0.053)	(0.097)	(0.050)
period10	-0.385***	-0.015	-0.178*	0.017	-0.250**	-0.040
	(0.111)	(0.061)	(0.102)	(0.054)	(0.101)	(0.051)
period11	-0.398***	-0.038	-0.252**	-0.029	-0.447***	-0.065
	(0.114)	(0.062)	(0.105)	(0.055)	(0.101)	(0.052)
period12	-0.252***	-0.039	-0.208**	-0.013	-0.239***	-0.075*
	(0.089)	(0.046)	(0.082)	(0.040)	(0.085)	(0.039)
Constant	0.094	0.029	0.114*	-0.014	0.102*	0.042
	(0.067)	(0.038)	(0.061)	(0.034)	(0.062)	(0.033)
Observations	7526	11620	7270	11523	5652	9653
Adjusted R^2	0.182	0.228	0.200	0.280	0.232	0.290

Table 6. Size Effect and Quality Effect

This table presents the results from tests estimating the cross-sectional effect of relative size and relative quality. To enable comparison, each rating is normalized by subtracting the industry-year-quarter mean and dividing by the industry-year-quarter standard deviation. All regressions include firm and year-quarter fixed effects. *, **, *** indicate statistics significance at the 0.10, 0.05, and 0.01 levels, respectively, using a two-tailed t-test.

(a) Panel A

	(1) Overall Rating	(2) Hard Rating	(3) Soft Rating
Post × Target	-0.010	0.076*	-0.111**
	(0.049)	(0.043)	(0.046)
Post × Relative Size	-0.031	-0.025	0.007
	(0.041)	(0.037)	(0.039)
Post × Relative Quality	-1.779***	-1.284***	-1.503***
	(0.131)	(0.117)	(0.129)
Post	-0.038	-0.046	-0.007
	(0.034)	(0.031)	(0.032)
Target	-0.058	-0.097	0.017
	(0.094)	(0.083)	(0.086)
Relative Size	-0.007	0.022	0.006
	(0.078)	(0.069)	(0.072)
Relative Quality	1.334***	0.977***	1.099***
	(0.242)	(0.214)	(0.217)
Constant	0.048	0.052	0.017
	(0.049)	(0.043)	(0.044)
Observations	13544	13276	10809
Adjusted R^2	0.212	0.245	0.268

(b) Panel B

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Hard		Soft					
	Balance	Compensation	Culture	Opportunities	Management	Recommendation	Outlook	Approval of CEO
Post × Target	0.048	0.105**	-0.090*	-0.030	-0.009	-0.035	-0.052	-0.078
	(0.049)	(0.047)	(0.054)	(0.049)	(0.049)	(0.051)	(0.057)	(0.051)
Post × Relative Size	-0.011	-0.038	0.003	-0.030	-0.021	0.002	-0.092*	-0.079*
	(0.041)	(0.040)	(0.045)	(0.042)	(0.041)	(0.043)	(0.047)	(0.043)
Post × Relative Quality	-1.256***	-1.297***	-1.586***	-1.373***	-1.609***	-1.527***	-1.567***	-1.379***
	(0.133)	(0.127)	(0.148)	(0.133)	(0.132)	(0.138)	(0.156)	(0.140)
Post	-0.048	-0.047	-0.014	-0.036	-0.046	-0.035	-0.095**	-0.063*
	(0.035)	(0.033)	(0.037)	(0.035)	(0.035)	(0.036)	(0.039)	(0.036)
Target	-0.099	-0.095	-0.011	-0.060	-0.062	-0.018	0.009	-0.007
	(0.094)	(0.090)	(0.102)	(0.094)	(0.094)	(0.097)	(0.108)	(0.096)
Relative Size	0.022	0.021	0.026	0.001	0.004	0.001	0.050	0.018
	(0.078)	(0.075)	(0.086)	(0.078)	(0.078)	(0.080)	(0.090)	(0.079)
Relative Quality	0.981***	0.964***	1.129***	1.159***	1.157***	1.086***	1.016***	0.936***
	(0.243)	(0.232)	(0.259)	(0.244)	(0.243)	(0.250)	(0.272)	(0.247)
Constant	0.063	0.042	0.039	0.041	0.037	0.035	0.062	0.043
	(0.049)	(0.047)	(0.053)	(0.049)	(0.048)	(0.050)	(0.056)	(0.049)
Observations	13297	13303	11406	13299	13301	12973	11250	12688
Adjusted R^2	0.208	0.278	0.262	0.199	0.217	0.173	0.185	0.189

Table 7. Breach of Implicit Contract

This table reports the results from tests estimating whether employees express more complaints about their companies' breaking the implicit contract after the merger. *Breach of Implicit Contract* is defined in Section 3.3.3. *Post* is an indicator variable equal to 1 if the firm has merged by year-quarter t. *Target* is an indicator variable equal to 1 if the firm is the target firm in the merger. All regressions include firm fixed effects and year-quarter fixed effects. *, **, *** indicate statistics significance at the 0.10, 0.05, and 0.01 levels, respectively, using a two-tailed t-test.

	(1)	(2)
	Breach of Implicit Contract	Breach of Implicit Contract
Post	0.008***	0.003
	(0.002)	(0.002)
Post × Target		0.009***
		(0.003)
Target		-0.001
		(0.007)
Constant	0.054***	0.054***
	(0.001)	(0.004)
Observations	23651	23651
Adjusted R^2	0.215	0.215

Table 8. Misalignment

This table reports the results from tests estimating whether employees express more complaints about their misalignment with the new management after the merger. *Misalignment* is defined in Section 3.3.3. *Post* is an indicator variable equal to 1 if the firm has merged by year-quarter t. *Target* is an indicator variable equal to 1 if the firm is the target firm in the merger. All regressions include firm fixed effects and year-quarter fixed effects. *, **, *** indicate statistics significance at the 0.10, 0.05, and 0.01 levels, respectively, using a two-tailed t-test.

	(1) Misalignment	(2) Misalignment
Post	0.004*	0.001
	(0.002)	(0.003)
Post × Target		0.006**
		(0.003)
Target		-0.001
		(0.008)
Constant	0.067***	0.067***
	(0.001)	(0.004)
Observations	23774	23774
Adjusted R^2	0.263	0.263

Table 9. Mediation Analysis

This table presents the results from tests estimating the mediating role of breach of implicit contract and misalignment with new management in the negative effect of merger on employee soft ratings. All regressions include firm and year-quarter fixed effects. *, **, *** indicate statistics significance at the 0.10, 0.05, and 0.01 levels, respectively, using a two-tailed t-test.

	(1) Soft	(2) Soft	(3) Soft	(4) Soft	(5) Soft	(6) Soft
Breach of Implicit Contract	-1.884***	-1.875***			-2.376***	-2.365***
	(0.069)	(0.069)			(0.120)	(0.120)
Misalignment			-1.293***	-1.285***	0.561***	0.559***
			(0.065)	(0.065)	(0.113)	(0.113)
Post	-0.040**	-0.008	-0.047***	-0.010	-0.040**	-0.008
	(0.018)	(0.020)	(0.018)	(0.020)	(0.017)	(0.020)
Post × Target		-0.094***		-0.108***		-0.094***
		(0.026)		(0.026)		(0.026)
Target		-0.002		0.001		-0.002
		(0.056)		(0.057)		(0.056)
Constant	0.114***	0.115***	0.098***	0.098***	0.106***	0.107***
	(0.012)	(0.025)	(0.012)	(0.025)	(0.012)	(0.025)
Observations	15023	15023	15064	15064	15023	15023
Adjusted R^2	0.296	0.296	0.275	0.276	0.297	0.297

Table 10. Breach of Implicit Contract (# Typical Words)

This table reports the results from tests estimating whether employees express more complaints about their companies' breaking the implicit contract after the merger. *# Typical Words* is the average number of typical words in an employee review of firm i in year-quarter t, defined in Section 3.3.6. *Post* is an indicator variable equal to 1 if the firm has merged by year-quarter t. *Target* is an indicator variable equal to 1 if the firm is the target firm in the merger. All regressions include firm fixed effects and year-quarter fixed effects. *, **, *** indicate statistics significance at the 0.10, 0.05, and 0.01 levels, respectively, using a two-tailed t-test.

	(1)	(2)
	# Typical Words	# Typical Words
Post	0.014***	0.008***
	(0.002)	(0.002)
Post × Target		0.013***
		(0.003)
Target		-0.004
		(0.007)
Constant	0.020***	0.022***
	(0.001)	(0.004)
Observations	23779	23779
Adjusted R^2	0.043	0.044

Appendix A

Prompt to ChatGPT

Theory suggests that after an M&A, the firm breaks the implicit contract with its workers, leading to a decline in employee satisfaction. Could you provide 100 sample employee reviews indicating that the company breaks the implicit contract with its workers? Each review is one or two sentences long.

Synthetic Reviews

Since the merger, management has completely disregarded previous agreements with staff.
Promises made before the acquisition have not been kept.
The new leadership has broken trust by changing policies without consulting employees.
Benefits we used to enjoy have been cut without explanation after the M&A.
There's a clear lack of respect for the commitments made to employees before the merger.
Our workload has doubled, but compensation remains the same since the acquisition.
Post-merger, the company culture has shifted negatively, ignoring employee needs.
We were assured our roles were secure, but layoffs happened soon after the M&A.
The implicit understanding of flexible hours has been revoked without notice.
Career advancement opportunities promised before the merger have disappeared.
The company no longer values employee input like it did before the acquisition.
Since the merger, overtime has become mandatory, violating our previous agreements.
Our voices are ignored, and decisions are made unilaterally after the acquisition.
The new management has broken the unwritten rules that made this a great place to work.
Job security has diminished significantly since the merger.
They've gone back on their word regarding remote work policies post-acquisition.
Employee welfare seems to be the last priority after the merger.
Promises of bonuses and raises have not been fulfilled since the acquisition.
There's been a disregard for maintaining the supportive work environment we had before.
The merger has led to a breakdown in trust between staff and management.
Benefits have been slashed without any prior notice after the M&A.
The open-door policy is gone; management is unapproachable since the acquisition.

Continued on next page

Synthetic Reviews (Continued)

Our implicit agreement on work-life balance has been ignored post-merger.
They've implemented stricter policies that conflict with our initial understanding.
Communication has deteriorated significantly after the merger.
Employee recognition programs have been discontinued since the acquisition.
Our concerns about the changes are not being heard by the new leadership.
The supportive culture has been replaced with a more cutthroat environment post-M&A.
They promised no major changes, but everything feels different now.
We were told our jobs were safe, but now we're facing layoffs.
The company has reneged on its commitments to career development.
Post-merger, there's a lack of transparency about company decisions.
The new policies conflict with what was previously agreed upon with employees.
There's no longer any flexibility in scheduling, contrary to prior practice.
They've broken the trust by altering our roles without discussion.
Employee morale has plummeted due to unfulfilled promises after the acquisition.
Our input is no longer valued in the decision-making process.
They've increased performance targets without additional support.
The company culture feels hostile since the merger.
We feel undervalued and overworked post-acquisition.
Benefits that were standard before are now being taken away.
Management has become distant and unresponsive after the M&A.
There's a sense of instability that wasn't here before the merger.
They've disregarded the company's core values in favor of profits.
Our previously agreed-upon bonuses have been canceled without explanation.
Workload expectations have increased unreasonably since the acquisition.
Employee feedback is no longer solicited or considered.
Promises of technological upgrades have not been kept post-merger.
They've eliminated the training programs that were essential for our growth.
We were assured of certain benefits, but they've been withdrawn.
There's been a significant cut in resources we rely on to do our jobs.
Our implicit agreement on job roles has been altered without consent.

Continued on next page

Synthetic Reviews (Continued)

The supportive team environment has deteriorated after the merger.
They've imposed new rules that conflict with our established work practices.
Management decisions now prioritize cost-cutting over employee well-being.
The autonomy we once had has been stripped away post-acquisition.
They've failed to honor the unwritten promises that kept us motivated.
Employee development opportunities have diminished significantly.
The company's mission has shifted away from what we originally joined for.
There's a lack of respect for the expertise of long-standing employees.
Our suggestions for improvement are ignored since the merger.
They've changed our compensation structure to our detriment.
The work-life balance we valued is no longer supported.
They've broken the implicit understanding of fair treatment.
Post-merger, there's been a noticeable decline in workplace morale.
Our roles have been redefined without proper communication or consent.
The trust between employees and management has eroded.
They've disregarded the importance of employee satisfaction.
We no longer feel secure in our positions after the acquisition.
Promises of maintaining company culture have not been upheld.
They've introduced policies that conflict with our values.
The collaborative environment has been replaced with competitiveness.
They've overlooked the commitments made to employees during the merger talks.
Our compensation is no longer aligned with industry standards.
They've eliminated key benefits that were part of our employment package.
Employee support systems have been dismantled since the acquisition.
Our workloads have increased without additional compensation.
They've centralized decision-making, leaving us out of the loop.
There's been a shift towards micromanagement post-merger.
They've broken the implicit promise of job stability.
Employee grievances are not being addressed appropriately.
The new policies undermine our ability to perform effectively.

Continued on next page

Synthetic Reviews (Continued)

They've cut back on essential resources needed for our work.
There's a disconnect between management and staff after the merger.
Our career progression paths have been altered unfavorably.
They've failed to integrate the two company cultures successfully.
We feel like just another number since the acquisition.
They've gone back on their word regarding employee benefits.
Communication transparency has decreased significantly.
They've ignored our concerns about the rapid changes.
There's been an increase in mandatory overtime without additional pay.
They've broken the unwritten rule of respecting personal time.
Employee turnover has increased due to dissatisfaction.
They've shifted priorities away from employee development.
The sense of community we had is fading away.
They've reduced our autonomy in making decisions.
There's a lack of support from management for frontline staff.
They've implemented policies that contradict our prior agreements.
Our input on projects is no longer valued.
They've neglected to honor long-standing traditions important to staff.
There's been a noticeable decline in overall job satisfaction.
They've failed to recognize and reward hard work post-merger.
We feel overburdened and underappreciated since the acquisition.
They've disrupted the balance between work demands and personal life.
The implicit trust we had in management has been broken.
They've undermined the collaborative spirit that once existed.
There's a pervasive sense of uncertainty about the future.
They've altered compensation packages unfavorably without discussion.
Employee engagement has dropped due to neglect of our needs.
They've failed to maintain the integrity of the company's mission.
We no longer feel aligned with the company's direction after the merger.
They've compromised the values that attracted us to the company.

Appendix B

Prompt to ChatGPT

Could you provide 100 sample employee reviews indicating that the employees in the target firm are misaligned with the new management from the acquiring firm after an M&A?

Synthetic Reviews

Since the takeover, upper management from the parent company keeps overriding legacy processes without understanding why they exist in the first place.
The new executives preach agility but impose layers of bureaucracy that slow every project to a crawl.
Our long-standing customer focus is being replaced by an obsession with short-term cost cuts dictated by the acquirer.
Morale has dipped because legacy leaders were pushed aside and the replacement team shows little respect for in-house expertise.
Communication feels top-down now; decisions arrive fully baked from headquarters with zero input from those doing the day-to-day work.
Benefits that were once a point of pride are labeled "excessive" by the new owners and are on the chopping block.
The acquiring firm's KPI targets do not fit our product cycle, so teams scramble just to tick boxes instead of building quality.
Cultural clashes are evident—our collaborative style is clashing with their competitive, winner-takes-all mentality.
Project priorities shift weekly depending on what looks good on the parent company's quarterly call.
Middle managers spend more time translating conflicting directives than actually managing teams.
Employee voices used to matter; now town-halls are scripted PR sessions with no room for honest feedback.
Our expertise in regulated markets is ignored, resulting in compliance risks the new leadership does not even recognize.
The acquirer's "one size fits all" processes erase the innovative edge that made us an attractive target in the first place.

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Synthetic Reviews (Continued)

Legacy career paths vanished overnight, leaving high performers unsure where they fit in the new hierarchy.
Budget approvals that once took days now require multiple sign-offs from managers who barely know our products.
We are asked to adopt new software tools, yet no training budget was allocated; productivity has nosedived.
Core R&D projects were shelved because the parent company rates them as "non-strategic," despite years of investment.
Cross-functional collaboration broke down because incentives now reward silo performance set by the acquiring firm.
There is a growing sense that the acquirer's leaders view us as assets, not people.
Our local HR team was replaced by a remote group that follows policies designed for a totally different labor market.
The new mission statement is vague and contradicts the customer-centric vision that guided us for a decade.
Performance reviews have turned into checklists aligned to corporate buzzwords rather than real contributions.
Senior scientists are leaving because the new management caps research budgets to hit margin targets.
We used to celebrate incremental product improvements; now everything is judged against unrealistic stretch goals.
Legacy mentorship programs were canceled, citing "duplication" with head-office initiatives that never materialized.
Decision-making authority moved two time zones away, slowing critical issue resolution.
The acquirer forces us onto their ERP system even though it lacks key modules our operations rely on.
Employee opinions collected in surveys seem to vanish into a black hole, with no action or acknowledgement.
Cost-cut mandates have led to deferred maintenance, raising safety concerns on the shop floor.
Creative problem solving is discouraged because "that's not how we do it at corporate.",
Company values posters were swapped overnight, and none of the new ones resonate with the original workforce.

Continued on next page

Synthetic Reviews (Continued)

Our once-robust internship pipeline has been paused; apparently it does not fit the parent company's immediate ROI filter.
Customers complain about inconsistent service levels, but leadership attributes it to "legacy mindset," not their changes.
The acquiring firm's travel freeze hampers our field engineers, who need onsite visits to resolve client issues.
Employee resource groups that fostered inclusion have lost funding, eroding our strong culture.
Long-term strategic projects got scrapped so cash could be redirected to finance the acquisition debt.
We now report to leaders who have never visited our facilities yet dictate operational tweaks.
The acquirer's emphasis on constant re-orgs keeps everyone guessing which team they will be on next quarter.
Bonuses are pegged to metrics we cannot influence, creating frustration across departments.
Legacy managers are forced to defend essential QA steps that the new team labels "unnecessary overhead.",
There is zero clarity on how our performance feeds into the parent company's overall strategy.
The phrase "that worked before, but corporate wants…" has become the office catchphrase of despair.
Expense approvals require navigating three new portals that do not talk to each other.
Our product roadmap was rewritten without consulting the engineers who built version one.
Promotions are frozen pending "alignment reviews," leaving talented staff eyeing offers elsewhere.
We keep receiving conflicting instructions: reduce headcount but accelerate feature delivery.
Employee stock purchase plan was suspended, erasing a key retention tool.
The acquiring leaders treat compliance training as a checkbox exercise, diluting its seriousness.
Tech debt is piling up because budgets are routed to corporate pet projects instead of urgent fixes.

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Synthetic Reviews (Continued)

Our once flat hierarchy now has five additional layers, making simple approvals a marathon.
Innovation labs were shut down because they did not show immediate profit, stifling creativity.
Legacy brand identity is fading under the parent company's cookie-cutter marketing templates.
Quarterly "integration updates" feel like spin—they highlight vanity wins and hide real pain points.
Staff meetings revolve around explaining why corporate metrics do not capture our actual success.
New management instituted rigid clock-in requirements that ignore the flexible culture that fueled productivity.
Feedback loops are broken—issues logged in the system linger unattended for weeks.
The acquiring firm's procurement rules ignore our local supplier relationships, driving costs up.
Knowledge silos grew because the collaborative platforms we used were decommissioned.
High performers left after seeing their roles diluted into committees run by corporate VPs.
Internal hiring now requires approval from someone three levels removed, slowing career mobility.
The once-popular annual hackathon was canceled to "focus on core deliverables.",
Employee sentiment dropped sharply after leadership dismissed concerns as "resistance to change.",
We are told to align with "global standards," yet those standards keep changing.
Corporate branding guidelines force us to reprint everything, wasting resources during a cost-cut drive.
IT tickets get routed to an outsourced help desk unfamiliar with our bespoke systems.
Recognition programs disappeared; apparently, they "did not scale" across the merged entity.
Legacy engineering excellence awards were scrapped for a generic "culture coin" nobody values.
Campus recruiting was halted, shrinking our future talent pipeline.
Employees feel like statistics in a synergy spreadsheet rather than core contributors.

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Synthetic Reviews (Continued)

Stand-up meetings have turned into status reports for upper management, losing the agile spirit.
Legacy leadership principles were replaced overnight with new acronyms we had to memorize.
The acquirer's "zero-defect" policy is punitive, discouraging experimentation.
Our suggestions for phased rollouts are ignored in favor of big-bang launches that predictably fail.
Corporate HR insists we adopt uniform job titles that do not reflect actual responsibilities.
The integration playbook leaves no room for local market nuances, hurting regional sales teams.
Shift schedules changed without consultation, causing personal hardship for long-time staff.
Legacy systems integrators were fired, and the replacements lack domain knowledge.
We spend hours updating duplicate dashboards because each leadership layer wants its own view.
The acquirer's risk appetite is so low that it chokes initiatives we once executed confidently.
All-hands calls feel like propaganda—hard questions are filtered out.
Despite promises, our site has seen no capital investment; funds diverted to corporate HQ renovations.
The acquiring CEO talks about "people first," yet every policy roll-out screams cost first.
Cross-training was halted, hurting our ability to cover for absences.
We lost our family-friendly perk of flexible Fridays because corporate did not "see the value.",
Decision rights matrix is so convoluted that nobody knows who can sign off on a $100 tool purchase.
Onboarding materials now reference systems we do not use; new hires are immediately confused.
Exit interviews reveal a pattern—people leave due to culture clash with new leadership.
Team autonomy evaporated; every feature must be vetted by a committee unfamiliar with user needs.
Corporate insists on daily status slides, reducing actual coding time.
Our holiday shutdown tradition was canceled to meet aggressive year-end targets.

Continued on next page

Synthetic Reviews (Continued)

Long-trusted suppliers were dropped for corporate bulk deals that turn out more expensive after hidden fees.
Meetings increased but meaningful collaboration decreased; we talk more and achieve less.
The acquirer's zero-remote-work stance forced talented remote employees to resign.
We now compete internally for resources against sister divisions with completely different priorities.
Top-down mandates ignore data from our customer success team, resulting in churn.
Legacy OKRs are tossed each quarter for new ones mirroring corporate fads.
Compliance deadlines are missed because global legal rarely accommodates local nuances.
The talent review process is opaque; promotions appear driven by politics at headquarters.
Equipment upgrades were paused indefinitely pending a "capital efficiency study.",
Our mentorship culture died when managers were told to prioritize utilization metrics.
Training budgets were centralized, but the portal to request courses remains "under construction.",
Legacy perks like on-site daycare were labeled "non-core" and shut down with one month notice.
Engineering managers spend weekends rewriting status updates to match corporate template changes.
Product decisions are now marketing-led, sidelining user research we take pride in.
A culture of blame is taking root; post-mortems are witch-hunts instead of learning sessions.
The acquirer measured integration success by cost synergies, ignoring human capital loss.
We keep hearing about "future phases" that will fix today's pain, but timelines slip every quarter.
Legacy intranet with valuable knowledge base was replaced by a sleek portal lacking actual content.
Our suggestion box was closed; instead, we get quarterly pulse surveys no one follows up on.
Corporate security policies cripple developer tools; simple builds take twice as long.
Cafeteria subsidies were cut in half, yet executives get catered lunches during site visits.
Teams are forced into one global sprint cadence, breaking alignment with our release cycles.
We used to iterate fast; now each change needs three architecture review boards.

Continued on next page

Synthetic Reviews (Continued)

Corporate insists we migrate to their cloud vendor despite existing long-term contracts elsewhere.
Innovation awards ceremony was canceled to "maintain integration focus.",
Customer escalations rise, but leadership attributes it to "legacy culture" rather than process chaos.
The merger promised growth opportunities, yet headcount is shrinking as roles are consolidated.
Employees who question the new direction are labeled "not a cultural fit" in performance notes.
Quarterly town hall slides highlight synergy targets achieved, never mentioning rising attrition.
Local charity partnerships were dropped because they are "not aligned" with corporate giving themes.
We once had direct access to executives; now questions must be funneled through layers of comms teams.
The acquirer's one-year integration timeline ignored the complexity of our products, and we are paying the price.
Legacy recognition points were zeroed out with no conversion plan, upsetting staff who saved them for years.
Ultimately, it feels like we were acquired for market share, not for the people who built it—and everyone feels it.

Appendix C

Typical Words

Rank	Bigram	Typicity
1	implicit	0.0750
2	unwritten_rule	0.0134
3	unfulfil_promis	0.0112
4	withdrawn	0.0096
5	reneg	0.0090
6	fade_away	0.0082
7	unilater	0.0071
8	alter	0.0066
9	unwritten	0.0054
10	redefin	0.0053
11	unfavor	0.0053
12	strip_away	0.0052
13	upheld	0.0046
14	consent	0.0044
15	stricter	0.0040
16	agre_upon	0.0039
17	revok	0.0034
18	dismantl	0.0028
19	agreement	0.0026
20	complet_disregard	0.0022
21	overburden	0.0022
22	plummet	0.0022
23	solicit	0.0021
24	discontinu	0.0018
25	merger	0.0016
26	unapproach	0.0016
27	grievanc	0.0015

Continued on next page

Typical Words (Continued)

28	honor	0.0015
29	assur	0.0015
30	disregard	0.0015
31	deterior	0.0014
32	pervas	0.0014
33	undermin	0.0014
34	underappreci	0.0012
35	contrari	0.0011
36	unrespons	0.0011
37	broken	0.0011
38	diminish	0.0011
39	breakdown	0.0010
40	neglect	0.0010
41	dissatisfact	0.0010
42	loop	0.0009
43	impos	0.0009
44	erod	0.0008
45	previous	0.0008
46	explan	0.0008
47	frontlin	0.0008
48	significantli	0.0008
49	distant	0.0007
50	acquisit	0.0007