

# Literature Review for Impact of Mergers & Acquisitions on Human Resource Practices in IT Industry

Mr. Bhupesh Malhotra  
Research Scholar

Department of Management  
Birla Institute of Technology  
Ranchi Mesra – Ext. Centre – Noida, India

Dr. Vandana Sharma  
Associate Professor

Department of Management  
Birla Institute of Technology  
Ranchi Mesra – Ext. Centre – Noida, India

## Abstract –

*Whenever a merger or any acquisition is announced in any industry and in any geography of the world, the first question that comes to mind whether it the economists or industry specialist or the employees themselves – is how much is the financial gain? There is no or little argument on the impact on the employees and relevant human resources (HR) related practices, issues and outcomes perspective that would also be changing with any merger or acquisition. Companies do pay considerable attention to financial and strategic issues during mergers and acquisitions, but they frequently neglect human resource issues. The role of people is often placed in a marginal position, and most of the energy is invested in strategic and financial planning. It will be argued here that problems of human resources should, however, be given a high priority, along with strategic issues, to increase the likelihood of a successful combination.*

*Vast literature has been reviewed across the geographies and industries on this topic to assess the impact. It has been observed that the study so far has been majorly focused on US banking industry. However there have been studies from the human resource perspective but Indian subcontinent related and moreover Information Technology (IT) related study and its relationship from HR perspective have not been studied.*

**Keywords-** Mergers and Acquisitions, Literature review, Impact on HR, Gap Analysis, HR outcomes

## I. INTRODUCTION

As per NASSCOM's 'Strategic Review 2010' report, the global IT products and services related spending reached US\$ 1.5 trillion in 2009 (FY10). This was a decline of 2.9% over 2008. The global hardware market was hit worse than software or service markets as a result of the changing economic outlook, with almost 8% decline during the year. The Indian IT/ITES industry earned revenues of around US\$ 73 bn during FY10. Out of this, the IT software and services industry accounted for US\$ 64 bn, with the rest coming for ITES. The global IT services market is expected to grow by 2.4% in 2010, and 4.2% in 2011 as companies coming out of recession harness the need for IT to create competitive advantage

A cautious economic environment and the fact that big IT buyers are leaning toward consolidation of vendors have helped fuel merger and acquisition activity. Merging with or acquiring another company are no easy task and each enterprise will have a myriad of business rationales to justify such a major undertaking.

### *Mergers and Acquisitions:*

An entrepreneur may grow its business either by internal expansion or by external expansion. In the case of internal expansion, a firm grows gradually over time in the normal course of the business, through acquisition of new assets, replacement of the technologically obsolete equipments and the establishment of new lines of products. But in external expansion, a firm acquires a running business and grows overnight through corporate combinations. These combinations are in the form of mergers, acquisitions, amalgamations and takeovers and have now become important features of corporate restructuring. They have been playing an important role in the external growth of a number of leading companies the world over. They have become popular because of the enhanced competition, breaking of trade barriers, free flow of capital across countries and globalization of businesses. In the wake of economic reforms, Indian industries have also started restructuring their operations around their core business activities through acquisition and takeovers because of their increasing exposure to competition both domestically and internationally.

Mergers and acquisitions are strategic decisions taken for maximization of a company's growth by enhancing its production and marketing operations. They are being used in a wide array of fields such as information technology, telecommunications, and business process outsourcing as well as in traditional businesses in order to gain strength, expand the customer base, cut competition or enter into a new market or product segment.

## II. LITERATURE REVIEW

An extensive literature is being reviewed to understand the effects of Mergers & acquisitions and to find the gaps in existing studies, which is listed as follows:

Research paper topic	Author	Period	Description	Outcome
Mergers & Acquisitions in India: With specific reference to Competition law	Nishith Desai Associates, India- Karthik Ganapathy, Nishchal Joshipura, Sangeeta Rana & Rohini Agarwal, India	2010	The research paper touched upon the different laws with a view to educate the reader of the broader areas of law for mergers and acquisitions.	Mergers and acquisitions are powerful indicators of a robust and growing economy. The legal framework for such corporate restructuring must be easy and facilitative and not restrictive and mired in bureaucratic and regulatory hurdles. The report has recommended that legal recognition to 'contractual merger' can go a long way in eliminating the obstructions to mergers in India.
Comparison of post merger performance of acquiring firms (India) involved in domestic and cross border acquisitions	Munich personal RePEc Archive - Siddharth Saboo (Bocconi University, Milano, Italy) & Sunil Gopi (IIM, Kozhikode, India)	2009	This research study was aimed to study the impact of mergers on the operating performance of acquiring firms by examining some premerger and post merger ratios of these firms for domestic and international acquisitions.	The study was undertaken to test whether the type of acquisition i.e. domestic or cross border has different effect on the performance of the acquiring firm. The type of acquisition does seem to play an important role in the performance of the companies and it does make a difference.
Impact of Culture on mergers and acquisitions: A theoretical framework	Mohibullah, Lecturer City university of Science and information technology, Peshawar, Pakistan	2009	Factors based on previous literature, four main issues related to cultural clashes are highlighted: ambiguity and cultural problems within the merged entity, proper management of cultural integration, acquisition and org. culture & improper acculturation process among the merged organizations	Organizations need to develop a system before integration, which must encourage proper communication among employees from top to downwards. This approach will lead to decrease the severity of ambiguities found among the employees during the integration process
The Value effects of Bank mergers & acquisitions	Steven J. Pilloff & Anthony M. Samtomero, The Wharton School - University of Pennsylvania, USA	1997 - 2007	The banking industry has experienced an unprecedented level of consolidation on a belief that gains accrue through expense reduction, increased market, power reduced earnings volatility, and scale and scope economies. The paper then seeks to address alternative explanations and reconcile the data with continued merger activity.	Empirical evidence indicates clearly that on average there is no statistically significant gain in value or performance from merger activity. Market is unable to accurately forecast the ultimate success of individual mergers
Successfully managing international mergers and acquisitions: A descriptive framework	Daniel Rottig, Kaye college of business, Florida, USA	2007	This research paper identified key difficulties that may cause the high failure rates of cross border mergers and	Five C's framework: Successful cultural Combination is determined by Cultural due diligence, cross cultural Communication, Connection and Control

			acquisitions and develops a typology of strategies to facilitate the management of these problems	
Mergers in Indian Banking: An analysis	M Jayadev, IIM Bangalore & Rudra Sensarma, Birmingham business school, UK	2007	This paper analyzed some critical issues of consolidation of Indian banking (1993 - 2007) with particular emphasis on the views of two important stakeholders - shareholders and managers.	The trend of consolidation of Indian banking industry has so far been limited mainly to restructuring of weak banks and harmonization of banks and financial institutions. HR issues: 90% of banks have rated that human resource function is the most complicated organizational issue in mergers.
Why do mergers fail? What can be done to improve their chances of success	Rita Salame (Key Strategy), London school of economics, UK	2006	Studies indicate that 60% to 80% of all mergers are financial failures when measured by their ability to outperform the stock market to deliver profit increase - many studies are pointing to the neglect of HR issues as main reason for M&A failures.	Although it seems that Senior executives realize the importance of HR issues in the success or failure of mergers, they are not doing enough to encourage the involvement of HR teams & employees in M&A process
Planning for a successful merger or acquisition: Lessons from an Australian study	Jarrod Mcdonald & Max Coulthard (Monash University) and Paul de Lange (RMIT University), Australia	2005	This study used semi structured interviews to identify the link between corporate strategic planning and M&A strategy, examine the due diligence process in screening a merger or acquisition and evaluate previous experience in successful M&A's	This exploratory study examined the planning process needed to achieve M&A success. It investigated the link between corporate strategic planning & M&A strategy, the due diligence process used to screen targets and the impact of experience on the success of M&A's. Over emphasis on financial issues.
A Corporate's responsibility to employees during a merger: organizational virtue and employee loyalty	Rosa Chun, professor of business ethics and social responsibility, Manchester business school, UK	2009	The purpose of this paper was to explore how employee views of the merged organization differ by their pre-merger background and to explain the impact of the poorly perceived organizational virtue on employee's emotional response to the merged organization including satisfaction, emotional attachment, job security and loyalty.	The two major findings were: first perceptions of organizational empathy, warmth and conscientiousness were strongly correlated with employee loyalty, perceived job security, satisfaction and emotional attachment. Second, company background prior to the merger had a contrary effect to that expected from existing literature; employees from the acquiring companies had more negative feelings towards the merged organization.
The impact of M&A experience on strategic HRM practices and organizational effectiveness: evidence from Greek firms	Irene Nikandrou and Nancy Papalexandris, Athens University of Economics and Business	2007	This article has contributed to identifying what successful companies with M&A experience are doing in their management of people. Also to identify strategic HR Practices that differentiate top performing from non-top performing companies with	The research confirmed that significantly different strategic HRM Practices are adopted by successful companies. Handling HR issues during the integration process is a hard and complex task that can enrich HR Practices and contribute positively to the company's results.

			full integration three years after acquisition. And To explore whether or not successful companies that engage in domestic and cross border acquisitions are different in their strategic HR practices.	
Mergers & Acquisitions: Understanding the role of HRM	Craig W. Fontaine, Northeastern University, UK	2007	It shows that 65% of mergers and acquisitions that fail because of people issues - cultural issues, communication issues and so forth. Historically HR has no seat on the table of mergers process.	Best practices checklist for HR professionals while involved on mergers and acquisitions - Leadership, transition team, structure and all along communication at all levels are key elements.
The Human side of mergers & acquisitions: A look at the evidence	Pablo Maran (Talca University, Chile) & Christine Panasian (Texas Tech University, USA)	2005	This paper surveys strategic literature on human resources role in the process of M&A. M&A are disruptive events in the lives of employees involved & they lead to increased stress and uncertainty , dysfunctional outcomes.	Even though it is difficult to isolate the relative contribution of each factor to the success of M&A, it is apparent that organizational and human resource issues have not received in practice the level of attention that they should.
Leading through transition: Perspectives on the people side of M&A	Eilen Fernandes, John Fiore & Kevin Knowles - Deloitte Consulting, USA	2004	This compendium is intended to provide company leaders with a deep dive into the human capital complexities you are likely to face during an M&A transaction. The articles explore many of the common people-related integration challenges and offer recommendations for how to approach these situations to meet your organizations specific needs.	Financial remuneration during the time of M&A can be important & is usually expected. Organizations & managers should take tangible steps to improve employee commitment & employee retention by providing additional support
Human resource planning for mergers and acquisitions: Preparing for the "people issues" that can prevent merger synergies	Andrew O. Manzini & John D. Gridley, Ebasco services, Newyork, USA	1985	This article discusses the personnel problems that can undermine corporate mergers. It recommends ways in which human resource professionals can avoid or lessen these problems through pre-merger analyses and planning.	Adopt a proactive HR Planning position. Too often human resource planners are dominated by negative reactions to a merger. Especially in companies being acquired, HR planners feel that the decisions are "out of our hands", and that the kinds of analysis and comparative data gathering recommended here will not influence either the merger itself or policies in the new organization.
Managing Human Resources in Mergers and Acquisitions	<a href="#">Teresa A. Daniel, J.D.</a> ( <a href="http://www.insideout.bz">www.insideout.bz</a> )	December-10	This article focuses on the management of human resources in the process of mergers and acquisitions (M&As). It describes the typical phases of an M&A and HR's role during	Incompatible cultures, management styles, poor motivation, loss of key talent, lack of communication, diminished trust and uncertainty of long-term goals.

			different phases of the M&A process. The article also discusses the business case for HR's involvement throughout the M&A process and highlights communications, technology, outsourcing and global issues related to M&As.	
July 2000: The Human Resource Perspective in Mergers and Acquisitions: Non-Benefits Issues	Linda S. Johnson (www.shrm.org)	July-00	The purpose of this article is to discuss the critical human resource issues that should be considered when businesses are purchased or sold.	Human resource professionals can play a critical role during the due diligence process involved in a merger or acquisition. Beyond their traditional role as a contributor in the review, evaluation and integration of employee benefit plans, they can also assist in the planning of workforce needs in terms of numbers of employees and job functions, and in the assessment and management of legal liabilities such as harassment, discrimination and leave law claims. A key to the positive integration of the workforces and successful merging of the corporate cultures is communication from human resources to the employees about what is happening to them. The due diligence checklist for human resource professionals can assist human resource professionals in this process and in understanding and planning for the issues to be addressed in a merger and acquisition. Careful planning and early involvement of human resource professionals in the merger or acquisition process can go a long way toward maximizing the potential for success.
Mergers, Acquisitions and Divestitures: The Impact on HR Outsourcing	Joanne Sammer and Stephen Miller	September-05	"Mergers and acquisitions [M&As] tend to wreak havoc on human resources in any company," says Elio Evangelista, senior research analyst with Cutting Edge Information, a research and consulting firm based in Durham, N.C. The trouble is, HR in general and HR outsourcing specifically are often not given enough consideration before, during and after the deal is done.	Existing outsourcing arrangements on the part of each organization involved in a merger or acquisition. The contractual issues involved in each arrangement. The ease of data transfer among different outsourcing vendors. The feasibility of continuing any existing outsourcing arrangements in the new company.

<p>The HR function in large-scale mergers and acquisitions: the case study of Nordea</p>	<p>Ingmar Björkman INSEAD, Fontainebleau, France and the Swedish School of Economics, Helsinki, Finland, and Anne-Marie Søderberg Copenhagen Business School, Copenhagen, Denmark</p>	<p>December-06</p>	<p>The paper aims to report on an in-depth study of the merger and acquisition processes involved in the creation of the leading financial services corporation in the Nordic countries: Nordea. The purposes are, first, to describe the roles played by the HR function and examine the effects of the roles enacted by the HR function on how the workforces were managed and integrated in the post-merger processes; second, to analyze issues influencing the changing roles played by the HR function in Nordea during the merger processes.</p>	<p>First, from the initial merger negotiations processes onwards there is little evidence of top management having high expectations of any strategic contribution of the HR function. As a consequence, the HR function was not invited to play any central role in the post-merger integration process. Second, it was clearly difficult to identify one way in which to organize the HR function and its work so as to satisfy the demands and expectations both of different cross-border business areas and business units. Third, the merger situation itself seems – at least during the initial phase of post-merger integration – to have diverted the attention of the HR managers from the function’s potential contribution to the strategic development of the rest of the organization to decisions concerning how to organize their own work. Fourth, when more significant changes were initiated in the HR organization in 2001 and further developed during 2002, models were sought from the outside.</p>
<p>HR as business partner during mergers &amp; acquisitions</p>	<p>Uday Bhaskar - Assistant Professor of Human Resource Management, International Management Institute, New</p>	<p>January-12</p>	<p>The key to success is to get HR involved early in M&amp;A</p>	<p>Before the merger, The hard aspect involves analyzing employee compensation, including bonuses, severance liabilities, pensions, health care reimbursements and so on. The real challenge, though, is analyzing such soft aspects as culture, decision-making styles, performance differentiation and organizational values. HR needs to examine the target organization in terms of employees’ skills, capabilities, engagement with the organization, employment contracts, total rewards, termination payments and benefits. After the merger - cultural differences &amp; organizational culture is a major challenge</p>
<p>HR aspects of a takeover: part 3; Ferraris and Limousines – tales from the cultural body shop</p>	<p>Mike Burns, Adrienne Rosen London, UK</p>	<p>January-97</p>	<p>The last in a series of three articles which deal with the human resources aspects of mergers and acquisitions, with reference to a particular transaction in the international financial services sector</p>	<p>The issue of cultural synthesis, including the eradication of political infighting, was in fact one of the most important issues on which the HR function was expected to advise.</p>
<p>HR’s role in mergers and acquisitions</p>	<p>Karen Lindquist</p>	<p>April-07</p>	<p>Karen Lindquist, director at MCE, discusses the opportunities for HR to act as a strategic partner during</p>	<p>The earlier the involvement, the better - HR’s lack of business understanding, whether real or perceived by senior management, means that HR is often not</p>

			mergers and acquisitions.	invited into the due diligence process at the beginning of a deal. Relevant hard measurements for cultural due diligence, alignments or misalignments in values and behaviors, and financial data on human capital costs and liabilities are significant considerations for deciding whether to make an approach in the first place, for price negotiations as well as post-deal restructuring.
Human resources management A success and failure factor in strategic alliances	Bartolome´ Marco Lajara, Francisco Garcí'a Lillo and Vicente Sabater Sempere Business Management Department, University of Alicante, Spain	July-02	The aim of the study is to synthesize the main aspects associated with human resources and their influence on the success or failure of strategic alliances. With this purpose, and starting from the strategic process of co-operation, we analyzed the role played by such variables as the management and leadership system, and the corporate culture or human resources practices in general in the formulation and implementation of an agreement. The study was carried out both from the perspective of the co-operating firm and from the alliance's point of view. It also considers the particular characteristics of international alliances and its influence on the human resources management & corporate culture	Human and cultural aspects alone can decide the success or failure of an alliance, which leads us to think about the need to know its influence along the collaborative process and, therefore, the need for employers to be trained along these lines, two aspects that we see as key elements to take advantage of these agreements' whole potential.
Understanding employee level dynamics within the merger & acquisition process	Todd Creasy - Gordon Ford College of Business, Western Kentucky University, Kentucky, USA; Michael Stull - College of Business and Public Administration, California State University San Bernardino,	December-09	Given the challenge companies face in combining organizations in the merger and acquisition process, this article presents a model that explores the potential determinants of success in the company blending (acculturation) process. The model examines the effect of employee-level factors and perceptions of managerial behaviors during the M&A process. The authors tested for managerial guided, direct and indirect impacts on employee-level dynamics (job satisfaction and	Perceived management competence, Procedural justice, Cultural discontinuity, employee identification & perceived organizational support

	California, USA; Sinnon Peck - Weatherhead School of Management, Case Western Reserve University, Cleveland, Ohio, USA		organizational citizenship behaviors) which are believed to affect the successful co-mingling of two previously independent organizations. Lastly, attention is drawn to the importance of management's perceived competence and procedural justice toward employee-level factors.	
People management in mergers and acquisitions in Sri Lanka: employee perceptions	Wathsala Wickramasinghe* and Chandana Karunaratne - department of Management of Technology, University of Moratuwa, Moratuwa, Sri Lanka; bNDB Limited, Colombo, Sri Lanka	March-09	The findings revealed that the employee perceptions are affected by the type of the merger and employees are less satisfied in the collaborative merger than in the extension merger. Further, findings revealed that age, gender, and marital status influence the perceptions of the respondents and among that age is the most influential. Thus, the impact on HR and other practices in an extension merger is likely to be low (Napier 1989). On the other hand, from an HR perspective, collaborative mergers are the most difficult to be implemented, since the acquiring firm already has expertise in the business operations and will act to consolidate the two firms to avoid redundancy and become more cost-effective. Downsizing and voluntary layoffs usually recede, or immediately follow, the merger (Pikula 1999).	1) the level of satisfaction employees have with the information received; 2) communication consequences; 3) employee expectations following the merger; 4) the actual situation employees experience following the merger; 5) consequences following the merger; 6) The level of satisfaction employees have with the involvement of the HR department in the merger.

### III. GAP Analysis – What has not been covered in previous research on this topic?

Based on the above review, following top seven gaps are identified:

**Premerger / Post-merger**

**A complete end to end research for HR parameters for Premerger and post-merger is not done. It is always either of it or some general guidelines**



<b>Revenue loss</b>	<b>No variables that could identify the revenue loss due to lack of attention on HR / People aspects in M&amp;A – like attrition loss, intellectual property loss and its affect on work / delay, communication delay loss</b>
<b>Communication</b>	<b>No framework of communication channel is made that could give guidelines for effective communication in M&amp;A success</b>
<b>Role of HR</b>	<b>There is no guide available for the actual role of HR in M&amp;A.</b>
<b>Indian subcontinent perspective</b>	<b>The Indian perspective is completely missing. The fact that very high volume of M&amp;A are being done by Indian companies – no research highlights this subcontinent perspective or kinds of issues</b>
<b>Successful vs. Unsuccessful HR Practices</b>	<b>There is no clearly identified HR practice that leads to successful mergers or have lead to unsuccessful mergers and acquisitions.</b>
<b>Control mechanisms</b>	<b>The past studies show that HR never had the say in the decision making of any M&amp;A – however even if happens the control mechanisms are not in place</b>

**IV. Significance of proposed Study:**

**Past Studies /no focus**

*It is evident from the research done across the globe (From Australia to India to Europe to US) – there is no complete focus or outcome coming out for HR issues and importance in M&A*

**Indian IT industry**

*There has been no focus on IT industry based in India. The mergers and acquisitions has been increasing in this sector ever since year 2000 – but no research has been able to capture the crux*

**HR functions in IT**

*The HR functions in IT industry which deals with much high volume of people and most impacted – their voice is ignored*

**Market conditions**

*Although the research on HRM aspect have been conducted in the past, the market conditions have changed in the last decade – with reverse mergers – India taking on international M&A*

**Global trends**

*The global trends of M&A have been changing since last 5 years due to varied market conditions. A comparison to it with India and its adaptability functions*

Cost

The cost of lack of attention on HR parameters – like intellectual property loss due to attrition, training costs, communication gaps and overall relationship with the financial loss of it.

### V. Discussion and Conclusion

To maximize chance of success, it is important to understand the levels of support and resistance in an organization: 20% have the Drive; 20% resist & 60% are the undecided majority who support or observe. *Both sides (Drive & Resist) try to influence the 'undecided' to move to their side - it's a delicate balance*

*Resistance occurs:* Losing his or her job; Change in job role; Knowledge of what future holds and his or her place in the organisation; Lack of understanding of where you are going and why; Lack of career or financial advancement; Possible damage to relationships with his or her superiors; Territory threat; Loss of credibility or reputation; Embarrassment/loss of self-esteem; Fear of the unknown; Threat to familiar contacts: customers, colleagues, managers, group membership.

*Issues:* Understanding human resources issues in mergers is important for several reasons. First, until very recently, much of the available information on human resource impacts was dated (Kitching, 1967; Leighton and Tod, 1969; Mace and Montgomery, 1962; Stewart, Wingate and Smith, 1963). Second, although the topic is increasingly studied by researchers, much of the information on mergers and their impact is anecdotal or unrelated to theory and thus cannot be applied broadly (Sinetar, 1981). In addition, there is criticism (Paine and Power, 1984) of generally accepted approaches to planning for and implementing mergers and acquisitions (Drucker, 1982). Finally, while the finance literature provides some theoretical direction on the motives or causes for mergers (Jensen and Ruback, 1983), there is little in the way of conceptual frameworks or theory differentiating mergers and how they affect human resource issues (Shanley, 1988). There is a need, therefore, for more systematic investigations and better understanding of the impact of mergers.

*Policies & Practices:* The typology suggests that planned degree of integration will influence the type and extent of change in human resource practices in each firm. The existing literature suggests that mergers and acquisitions may lead to changes in one or both firms in the major human resource policy areas such as human resource planning, selection, development, compensation, performance appraisal and employee relations (Bradley and Korn, 1984; Pritchett, 1985).

*Outcomes:* There is widespread anxiety and stress (Ivancevich *et al.*, 1987; Marks and Mirvis, 1985; Wishard, 1985), concern about job security (Mace and Montgomery, 1962), fear of decline in status or career prospects (Stewart *et al.*, 1963), and feelings of being 'sold out' (Blake and Mouton, 1985). One of the most common reactions is a sense of loss, both in a general sense and the specific loss of control over one's career, autonomy, and organizational identity. Some researchers liken this sense of loss to the grieving associated with death (Mirvis, 1985; Sinetar, 1981). Other studies report an increase in unproductive work time and greater turnover and absenteeism (Hayes, 1979; Cabrera, 1982). Part of the problem may also stem from such employee expectations as the timing of the merger (Napier *et al.*, forthcoming) and the severity and nature of change (Bowditch and Buono, 1987; Schweiger and DeNisi, 1987). Positive outcomes include greater job satisfaction, improved scope and variety of work, increased status, prospects for promotion, compensation, and more job security in a larger firm (Graves, 1975; Sinetar, 1981).

Based on the detailed literature review, research can be conducted particularly HR issues, HR outcomes & HR policies and a model can be proposed wherein:

*HR Issues:* This relates to the real HR issues that the employees face. Typical issues relate to culture and values, organization structure, communication etc. Communication becomes the key and is good if it is in the form of email, formal letters of policies, road shows, meetings and in some cases face to face interactions definitely will help not only the function but the employees to get a smooth alignment without being pressurized and getting the feeling of being bossed around.

*HR Outcomes:* Typical HR outcomes are job satisfaction, job security, work conditions, performance management and the feel good factor typically if a larger organization takes over a smaller firm (in terms of financial assets & brand value) – the overall increased status and adjusting to the new organization culture – considering these generally differ in every organization – are the parameters to study for.

*HR Policies:* The HR policies have a direct impact on the individual employee as they can relate immediately on the pre and post merger scenarios. Typically policies on Compensation, Vacation, Termination, Medical, Bonus, Transfers, Business travel, Training, Insurance & attendance. Particularly the appraisal process which then leads to promotions, salary revisions or bonus payouts.

### VI. Future Scope of Study

In future, a descriptive study can be taken up to validate the hypotheses. The scope of existing study is limited to the fact that the research will be conducted with only those individuals who had been through the entire lifecycle of merger / acquisition and probably found them good enough or they waited on to see how things shape up. As otherwise the other research conducted so far on this topic indicate that many ~20% of the workforce of the child company resigns even before the

integration activities are completed. May be they were too feared of the fact of post integration era and has minimal confidence level on the leadership.

## REFERENCES

- [1] Nishith Desai Associates, (2010), "Mergers and acquisitions in India (with specific reference to competition law)", [www.nishithdesai.com](http://www.nishithdesai.com), February 2010.
- [2] Saboo, Siddharth and Gopi, Sunil Bocconi University Milano Italy, (December 2009), "Comparison of Post-Merger performance of Acquiring Firms (India) involved in Domestic and Cross-border acquisitions", Indian Institute of Management Kozhikode, Munich Personal RePEc Archive
- [3] (Online at <http://mpra.ub.uni-muenchen.de/19274/> MPRA Paper No. 19274, posted 13. December 2009 / 13:07)
- [4] Mohibullah, (2009), "Impact of Culture on Mergers and Acquisitions: A Theoretical Framework", *International Review of Business Research Papers*, Vol.5 No. 1 January 2009 Pp. 255-264
- [5] Pilloff, Steven.J, Santomero, Anthony.M (1997-2007), "The value effects of bank mergers & acquisitions", The Wharton school, University of Pennsylvania.
- [6] Rottig, Daniel, (2007), "Successfully Managing International Mergers and Acquisitions: A Descriptive Framework", The journal of the AIB-SE, USA, *International Business: Research Teaching and Practice* 2007 1(1).
- [7] Jayadev, M & Sensarma, Rudra, "Mergers in Indian Banking: An Analysis", Indian institute of management, Bangalore & Birmingham Business school, University of Birmingham.
- [8] Jarrod McDonald, Max Coulthard, and Paul de Lange (2005), "PLANNING FOR A SUCCESSFUL MERGER OR ACQUISITION: LESSONS FROM AN AUSTRALIAN STUDY", *Journal of Global Business and Technology*, Volume 1, Number 2
- [9] Chun, Rosa (2009), "A corporate's responsibility to employees during a merger: organizational virtue and employee loyalty", Emerald Group Publishing Limited, ISSN 1472-0701, VOL. 9 NO. 4 2009, pp. 473-483
- [10] Nikandrou, Irene and Papalexandris, Nancy, "The impact of M&A experience on strategic HRM practices and organizational effectiveness: evidence from Greek firms", *Athens University of Economics and Business, Human Resource Management Journal*, Vol 17, no 2, 2007, pages 155–177
- [11] Fontaine, Craig W. (2007), "Mergers & acquisitions: understanding the role of HRM", Human resource management knowledge base, Northeastern University, college of business administration (July 2007).
- [12] Moran, Pablo & Panasian, Christine (2005), "The human side of mergers and acquisitions: A look at the evidence", No. 01 Año 3 Enero 2005
- [13] Deloitte, "Leading through Transition: Perspectives on the people side of M&A", Deloitte consulting LLP, 2010.
- [14] Manzini, Andrew O. and Gridley, John D., "Human Resource Planning for Mergers and Acquisitions: Preparing for the "People Issues" That can Prevent Merger Synergies", *Human resource planning*, Ebasco, Volume 9, Number 2, Chapter 2, 51-57.
- [15] Daniel, Teresa A. (2010), "Managing human resources in mergers & acquisitions", *SHRM, Business leadership discipline*, December 2010.
- [16] Johnson, Linda S.(2000), "The Human Resource Perspective in Mergers and Acquisitions: Non-Benefits Issues", *SHRM*, July 2000.
- [17] Sammer Joanne and Miller Stephen (2005), "Mergers, Acquisitions and Divestitures: The impact on HR Outsourcing", *SHRM*, September 2005.
- [18] Ingmar Björkman, Anne-Marie Söderberg, (2006), "The HR function in large-scale mergers and acquisitions: the case study of Nordea", *Personnel Review*, Vol. 35 Iss: 6 pp. 654 - 670
- [19] Uday Bhaskar, (2012), "HR as business partner during mergers and acquisitions: The key to success is to get involved early", *Human Resource Management International Digest*, Vol.20 Iss: 2 pp. 22 – 23
- [20] Mike Burns, Adrienne Rosen, (1997), "HR aspects of a take-over: part 3; Ferraris and limousines – tales from the cultural body shop", *Career Development International*, Vol. 2 Iss: 5 pp. 219 – 224
- [21] Karen Lindquist, (2007), "HR's role in mergers and acquisitions", *Strategic HR Review*, Vol. 6 Iss: 3 pp. 3- 3
- [22] Bartolomé Marco Lajara, Francisco García Lillo, Vicente Sabater Sempere, (2003), "Human resources management: A success and failure factor in strategic alliances", *Employee Relations*, Vol. 25 Iss: 1 pp. 61 - 80
- [23] Creasy, Todd, Stull Michael and Peck, Simon, "Understanding employee level dynamics within the merger and acquisition process", *Journal of general management*, Vol.35 No.2, winter 2009/10 pp. 21-42
- [24] Wickramasinghea, Vathsala and Karunaratne, Chandana, "People management in mergers and acquisitions in Sri Lanka: employee perceptions", *The International Journal of Human Resource Management*, Vol. 20, No. 3, March 2009, pp. 694–715

- [25] Napier, N.K. (1989), 'Mergers and Acquisitions, Human Resource Issues and Outcomes: A Review and Suggested Typology,' *Journal of Management Studies*, 26, 3, 271-288
- [26] Pikula, D.A. (1999), 'Mergers and Acquisition: Organizational Culture and HR Issues,' *Current issues series*, Industrial Relations Centre, Queen's University, Kingston, Ontario, Canada.
- [27] Harrison, Roger, "Types of Organizational Cultures", Cartwright and Cooper 1992, 58-68
- [28] Archer, Dan (October 2007), "Mergers and acquisitions: change, culture and the "leaderful" organization", Leadership Trust, UK
- [29] IVANCEVICH, J. M., SCHWEIGER, D. M. and POWER, F. R. (1987). 'Strategies for managing human resources during mergers and acquisitions'. *Human Resource Planning Journal*, 10, 1, 19-35.
- [30] MARKS, M. L. and MIRVIS, P. (1985). 'Merger syndrome: stress and uncertainty'. *Mergers and Acquisitions*, 20, 2, 50-5
- [31] WISHARD, B. J. (1985). 'Merger - the human dimension'. *The Magazine Bank Administration*, 61, 6, 74-9.
- [32] MAGE, M. L. and MONTGOMERY, G. G. (1962). *Management Problems of Corporate Acquisitions*. Boston: Harvard University.
- [33] STEWART, R., WINGATE, P. and SMITH, R. (1963). *The Human Effects of Mergers: The Impact on Managers*. London: The Acton Society Trust
- [34] BLAKE, R. R. and MOUTON, J. S. (1985). 'How to achieve integration on the human side of the merger'. *Organizational Dynamics*, 13, 3, 41-56
- [35] SINETAR, M. (1981). 'Mergers, morale and productivity'. *Personnel Journal*, 60, 11, 863-7.
- [36] HAYES, R. H. (1979). 'The human side of acquisitions'. *Management Review*, 41-6.
- [37] CABRERA, J. C. (1982). 'Takeovers. . . the risks of the game and how to get around them'. *Management Review*, 71, 11, 17-21.
- [38] NAPIER, N. K., SIMMONS, G. and STRATTON, K. (forthcoming). *Communication during a merger: experience of two banks*. *Human Resource Planning*
- [39] BOWDITCH, J. L. and BUONO, A. F. (1987). 'Great expectations: when the hopes for a better life following a merger turn sour'. *National Academy of Management*, New Orleans.
- [40] SCHWEIGER, D. M. and DENISI, A. S. (1987). 'The effect of a realistic merger preview on employees: a longitudinal field experiment'. *National Academy of Management meeting*. New Orleans.
- [41] GRAVES, D. (1975). 'Individual reactions to a merger of two small firms of brokers in the re-insurance industry: a total population survey'. *Journal of Management Studies*, 18, 1, 89-113.
- [42] BRADLEY, J. W. and KORN, D. H. (1984). 'The changing role of acquisitions'. *Journal of Business Strategy*, 2, 4, 30-42.
- [43] PRITCHETT, P. (1985). *After the Merger: Managing the Shockwaves*. New York: Dow-Jones
- [44] KITCHING, J. (1967). 'Why do mergers miscarry?' *Harvard Business Review*, 45, 2, 84-101.
- [45] PAINE, F. and POWER, D. J. (1984). 'Merger strategy: an examination of Drucker's five rules for successful acquisitions'. *Strategic Management Journal*, 5, 1, 99-110.
- [46] DRUCKER, P. F. (1982). 'Why some mergers work and many more don't'. *Forbes*, 129, 2, 34-46.
- [47] JENSEN, M. C. and RUBACK, R. S. (1983). 'The market for corporate control'. *Journal of Financial Economics*, 11, 1, 5-50.
- [48] SHANLEY, M. T. (1988). 'Reconciling the rock and the hard place: Management control versus human resources accommodation in acquisition integration'. Working paper, University of Chicago.

**Websites:**

- [1] [www.nasscom.com](http://www.nasscom.com) - NASSCOM's 'Strategic Review 2010' report
- [2] [www.bcg.com](http://www.bcg.com) - Trends in post merger integration - Powering up for PMI - making the right strategic choices.