Project Dissertation

HR issues in Mergers and Acquisitions

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CERTIFICATE

This is to certify that Project Dissertation titled **"HR Issues in Mergers and Acquisitions"** is a bonafide work carried out by **Shreya Gupta** of MBA 2015-17 and submitted in partial fulfillment of the requirement for the award of degree **MBA of DSM, DTU**. It is a record of the candidate own work carried out by her under my supervision. The matter embodied in this report is original and has not been submitted for the award of any other degree.

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Date:

Place:

DECLARATION

I, Shreya Gupta, student of MBA 2015-17 batch of Delhi School Of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Project Dissertation titled **"HR Issues in Mergers and Acquisitions"** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

This information and data given in the report is the authentic to the best of my knowledge.
This Project Dissertation is not being submitted to any other University for award of any other Degree, Diploma and Fellowship.

Place: Shreya Gupta

Date:

ACKNOWLEDGEMENT

Every project big or small is successful largely due to effort of a number of wonderful people who have always given their valuable advice or lent a helping hand. I sincerely appreciate the inspiration; support and guidance of all those people who have been instrumental in making this Project Dissertation a success.

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I owe special debt of gratitude to my guide and supervisor Mr. Sahil Malik**,** for his constant support and guidance throughout the course of my work. I perceive this opportunity as a big milestone in my career development. I will do my best to use gained skills and knowledge in the best possible way and I will continue to work on their improvement, in order to attain desired career objectives.

Sincerely,
SHREYA GUPTA

EXECUTIVE SUMMARY

In the case of mergers and acquisitions (M&A), failures and supportability does not lie exclusively on market and monetary execution. HR is an integral part of M&A and hence its role should not be undermined. Many models of HR had been proposed earlier which cannot be fully implemented everywhere as the culture, structure and procedures of every firm and industry is different so no model can be implemented fully.This examination evaluates diverse cases from both Indian and international context from various industries in which business extensions were fruitful or potentially unsuccessful as an immediate after effect of HR. The exploration closes by proposing a model which will make the transformation from different phases easier. The study talks about the HR roles and functions in M&A and how it can increase the chances of a successful M&A. This is a secondary research where data has been taken from several sources for analysis.

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CHAPTER 1

1. INTRODUCTION

Mergers and acquisitions (M&A) are an undeniably prominent other option to greenfield ventures and vital partnerships as a vehicle for internationalization. The development in mergers and acquisitions in the worldwide commercial centre amid the most recent decade was uncommon. Many organizations today, keeping in mind the end goal to survive and develop, need and need to be productive, adaptable, versatile, and have a prevailing business sector position. (Schuler, 2001) Without these qualities, firms trust that is basically difficult to be aggressive in today's worldwide economy. In a few ventures, for example, protection or saving money, firms may move into new markets. In others for example, pharmaceuticals or programming innovation, firms may work with littler firms that have created or are growing new items that they can make as well as convey all the more effectively, while different firms concentrate all alone inside development, administration and advancement. (T.J. and Herndon, 1999) Notwithstanding the business, in any case, it gives the idea that it has progressed toward becoming progressively troublesome in our worldwide condition for firms to rival others without developing and growing through arrangements that outcome in mergers or acquisitions. (Evans, 2002) The most basic perspective prompting achievement or disappointment of mergers and acquisitions (M&As) is individuals related – this is customary way of thinking made by endless studies and sound judgment. Sadly, this has not been changed over into activities what's more, practices with regards to really doing M&As and how to deal with parts of "individuals issues" stays a standout amongst the most troublesome undertakings to achieve effectively. There are various reasons why the test of inspiration and maintenance of key individuals is so hard to ace. Above all else, harm to trust and inspiration is frequently as of now done before the arrangement is shut. (Jackson) Amid the begin of a business procedure or arrangements bits of gossip begin spreading and are counterproductive as to inspiration and maintenance. Speed has regularly been recognized as a key calculate M&As, however it is difficult to adapt to. Furthermore, recognizing key individuals and different representatives that ought

to be kept is hard, on the off chance that it must be done rapidly and productively. Next, it is vital to get the outline of the bundles and projects right that ought to be offered to motivate and retain representatives. There are many pitfalls in deciding which employees to retain and whom nots to and it should be done keeping in line with the strategies of the organisation . Along these lines many organizations (and in addition the various partners of the organizations included) appear to be gone up against with the need to do mergers and acquisitions effectively, yet the chances of doing as such are generally low. Yes, mergers helps, yet it is evident from the experience that by all accounts it is critical. By and large, what mergers seem to propose is that organizations that have an orderly way to deal with arrangement are successful. Fundamental this fruitful approach is the acknowledgment of the requirement for regard for some individuals issues (otherwise known as, human capital) that exist all through the phases of mergers and acquisitions. The motivation behind this paper is to express a methodical, individuals arranged approach for adequately doing mergers and acquisitions, from starting to coordination and post-joining. We start by recognizing the sorts of mergers , acquisitions, the purposes behind their success and disappointments, and the many individuals issues included, the part of HR in mergers and acquisitions. At that point a three-part model is portrayed where the means that would be taken to overcome the resistance of the workers and rolling out them ,OK with the improvements is taken. This is trailed by an outline of suggestions for organizations, representatives, unions and society. (Deogun, 2001)

1.1 Mergers and Acquisitions

It is the M&A that are the mixes that have the best mix for size of venture, control, coordination necessities, agonies of partition, and individuals, administration issues. (Doz, 1998) .With our attention on mergers and acquisitions, it is essential to recognize them. In a merger, two organizations

combine and make another idendity. In an acquisition, one organization purchases another and makes it in line with the acquirer's needs. (Hamel, 1991)

Reasons for Mergers and acquisition

There are various purposes behind organizations to combine or gain.

- Mergers for market predominance; economies of scale.
- Mergers for channel control.
- Mergers for hazard spreading, cost cutting, cooperative strength
- Growth for world class initiative and worldwide reach.
- Survival; minimum amount; deals amplification.
- Acquisition of money, conceded charges, and abundance obligation limit.
- Move rapidly and cheaply.
- Flexibility; use.
- Bigger resource base.
- Able to innovate more.
- Financial strength and individual power.
- Gaining a stability and strength to accomplish more mixes.
- Acquiring ability, information, and innovation.

Reasons for failures of Mergers and acquisition

Mergers and acquisitions come up short for an assortment of reasons, for example,

- Expectations are implausible.
- Hastily developed procedure, lack of common sense, incompetent execution.
- Failure/powerlessness to bring together and spread full scale message.
- Talent is lost or fumbled.

- Power and governmental issues are the main thrusts, as opposed to profitable destinations.
- Requires an incomprehensible level of cooperative energy.
- Culture conflicts between the two substances go unchecked. Transition administration comes up short.
- The underestimation of move expenses.
- Financial deplete.
- Defensive inspiration.
- Focus of administrators is on the main business

Reasons for success of Mergers and acquisitions

- Leadership
- Thoroughly formed Goals & objectives
- Due perseverance on hard and delicate issues
- Well-overseen M and A group
- Successful lessons from past understanding
- Planning for blend and taking concrete steps
- Abilities present
- Extensive and convenient communication channels.
- Inclusion of Hr in the earlier planning process.
- Creating synergy in the expectations in the two businesses.
- Resolve the HR issues and difficult decision in early stage.

1.2 Objectives of the Study

PRIMARY OBJECTIVE:

➢ The objective of the study is to study the causes of success and failures of different mergers and acquisitions in different companies and to find out the factors leading to those and based on the factors propose a

sustainable model for the mergers and acquisitions all around the world so that they can adopt it full flegedly for a financial and economic sustainability.

SECONDARY OBJECTIVES:

- ➢ To analyse the problems in mergers and acquisition
- ➢ To analyse the causes for success and failure
- ➢ To analyse the factors contributing towards the success
- ➢ To analyse the involvement of different factors at different stages of M&A
- ➢ To analyse the change levers
- ➢ To analyse the role of management in M&A
- ➢ To analyse the Role of HR in change management
- ➢ To analyse How important is HR in M&A
- ➢ To analyse the different phases of the merger
- ➢ To analyse different approaches to a successful mergers and acquisitions
- ➢ To analyse the different M&A in different sectors
- ➢ To analyse the issues originating at the employee level and the company level during the different stages and ways to tackle them.

CHAPTER II

2. REVIEW OF LITERATURE

This section shows the review of literature. An outline of HR models and ways to handle the M&A from the HR perspective has been shown.

2.1 Introduction

Watson Wyatt watched a dissimilarity between the quantity of respondents who felt that they had been moderately effective as far as they can tell, and the general achievement rate of bargains. This shows there is a requirement for organizations to be more disparaging of their own execution in an arrangement to ensure that lessons are found out for the future (Watson Wyatt Survey,2000)

Every one of these hindrances are either straightforwardly or in a roundabout way identified with the key administration of individuals and that social contrasts between organizations might be the single most astounding boundary to achievement. HR experts more often than not have little inclusion at the pre-bargain arrange, which goes far to clarifying why individuals, association and culture issues have a tendency to get disregarded, the standard individuals from the arrangement group not being prepared to distinguish or survey such issues. Phases of a Merger A merger profoundly affects the general population of both organizations, and dealing with this effect is an essential piece of dealing with a fruitful move to a brought together administration, plan of action, and association. By perceiving and reacting suitably to the effect of the arrangement on every representative, HR directors can set the tone for long haul achievement or disappointment of the new organization. In the pre-bargain arrange, it is the Organizational Design that needs concentrate, especially surveying and choosing the correct initiative ability - Right individuals in the Right Positions. Compensation likewise assumes a key part and should be considered from the various point of view of procedure affecting manager, representative, and cost. Keeping up and fabricating spirit and reliability, and treating individuals decently are alternate ranges in this phase assumes a huge part. In the post-bargain organize, it is the obligation of the HR to arrange and

Fig 2.1 Critical success factors for an integration process. Source (Stensaker, 2009)

Organizational measures	Contributions in process	Contributions justice
Establish projects on several levels, with strong central control	Reduce complexity and uncertainty	Ensuring equal treatment of all employees
Communicate and live by clear principles	Consistency, reduces uncertainty and acts as navigational stars in the dark	Creates predictability, transparency and appeal basis
Limit scope and implement piece by piece	Creating stability along some dimensions: Ex. Nothing shall affect the safety critical operations negatively	Visibility, it is possible to keep track
Involve the employees (eg. When volunteering or showing interest)	To give choice and control over their own situation	Employees can partly determine future employment situation

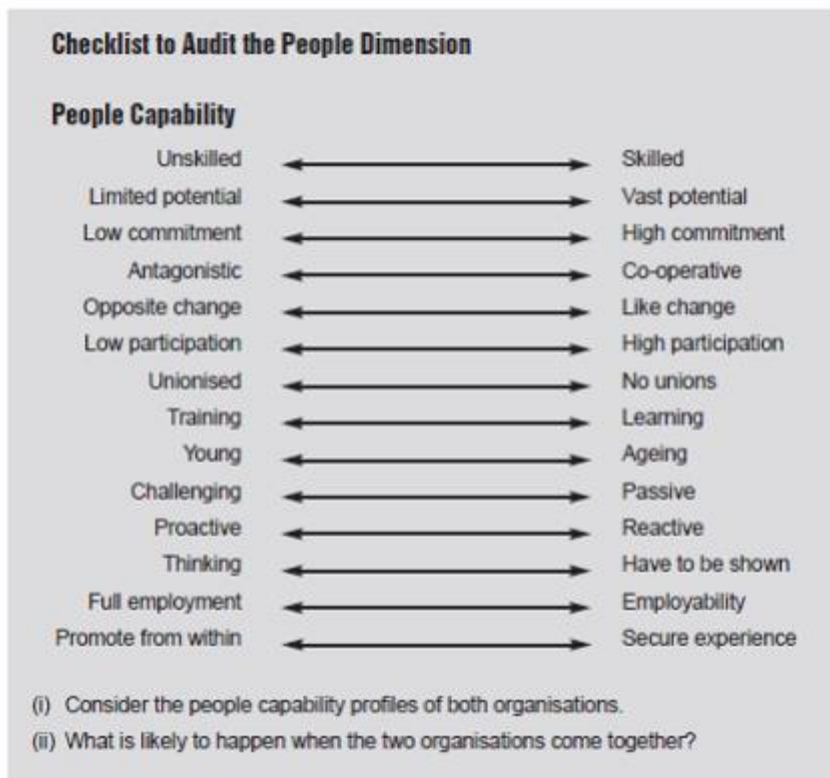Fig 2.2 Audit of the people dimension   Source (Thomas, M., 1997, p. 43)

Checklist to Audit the People Dimension

People Capability

Unskilled	←——————→	Skilled
Limited potential	←——————→	Vast potential
Low commitment	←——————→	High commitment
Antagonistic	←——————→	Co-operative
Opposite change	←——————→	Like change
Low participation	←——————→	High participation
Unionised	←——————→	No unions
Training	←——————→	Learning
Young	←——————→	Ageing
Challenging	←——————→	Passive
Proactive	←——————→	Reactive
Thinking	←——————→	Have to be shown
Full employment	←——————→	Employability
Promote from within	←——————→	Secure experience

(i) Consider the people capability profiles of both organisations.

(ii) What is likely to happen when the two organisations come together?

Fig 2.3 A system approach to successful M&A   Source (DiGeorgio, 2003, p. 260)

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Accountability

Openness & dialogue

Integration plans

Retain customers

Time, resources, tools

Select right target for merger or acquisition

Select transition structure based on type of combination

Select new leaders

Communication plan

Successful combination objectives achieved

Learning mechanisms

Culture fit

Plan people issues

100 day plans
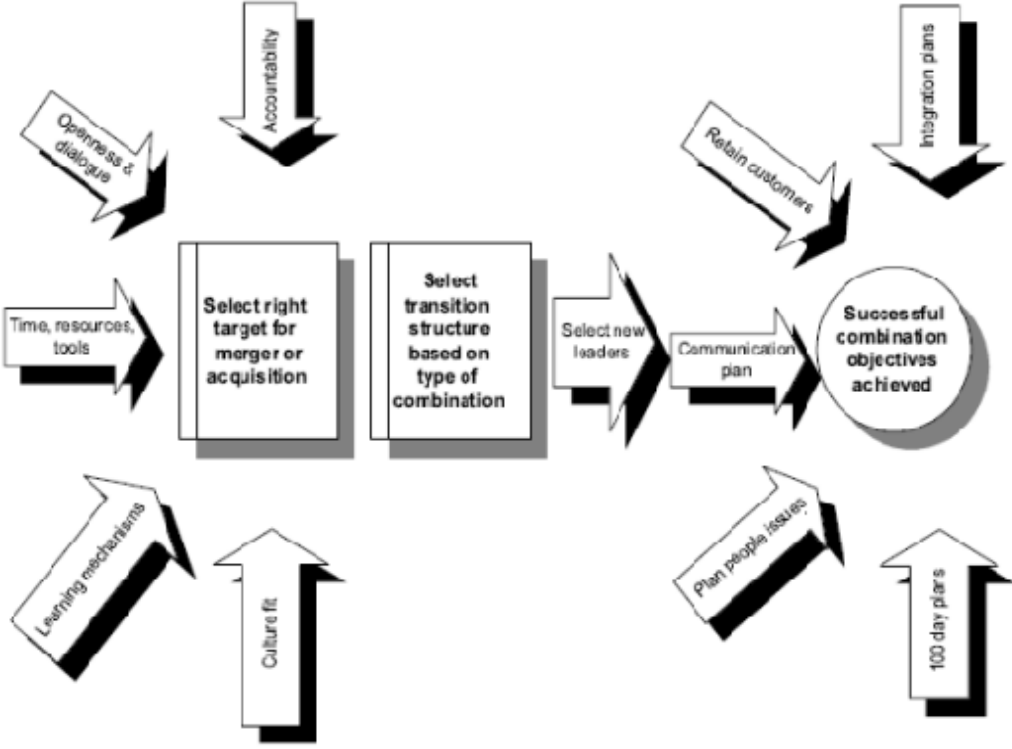
Measure progress — diagnose problems and adjust

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deal with the incorporation procedure. Given beneath are a few reasons that brought about fruitful incorporation. (Publication, 2009)

2.2 HR side of mergers and acquisitions

Research shows that individuals issues happen at a few stages or phases of M and A. In the joining period of mergers and acquisitions, individuals issues include:

1) maintenance of key abilities

2) communication

3) maintenance of key heads

4) merging of corporate cultures. (Charman W. W.)

2.2.1 HR Roles

There are various HR factors which affect the HR in any firm.
These factors can be divided into six broad categories:
1. orientation of upper management to Human resource;
2. Line manager's expectations of HR managers;
3. HR managers' skills and abilities;
4. Characteristics and functions of Human Resource;
5. external factors;
6. internal factors. (messmer, 2006)

2.3 Departments having roles in mergers and acquisition

2.3.1 Managerial support

Despite the fact that top administration bolster affects the part of HR supervisors in an association it doesn't decide the part of HR directors in the IM&A

procedure. In any case, it appears that the place on the administration group does not consequently mean a vital part or extensive inclusion in the

acquisitions procedure. It offers access to data, however the way data is utilized is left to HR supervisors themselves. What's more, it must be understood that numerous IM&A cases happen in specialty units (BUs) and some of the time are not talked about at corporate level. Thus, there is a requirement for good connections what's more, trust amongst HR and line administrators. (Jerjawi, 2011)

2.3.2 Factors related to HR managers

The most vital element influencing the parts of HR supervisors is the capacity of HR chiefs to demonstrate the significance of HR-related issues in the IM&A procedure. The specialized and expert learning of HRM, information of the business the organization is in, and the capacity to join these two in the system of IM&A procedures, were seen to be the most imperative in characterizing whether HR directors were included or not. Likewise, past involvement in IM&As supposedly affected the parts played by the HR chief. Nonetheless, in an IM&A setting business abilities likewise turn out to be critical. (Jerjawi, 2011)

2.3.3 External and internal factors

The HR custom in a specific nation and the parts HR individuals are accustomed to taking are deciphered to be outside variables which can influence the parts they play amid IM&As. There are diverse national HRM practices and it appears that the national and in addition hierarchical custom likewise influences the part of HR supervisors. In the event that HR individuals are authoritatively situated they are more probable not to go up against a dynamic part in IM&As. Another outside variable is the connection between the offering and gaining firms. An open connection between the organizations expands the conceivable outcomes of HR to inquire about the other organization altogether and take part in the process all the more effectively. The way of the IM&A procedure can be

deciphered as an inward element influencing the parts of HR. In the event that the arrangement is thought to be little and not influencing many individuals, HR directors were not some portion of the procedure and if the IM&A had high key significance and the coordination level was higher, then the HR administrator will

probably assume more grounded part in it. Likewise, the accepted connection between the organizations and the level of combination after the securing influenced the HR part in that if the organizations remained separated and autonomous after the procedure less consideration was paid to HR issues amid the procedure. (Jerjawi, 2011)

Since we are considering a change in the current organisational structure so a 3 step modal has to be implemented to accommodate change.

2.4 Conclusion

M&A can be defined into 3 phases. It covers the issues in general and their implications and actions at every stage.

3 stage model of mergers and acquisitions

The encounters of organizations in merger and procurement movement propose a model of M&A movement that has three phases: (Charman & Habeck, 1999)

1. pre-mix
2. blend - coordination of the accomplices
3. post mix - the new entity.

At that point to give additionally center and detail to these (HR) issues in M&A movement, HR suggestions and activities for the few issues in each stage are distinguished

2.4.1 STAGE-1 (Pre-combination stage)

HR ISSUES

An important Hr issue in the pre-mix stage In M&A is the motivation to retain employees which will be discussed in this stage in detail. Retention of key abilities

HR Implications and actions

- Understanding & knowledge should be communicated
- Proper Leadership
- Teams should be carefully selected
- Careful and planned pre-selection & selection.
- Due diligence should be conducted in all spheres
- Assessment of the culture
- Planning and development of procedures
- Knowledge management practices

Since this is the phase one of the introduction of the change hence the steps taken at this step would determine the success of mergers and acquisition.

2.4.1.1 Motivation and Retention

Regularly damage is as of now done at the objective organization before the arrangement is shut. When bits of gossip begin amid the deals or obtaining process, workers will either lose confide in administration or, on the other hand some of their inspiration to perform, or both. They will begin agonizing over their own particular future also, may consider professions at different organizations. Arrangements are few, yet the accompanying methodologies may demonstrate accommodating (Kummer, 2008)

1. Awareness will help deal with the procedure and handle it at a later stage.
2. Companies need to consider amid the HR due constancy and to investigate key inquiries, for example, what are imperative and sensible regions that bear dangers, and where can esteem be held

3. These impacts and dangers must be evaluated and adapted into money streams, costs and dangers to demonstrate their genuine and critical effect on organization valuation and price tag discourses.

4. In well disposed and restrictive arrangement transactions there may be approaches to discover chances to speak with representatives

As noted above, when organizations truly get immediate access to the gained organization, critical harm to inspiration has as of now been done and the

impending danger from an organization's perspective of automatic vacillation is to a great degree high. ID of key individuals ID of key individuals that in a perfect world ought to be held ought to be guided by the appropriate responses to the accompanying inquiries: Why did you do this arrangement in any case, and what are its vital and operational objectives? The appropriate responses will likewise help with the following inquiries: Who are the general population that significantly affect the remain solitary and consolidated estimation of the organization? Who are the workers that have basic abilities, capabilities and connections for the future achievement of the business? There are three on a very basic level distinctive examination techniques that can be connected here.

1. The first is generally in light of archives, documents and data and information

2. The second one uses short reviews

3. The last one uses social networking and teams instead of on people .

The record and information based examination technique begins with a hierarchical point of view also, utilizes chains of importance and association

graphs to distinguish enter individuals in top administration positions, higher positions and pro parts. Such key individuals are normally found on the first four layers of chains of importance; be that as it may, this is basically influenced by the measure of the objective. This can be supplemented with an examination by offices or useful territories of the firm along its esteem chain, beginning with zones that work near the client and other deliberately basic exercises. From a money related point of view, examining pay rates, spending plans and incomes will help with the distinguishing proof of key players. For innovative work works, an examination of licenses or item changes could be useful. From an exchange

point of view, key individuals assume a basic part until the incorporation of the target organization is finished.

Obviously, measurements can be consolidated with each other Identification strategies in view of short overviews can utilize a portion of the measurements and zones specified in the report based investigation. Reviews ought to help

with assessing the significance of individuals for the achievement of the business and of the combination. (Lindquist, 2007) Questions ought not be too immediate, but rather the survey ought to be planned so as to make the procedure as time proficient as could be expected under the circumstances. Overviews ought to be directed in an extremely organized route and, with the privilege innovative readiness, this procedure can be encouraged utilizing electronic innovation. An entirely unexpected technique to distinguish key individuals is to guide informal organizations. This technique conveys to a great degree important outcomes.

Measurements to draw connections are for instance recurrence of correspondence, nature of correspondence (e.g. expert and private guidance), or trust. It is important that to get hold of valuable information in a brief span may likewise rely on upon legitimate issues associated with the ward in which

organizations work. Two techniques are fundamental for the recognizable proof of key individuals. The suggestion to thought of a last rundown of individuals to be held ought not depend on one strategy or one lattice along two measurements. Furthermore, the choice and choice process must be as objective what's more, reasonable as conceivable with the goal that it can be imparted amid the recognizable proof process or later in the M&A procedure. (Kummer, 2008)

Approaches in retaining employees

Two essential elements rouse and keep individuals – their own particular inspiration, obviously, additionally their dedication.

Work inspiration is viewed as an enthusiastic compel that stems from the people, contingent upon objectives, condition and their prosperity. Acquisitions definitely influence every one of the three components. Objectives, which can act naturally created or appointed by others, progress toward becoming inexistent, misty, hard to set and difficult to figure it out. Obviously, the workplace changes a considerable measure.

Last, however not minimum, the individual worker is under da (Appelbaum, 2000)nger of burnout due to extra workload and instability. What's more, the

dedication of representatives to the association and their execution is tested by acquisitions. The best method for having continuous duty of workers is their full of feeling and passionate connection to the association, e.g. faith in the objectives and technique of the organization. Responsibility is impressively low where workers feel only a regularizing responsibility regarding remain. The most minimal type of duty is when individuals remain since they see the cost of leaving as too high. Duty does not exist in a organization that is just a theoretical develop for representatives, as it has much to do with effects for example,

associates, groups, administrators, work profiles or even clients. For genuine key individuals numerous alternatives exist outside the organization.

From one viewpoint, they will be effectively drawn nearer by talent scouts and get appealing offers. Then again, they will need to search for choices and options if their future in the new association is uncertain. In this way, brisk approaches to rouse and hold these individuals is fundamental. Generally as it were workers remain that don't have these choices because of their lower potential and execution or absence of nimbleness.

Fig2.4 Plan of maintenance projects. (Kummer, 2008)
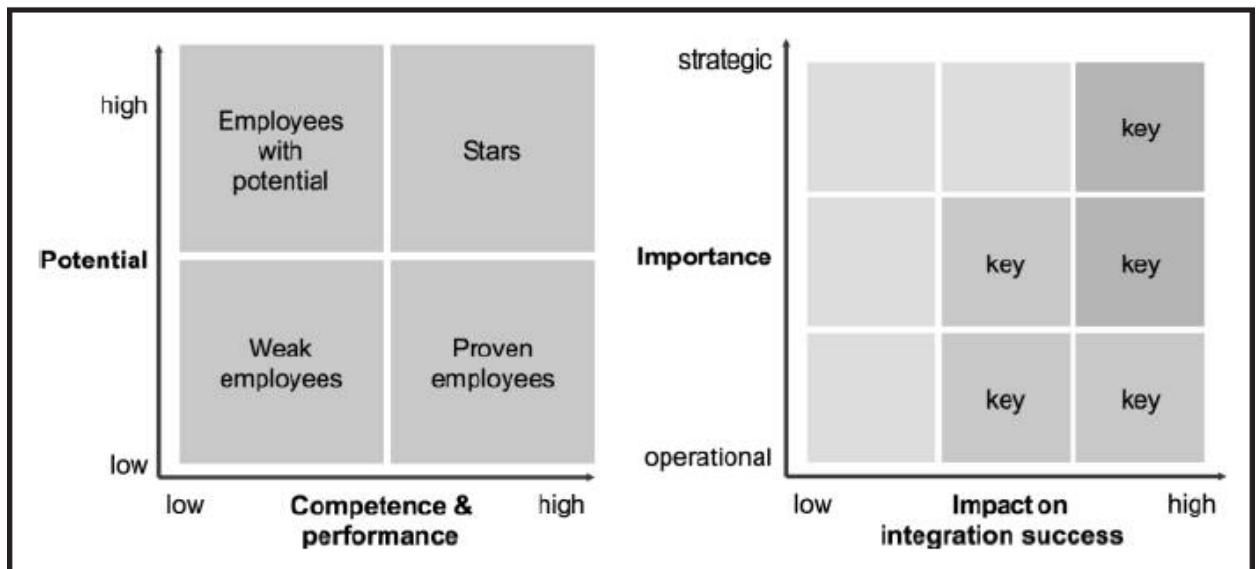
Designing Retention programs.

 For the plan of maintenance projects, organizations wishing to rouse and hold key individuals bring to the table them alluring points of view inside the

organization. Along these lines, it is basic to clarify responsibilities regarding these workers first. Just as a moment point ought to extra pay be offered to hold individuals.

This pay can be founded on minor participation or genuine execution. While the main variation can't be prescribed, the second one bodes well, however may bring troubles up in estimation. There are likewise a considerable amount of other non-money options that may be esteemed by representatives. They may be less exorbitant what's more, have a higher responsibility and restricting impact than money based arrangements.. A decent maintenance program ought to expand on a blend of these motivating forces. Likewise, the planning of the arrival of impetuses plays an essential part in executing maintenance programs. From one viewpoint, motivating forces must be accessible generally snappy with the goal that they have a quick impact; then again, motivating forces must be manageable and of a coupling nature. (Marks, 2007)

Another essential segment of maintenance projects is ensuring that representatives' begin in the new association goes easily. Presentation programs including the task of amigos may be an approach to make them rapidly feel some portion of the gathering and be invited. Helping old and new representatives to stir up and become acquainted with each different at the earliest opportunity is amazingly gainful for the organization.

2.4.1.2 Communication

At the onset of a merger (the "pre-merger" stage), not exclusively does early correspondence decrease sentiments of instability, it likewise restrains the conceivable outcomes of "talk plants" wreaking devastation on the forthcoming merger (Appelbaum S. G., 2000) (messmer, 2006). Amid the merger itself,

keeping up a consistent and exact stream of data is vital to lessening imperviousness to the change close by.

Fig 2.5 Employee interest Graph (Lindquist, 2007)

Employee Interest Graph
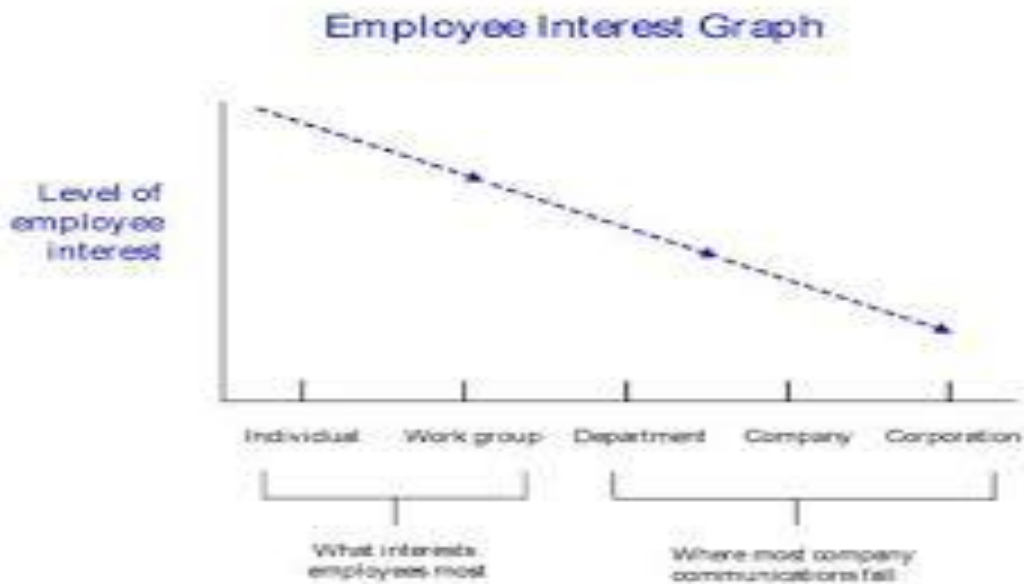
Effects of communication on mergers and acquisitions

A few reviews have fortified the idea of correspondence being a key figure representatives' discernment and imperviousness to change (Schweiger, 1991) on two plants in an organization amidst a merger. In this review, the workers at each plant were given two distinct levels of correspondence. One plant's staff was given almost no data with respect to the continuous merger, while the second plant's staff was kept notified of every imagined change. The correspondence level in the second plant went to the extent to give representatives a "reasonable see" of the merger (i.e. data that most firmly coordinated administration's aims with respect to the progressing merger), and extra "advantages, for example, a pamphlet and a hotline to call on the off chance that they had general inquiries on the merger's effect (this is the place

the line between correspondence obscures with another alleviating measure bolster from administration, which is talked about further underneath). The other

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plant, in any case, had the correct level of correspondence top administration would have given had the specialists not been available) (Schweiger, 1991).

Broadband's administration displayed the merger as being investable if both organizations needed to survive (Drori, 2011). "By depicting the merger as between equivalents (through collaborations furthermore, errands), it persuaded in a wellbeing net with forthcoming future business being increasingly certain" (Drori, 2011), accordingly connecting back the review with (Schweiger, 1991) discoveries with respect to upgrades in saw instability and occupation fulfillment when representatives are given a "practical see" of a merger.

Best administration from recently made broadband was then capable "to request individual and association penances and a readiness to shed the combining firms' characters for BroadBand's new character by underscoring the need to react to an emergency inside the commercial center" (Drori, 2011).

At long last, despite the fact that not connected entirely with regards to a merger or obtaining but instead in the general setting of a hierarchical change in a US

para-open association, in their investigation of 130 representatives, Of note is the reality that both analysts found that pointers of progress acknowledgment did not really liken additionally with a positive perspective of the progressions.

Adequate communication

1.) Realistic information : (Hamel, 1991) concentrate utilized a "practical see" as the wellspring of correspondence for the plant that was continually notified of the merger arrange. They credit the fundamentally better outcomes in the "educated" plant on the data that was subsequently given: "a sensible merger see appears to work at any rate as a vaccination that makes representatives impervious to the negative impacts of mergers and acquisitions, and its belongings may go past that". (Schweiger, 1991) (Appelbaum S. G., 2000) go advance by

including that far reaching correspondence ought to likewise incorporate "reasonable evaluation of future open doors furthermore, snags, for

2.) example, professions expansion and cutting back arrangements" (Appelbaum et al., 2007a,b), along these lines fortifying the thought of "authenticity."

3.) Role of leadership in communication: (Rubin, 2013) additionally diagram the requirement for correspondence, with regards to a M&A, to be issued by senior authority. Workers need to "see and get notification from their senior pioneers to help comprehend where the new association is going, and how this change impacts their occupation and the association in general" (Rubin, 2013). Correspondence turns out to be especially vital while relieving imperviousness to change on the grounds that "on the off chance that representatives don't comprehend the change exertion or feel the change will hurt their results, they may attempt to adjust the condition by opposing or attacking the exertion (i.e. taking part in negative states of mind)" (Bernerth, 2007). Senior administration correspondences is critical, as "pioneers moreover need to concentrate change endeavors

4.) on truly clarifying the explanations for the change to augment change duty" (Bernerth, 2007).

5.) Precision and detail: Its important for the managers to listen to their staff, handle their grievances and help them overcome the anxiety of mergers and not get distracted by the minute changes because of M&A.

(Seo, 2005). Social-identity theory says that the identity of the new organisation that is formed is very important as an earlier organisation is losing its identity so

for the employees and for the society all the values, symbols, vision, structure is of great importance. (Seo, 2005).

6.) Timeliness: Another segment of sufficient correspondence is its opportuneness. In times of extraordinary authoritative change, it is key that administration obviously and frequently impart the accessible data with the goal that workers can better foresee the course of occasions and comprehend the approaching change (Deogun, 2001) (messmer, 2006) (Appelbaum S. G., 2000).

2.4.2 STAGE-2 (Combination)

HR ISSUES

- Selecting the incorporation administrator
- Forming of new groups
- Developing the corporate structure
- Retention of important employees
- Motivation of the employees

- Handling change management
- Communication to the employees and partners
- Developing the new policies and rules

HR IMPLICATIONS AND ACTIONS

Maybe the most basic HR issue for the accomplishment of this reconciliation stage is choice of the reconciliation manager.30 The outcomes propose a few things about the reconciliation supervisor: (avinash Kumar singh, 2016)

It is imperative to have a mix director to concentrate only on the specific obtaining or merger.

This individual is not one of the general population maintaining the business.

Usually it is somebody on credit to the business for a timeframe to concentrate exclusively on mix issues

This individual gives progression between the arrangement group and administration of the new organization. Such individuals "comprehend the organization," "feel proprietorship," also, "are enthusiastic about making it work".

The mix chief might be a piece of a "directing board of trustees" alongside other best administrators. This is the gathering in charge of setting the part, handle and destinations of the coordination and directing the advance of joining groups crosswise over different M&A projects. (J & J Study)

Another basic HR issue is the choice of a pioneer who will really deal with the new business blend. In the event that an obtained business has indistinct or truant initiative, the outcome will be devastating vulnerability, absence of course, slowed down new item advancement, and the deferment of essential choices. Solid administration is basic to securing achievement - maybe the absolute most vital achievement calculate. A solid pioneer's impact will be rapidly perceived and praised. (J & J Study) Choices about administration structure, key parts, revealing connections, cutbacks, rebuilding, and other vocation influencing parts of the coordination ought to be made, declared, and executed at the earliest

opportunity after the arrangement is marked - inside days, in the event that conceivable

. Crawling changes, vulnerability, and uneasiness that keep going for quite a long time are crippling and promptly begin to empty an incentive out of an acquisition. Dealing with the correspondence procedure is likewise an important approach to hold and rouse key workers. It assumes a basic part during the time

spent change and the whole phase of joining. The way toward imparting can take a few structures: Procuring organizations are utilizing the Internet, inner organization Intranets and email to disperse bits of gossip and keep representatives refreshed about pending changes. (Marks, 2007)

A last HR issue is the need to make arrangements and practices for learning and information sharing and exchange. Guaranteeing that information and learning are shared crosswise over units are HR strategies and practices that evaluate and reward representative sharing, adaptability, improvement and long haul orientation.

2.4.3 STAGE- 3 (Post-Mix)

HR ISSUES

- Cementing organization and staffing

- Checking the new frameworks and structures
- Checking the culture newly formed
- Checking the new Human resources P and P
- Assessing the stresses of accomplices
- Revision as required
- Knowing from the technique

HR IMPLICATIONS AND ACTION

1.) Creating key techniques for an organization's M&A exercises. Giving contentions to and against merger and obtaining action. Sketching out the social expenses, for effective and unsuccessful combinations.

2.) Dealing with the delicate due persistence action

3.) Giving contribution to the dealing with the procedure of the progress made:

4.) Prompting top administration on the combined organization's new hierarchical structure.

5.) Forming move groups, that will

- Form the foundation for new entity;
- Procedure and outer structure
- Attention to the social issues;

- Providing a prepared plan
- managing the activities related with staffing, specifically, creating and supervising

6.) Directing the interchanges. Build up a communication plan arrange gone to understand the basis of the merged firm

7.) Dealing with the learning forms

8.) Re-throwing the HR division itself:

- Form new arrangements and practices in line with objective of new organization.
- Forming HR framework and recruitment structure.
- Determine benefit conveyance show.

9.) Forming the difference and grasping in new parts and capabilities for the HR (Jackson)

CHAPTER III

3. METHODOLOGY OF RESEARCH

This paper will methodically inspect contextual analyses as the technique for its examination. The Case studies would be analysed and the findings of the case study would be used as the suggestions for the new model to be proposed In view of the data acquired from the contextual analyses, the paper will build up a HR execution plan to fill in as a nonexclusive model for HR program advancement in M&A. This strategy was picked in view of the supposition that it is more down to earth and valuable to take a look at HR programs that have been actualized. This paper distinguish, actualize, and effectively execute HR programs in the periods before, amid, and post M&A.

By analyzing a few organizations in various enterprises, a strong key arrangement for managing mergers and acquisitions can be resolved. By enhancing the organizations, the subsequent examinations will accommodate all the more by and large comprehensive HR projects and exercises to be later recognized in the HR execution demonstrate. The organizations picked exhibit both victories and disappointments; this takes into account an examination of the various HR exercises - or deficiency in that department - that ascribe to the fruitful reconciliation of HR projects.

Notwithstanding the contextual investigation evaluation, an aggregation of research on the systems and strategies utilized for HR related undertakings related with M&A execution will be recognized and examined. The more fruitful techniques and systems will be noted, as they result in some level of HR usage achievement. After the exploration is performed, criteria will be created to figure out what techniques made the HR projects of the picked organizations the more fruitful. Now the paper will use hypotheses and other related data just to bolster

the exercises incorporated into the HR execution display. The completed item will deliver a to some degree widespread HR usage display/handle for all

organizations—paying little heed to the business—to better give a climate that supports an effective M&A.

3.1 Case Study

Before we display the distinctive cases in M&A, we think that its imperative to quickly present their motivation and the determined final product. In view of criteria set up in the system, the accompanying organizations (the aftereffect of M&A), have exhibited the issues/exercises apropos to this examination. The accompanying cases highlight these issues/exercises and talk about their significance in connection to the model to be displayed above. Below are some cases from different sectors such as IT, Automobiles, Pharma , Aviation, Banking.

3.1.1 Mergers and acquisition in international context:

The Merger of Hewlett-Packard and Compaq Computer Corporation

Individuals a need at HP Dealing with the repercussions of a super merger Alistair Craven "On 3 May 2002 the declaration at long last arrived and flagged the finish of all prattle and hypothesis. Hewlett-Packard (HP) CEO Carleton "Carly" Fiorina formally proclaimed that HP had shut the $19 billion merger with Compaq Computer Corporation, hence making a worldwide powerhouse in the IT business. As per HP, the merger would manufacture a "dynamic, capable group" comprising of 140,000 representatives with abilities in 178 nations working together in more than 40 monetary standards and ten dialects" (Craven, 2004).

Key issues confronting the HP/Compaq merger

1. The individuals figure—managing feelings experienced in the working environment, running from instability to outrage and dread.
2. Clear and fast correspondence of business goals.
3. Cultural parts of the new association.

How the new HP tended to the issues

1. Speed; inside two weeks of the merger declared 250 record administrators had been named.
2. Functional cover between the two associations was wiped out inside 12 months in all nations.
3. Ensured that outside correspondence, for example, squeeze reports, noise and gossipy tid bits, did not exceed the association's own inner correspondence.
4. A new "correspondence foundation" was built up; called "@hp", this worker entrance was in operation from the very first moment, demonstrating HP's sense of duty regarding open correspondence.
5. Implemented "quick begin"— a program of new group dialog meeting for each worker; helped HP and Compaq representatives meet up and start the procedure of culture building.
6. Managed worker improvement and conduct through utilizing reward as a help and giving administrator preparing programs, e-learning modules and online instructional exercises; included powerful guiding, execution input and formative arranging.
7. The "voice of the workforce" study was controlled to assess how far the association had gone ahead this viewpoint and furthermore distinguish zones for development; administration activity arrangements were conceived to specifically handle the issue ranges shown by the study.

Controllable and uncontrollable inputs

- Controllable: Communication programs gone for guaranteeing representatives of their future and the fate of the new association.

- Uncontrollable: Emotions experienced in the work environment, extending from vulnerability to outrage and dread.

- Controllable: "Voice of the workforce" study was regulated to assess how far the association had gone ahead this viewpoint and furthermore recognize zones for development; administration activity arrangements were conceived to straightforwardly handle the issue zones demonstrated by the study.

- Uncontrollable: Missed issues imperative to gatherings of representatives or potentially issues regarded not genuine, bringing about again an unsettled new association that prompts worker disappointment and turnover.

Conclusion

This was a successful merger as the cultural mismatch was identified in the initial stage and actions were taken to manage that. Communication and motivation were the main forces for the success of this merger. Grievances were handled properly. A continuous evaluation and improvement was done at each phase during and after the merger. Speed is very important in mergers as a delay in complex decision making could add to the mismanagement and employees dissatisfaction. Many training and skill development programs were organised which gave a career path and progression to employees, which is very helpful in retaining them.

Overall it was a well managed merger with proper emphasis laid to the HR part of merger.

The Merger of Volvo and Ford

"The merger amongst Volvo and Ford included brining together a vast and "exceptionally Swedish" conventional family association and a colossal Anglo-Saxon partnership" (Anonymous, 2004).

Key issues confronting the Volvo/Ford merger

1. Different corporate societies accordingly of varying fringes and land societies.
2. Differing authoritative structures: Volvo speaking to a decentralized association concentrated on cooperation and strengthening, while Ford speaks to a progressive association, keeping up conventional divisions amongst administration and workers.
3. Integrating the business elements of Volvo and Ford, including those of obtaining, advertising, look into, and so on.

How Ford tended to the issues (Automotive News Europe, 2003)

A controlling advisory group, comprising of the Volvo president and some key players in Ford, was shaped to direct all merger exercises.

1. An coordination group, involving 18 "coordinating sets" of Volvo and Ford officials, was shaped instantly after the arrangement was finished. The group answered to the guiding advisory group.

2. Smaller groups, involving break even with quantities of Volvo and Ford individuals, were set up to concentrate on such particular zones as acquiring, advertising and research.

3. Advisement of Volvo designers to Ford builds on auto security, ergonomics and natural issues, Ford engineers advisement of Volvo on new advances and the most current materials.

Controllable and uncontrollable factors

- Controllable: Merging the way of life (geological and hierarchical) of two associations.
- Uncontrollable: Ford's takeover of Volvo seen as simply that- - a takeover versus a merger of two associations.
- Controllable: Integrating the business elements of Volvo and Ford, including those of acquiring, advertising, look into, and so forth.
- Uncontrollable: Employee disappointment with conceivable new frameworks and their related expectation to absorb information. Conviction that past framework is better than new framework.

Conclusion

It wasn't as much of a successful merger. In this one company was dominant on the other. Ford was more of a rigid and hierarchial company whereas in Volvo the environment was flexible. Ford was trying to accommodate the Volvo in its own culture and no heed was paid to the already existing culture of Volvo. One's culture should not be forced on the other organisation. The merger was handled with care and committees were formed to sooth the merger

3.1.2 Mergers and acquisition in Indian context

Merger of Ranbaxy with Sun Pharma

The blend of Sun Pharmaceutical Company and Ranbaxy was required to frame the fifth biggest medication making organization inside the world and hence the biggest India. Post merger, if Ranbaxy vanishes from its present operations then the joined substance will develop upto 55 nations with 47 delivering offices. Daiichi Sankyo Inc., the past proprietor of Ranbaxy, turned into the second biggest financial specialist in Sun Pharmaceutical Company and was to have one delegate on the organization's leading body of overseers (sun-set-in-2015-issues-may-haunt-sun-pharma-in-2016-too, 2015)

Key issues facing the merger

1. Issue with the US regulatory authority facing the merger
2. Large difference in the salary strucuture of the employees in the two firms. Ranbaxy is known to pay higher salary to its employees.
3. Sun pharma follows a more group based approach ie. A team led company whereas in the case of Ranbaxy it follows an individualistic approach.
4. Rationalisation of staff- productivity ratio.
5. Realigning the organisational structure of the two firms to prevent the overlapping of the departments.
6. The two companies also had to streamline their product portfolios and fiels forces as Ranbaxy was in the acute disease portfolio like muscular pain and sun pharma is in the chronic disease portfolio like diabetes.
7. It is very difficult to integrate 9000 personnel of each business.

How sun pharma tended the issues (mckinsey-hired-to-assist-merger-of-sun-ranbaxy, 2014)

The management has been able to identify the roadblocks that will decrease engagement and improve the integration process.

It has invested in inceasing the skills and the knowledge of the employees.

The change management process has been laid out which is focussed on need for urgency, creating the action plan, conveying the action plan, implementing and delegating others and involving in the strategy.

Controllable and uncontrollable factors (sun-set-in-2015-issues-may-haunt-sun-pharma-in-2016-too, 2015)

- Controllable: Authority problems with the US authority in acquiring Ranbaxy.
- Controllable: Ranbaxy has high debt so for Sun Pharmaceutical It has to take the ways to cut it down and make ways to cut it down.
- Uncontrollable: Pay scale in Ranbaxy is higher than sun pharma so the merger will create differences in pay.

Conclusion

It is still early to comment about the merger as it has only been 3 years but till now it has been successful. Since it was the blend of an indian and foreign organisation the culture was very different from each other. There were differences in compensation, policies, environment, values etc. It was was taken care of while merging the organisations and planning and development plans were made in the early stage only to cope up the issues and continuos evaluation was done. (Anjali Daisy, 2017)

Merger of Air India with Indian airlines

India-based aircraft, Air India (AI), a consolidated substance of worldwide bearer Air India Limited (AIL) and household transporter Indian Airlines (IAL), had been

confronting a significant human asset administration and a budgetary emergency from the season of its merger in 2007. Upset and IAL had a history that was decades long and appreciated an extraordinary notoriety in the Indian flying area. In any case, since the turn of the century, both had been experiencing misfortunes because of rivalry private airlines and the developing notoriety of ease carriers. The incomes of both elements were extremely influenced since 2004. Their pieces of the overall industry declined. (research, 2013)

Key issues confronting the merger

1. AI's incomes begun to diminish and it confronted serious issues in dealing with its HR.
2. A few representatives left the organization.
3. Employee opposition due to uncertain future and job retrenchment.
4. Rivalry among unions of two blending organizations
5. Merger of standards, techniques, manuals of two organizations
6. HR approaches on exchange, advancement, situation, position, and so forth.
7. Redundancy of specific posts/employments
8. Coordination issues
9. Psychological superiorities or inferiorities
10. Hostile gatherings among littler accomplices.

How the new AI tended the issues

A report on the integration of 28500 employees was submitted including cabin crew, pilots and engineers to the civil aviation ministry.

1.) there will be bound together unit at each level alongside a uniform arrangement with respect to working hours, entry office and all different offices that incorporate settlement, transportation, container, outfits and so forth

2.) Cross use of all assets including labor and limit expanding on the rule of reasonable and evenhanded chance to everybody should be the strategy in the combined element including

3.) cross preparing at different levels actualizing new pay-scales for the workers of Air India (both recent Air India (AI) and Indian Airlines (IA)].

4.) There will be uniform pay-scales for all workers of past AI and IA. For the official framework suggested pay-scales are according to the DPE standards and non official unit pay-scales are according to the business standards

5.) The Committee has now suggested a reasonable and far reaching advancement arrangement through the constitution of Departmental Promotion Committees (DPCs).

Controllable and uncontrollable inputs

- Controllable: Variety of unions – NACIL or Air India has 14 unions, 2 each for pilots, ground engineers, lodge group et cetera. No effort was

- made to coordinate them into one each for the diverse classes. The outcome – profound enmity between opponent

- Controllable : Sentiments of predominance and inadequacy kept on holding on between adversary unions as apparent from the subtle elements referred to on the strikes. IPG pilots were unmistakably envious about the conceivable usurpation of their select worldwide courses by ICPA pilots and the remittances given to them in 2011.

- Controllable : Contrasts in Pay scales - The ICPA strike in 2011 was essentially about nonattendance of pay equality and the 2010 srike incompletely about postponed instalments of compensations and stipends

- Controllable : Grievances on advancement and movement strategy came about when the experts neglected to incorporate HR strategy

- Controllable : Lack of Coordination – While the inward issues that began rising in the wake of merger could have been dealt with by building up Joint Boards of trustees with portrayal from both past elements

- Controllable : Contrasts in managing strikes called by various unions.

- Uncontrollable: Emotions experienced in the work environment, extending from vulnerability to outrage and dread.

- Uncontrollable: Ford's takeover of Volvo seen as simply that- - a takeover versus a merger of two associations.

Conclusion

In the merger of AI and IA the resistance could have been reduced during the initial stage only. No proper plan was setup, not much heed was paid to the merging organisations thinking that they belong to the same industry and donot need much planning. But the employees were not very happy as no clear career paths were shown. They were afraid to lose their jobs. Hence

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the problems was at the planning and development. It was later rectified when the strikes grew and it attracted the attention of the government.

Merger of ICICI bank with Bank of rajasthan

ICICI bank ltd. blended the Bank of Rajasthan ltd. in bearing to expand its impact in country advertise what's more, piece of the pie suggestively. The amalgamation of the Transferor Bank with the Transferee Bank was in concordance with the arrangements of the Scheme explained in accordance with Section 44A of the Banking Control Act, 1949, Reserve Bank of India's systems for merger/amalgamation of private division banks dated May 11,

2005, and in agreement with the legitimate arrangements of the Companies Act, 1956, (bank-of-rajasthan-unions-oppose-merger-with-icici-bank)

Key issues facing the merger

1.) Transferor Bank and the Transferee Bank and other legitimate arrangements of laws the trouble in the brain of workers of being terminated by the transferee bank.
2.) All the three first worker unions i.e. All India Bank of Rajasthan, All India Bank of Rajasthan Officers' Association and AkhilBhartiya Bank of Rajasthan KarmchariSangh, entitled the strike requesting the startling end of the ICICI-BoR merger proposition.
3.) Representatives were in stress and couldn't perform viably their own life
4.) Acknowledgment and gratefulness is one of the significant issues confronting by the workers.
5.) Compensation is one of the key component of disappointment with employment.
6.) Group culture/peer connection is likewise impact the occupation disappointment.

7.) There is likewise a waiting apprehension that post-merger, BoR representatives, whose administration conditions and pay structures are administered by the bipartite settlement touched base at by the Indian Banks' Association and the United Forum of Bank Unions, may not be

8.) given the privilege to exercise second alternative of benefits. (Ruchi jain, 2014)

9.) Socially, the two banks couldn't have been more unique.

10.) Another basic element was the age distinction. BoR staff were in their mid-40s by and large, while at ICICI Bank many were in their late 20s (bank-of-rajasthan-unions-oppose-merger-with-icici-bank)

How the merger tended the issues

1. BoR branches are yet to "use business advantages" to ICICI Bank, which is as of now dealing with moving some BoR branches

2. BoR has prepared staff to enhance execution at different levels.

3. ICICI Bank will gave the bipartite settlement the pass by and move BoR workers to new (ICICI) scales and administration conditions, which may not really be great.

4. The merger has finished worker and framework mixes.

5. The BoR branches are made more practical.

6. The bank did not look for youngsters and not feeling great with more established individuals.

7. Amid the joining procedure, ICICI has prepared around 350 sub-staff to set them up to deal with greater parts

Controllable and uncontrollable inputs

- Controllable: Fear of mass transfer of employee by ICICI bank.

- Uncontrollable: There is no social fit at all between the working of our bank and ICICI Bank.
- Controllable: Recognition and thankfulness is one of the significant issue confronting by the workers, boss ought to value their subordinate for their execution as they persuade with acknowledgment and thankfulness for productive execution
- Controllable: Bank ought to embrace maintenance procedure so that to hold the potential representatives
- Controllable: Bank ought to reseal the workers from weight, over time and nervousness that they can perform well.

Conclusion

The merger of ICICI bank with BoR has been a success as they followed a proper set of pattern. BoR employees had a very different way of working, thinking, flexibility than ICICI employees who were generally of younger age. But ICICI paid attention to the differences in the initial phase of the merger and the proper training and development programs were organised.

Overall the cultural issues of both the organisations were understood and then a plan for execution was done. It was a well planned merger. (Mishra)

CHAPTER IV

4. DATA ANALYSIS AND INTERPRETATION

Based on these cases and the 3 stage model some additions have been done to the   model so that it becomes more reliable and sustainable.

The case studies uncovered that it was not basic to have an immaculate social fit, yet that it was imperative to comprehend the distinctions in culture between the two combining organizations. The huge disparity of social fit did not really affirm a disappointment; it recently demonstrated that expanded time, exertion, and correspondence were required and basic to unite the organizations. What was to some degree astounding was that that social fit was not the way that either culture is comparable, but rather that the securing organization has made an evaluation before the obtaining of the other organization, and that it comprehends the similitudes and contrasts. Starting there, many organizations have utilized this as leeway for results of expanded correspondence, bearing, and authority. Social potential was a need for a considerable lot of the organizations that were considered fruitful. Advancement, trust, reliance, and an integrative potential were all key variables of progress. Organizations that did not have these traits quite often fizzled and it ended up being a noteworthy sign of the achievement or disappointment of the merger or procurement. (Charman & Habeck, 1999)

Communication, is the key contributing component to achievement. The contextual investigations highlighted the need to build correspondence amid the combination stage, as this was likewise upheld by the writing survey bringing about high compatibility. Numerous mergers and acquisitions for the situation concentrates raised inquiries of instability and concern, yet quite a bit of this was subsided through consistent and expanded types of correspondence from the pioneers, supervisors, what's more, kindred workers. Administration and heading were additionally key supporters of accomplishment in acquisitions. An unmistakable heading and clearly enunciated objectives made a difference the

organizations to center and mitigated any nervousness or concerns in regards to the mix and post merger failures. (Doz, 1998)

Prior to an organization starts operations, a tremendous measure of time is spent on deciding the best structure for the association. Investigate on comparative existing organizations is gathered and broke down, models are inspected and tried, and all detectable important information is incorporated to settle on the most ideal choice. Before a merger or securing, no less measures of time and vitality ought to be applied in making the M&A exchange as smooth and fruitful as would be prudent. It has been expressed in a few distinct reviews with respect to M&A that the reason they come up short falls soundly on the shoulders of the human asset exercises. (S.Jackson, 2001)

As characterized before in our examination, amid the arranging and advancement period of merger action, the objective is to consolidate every single controllable contribution to shape the recently blended association, and to better control and deal with the uncontrollable data sources

The 3 stage model was discussed earlier which talks about the three stages in M&A. It included the Hr issues and the implications and actions on the merged entity at each stage. But these 3 stages are not separate from each other. There is a continuous need to assess the the inputs and the outputs of each stage and they which will keep the stages linked to each other. (Publication, 2009)

1. Pre-mix stage will be the planning and development stage, which will have some controllable and uncontrollable inputs which if handled effectively will generate the desired output to create synergy between the merging firm.
2. Integration stage is the execution stage where the outputs from the previous stage are fed in this stage with continuous evaluation.
3. Post-mix stage is the continuous evaluation and improvement model where the merger has taken place and all the process are reviewed and improved and new changes to be done are accepted.There are two sorts of inputs controllable, uncontrollable

4.1 At the pre- mix stage

Input

At the pre-mix stage that is generally the planning and the development stages of the two organisations that are to be merged all the controllable factors should be combined properly to form the organisation and the Uncontrollable factors should be managed effectively.

Output

Toward the finish of Planning and Development, whatever positive outcomes, recognized as the "new" organization, ought to be the side effect of the procedure. Backpedaling to our cases thinks about and the distinguished controllable sources of info, these data sources, if oversaw effectively, ought to wind up noticeably the coveted results, aside from now with more noteworthy reason and clearness. The whole execution process is intended to convey lucidity and reason to the controllable data sources, while settling the wild information sources.

An association ought to experience sought and undesired results at the finish of usage. Obviously, the coveted results are what we intended to make, while the undesired results are the exercises that neglected to turn the outcomes we favored. The association is currently balanced with the issue of regardless of whether the undesired result is sufficiently little to proceed with the procedure, or does it require that they sustain it once again into arranging and advancement to get the coveted result they were seeking after. It is our assessment that any undesired result be fed back through the framework so that the ideal consequences of pre-mix stage are accomplished.

Changing Outcomes to Inputs for Integration

This procedure is very easy to understand. There truly is no change that happens. What rather really happens is that the At the beginning of pre mix stage the organisation identifies the core values and the objectives of the merger and the base for the formation of the new entity and at the end of the pre-mix stage the new goals and mission of the new merged organisations are formed.

4.2 At the integration stage

Input

For this specific stage, amid merger action, the results of pre-merger action turn into the contributions for execution and reconciliation of HR projects and exercises. It is these results—now inputs—that the Integration arrange shapes and controls so that all results of its individual stage bear positive effects on joining. The key here is to start and carryout the consistent combination of Planning and Development(pre-mix stage) in Integration. As organizations start this procedure, it is outstanding that the organizations must get ready for and hope to likewise manage wild contributions at this stage, thus of issues in the Development and Planning stage that have turned up in Integration.

Outcome

Toward the finishing of Integration, our processes are now in place. The entity has completely coordinated the vital HR works, and should now start the procedure of Continuous Evaluation and Improvement. Evaluation and improvement means two different things. One concentrates on persistent

change while other concentrates on reconsideration and change. Our results from Integration speak to the projects and exercises and their related

accomplishments in Implementation. They answer the inquiries, "Is the new organization characteristic our new mission?", "Do our workers exemplify the new mission?", "Are we sincerely accomplishing our new goals?", and so forth.

An association ought to experience sought and undesired results at the finish of usage in Integration also. Once more, it is our feeling that any undesired result be nourished back through the framework so that the ideal consequences of combination are accomplished.

Changing Outcomes to Inputs for Continuous Evaluation and Improvement

At this stage we transform the outputs of the integration phase to the inputs of the post- mix stage hence at this stage it is important to maintain the continuous evaluation process so that the desired results are achieved

4.3 At the Post-mix stage

Inputs

Now for the last stage the outputs of the integration phase becomes the inputs of the post- mix stage. Here at this stage the regular evaluation and improvement has to be done to the steps being taken at the pre-merger and the integration phase and the HR activities which were supposed to take place takes place with the proper pace and method so as to maintain the synergy in the process. A regular evaluation has to be done so that the inputs do not become uncontrollable factors and the Output which was not expected becomes a reality

so this stage serves as the feedback mechanism to the change management process.

Fig 4.1 3 Stage model with inputs and outputs

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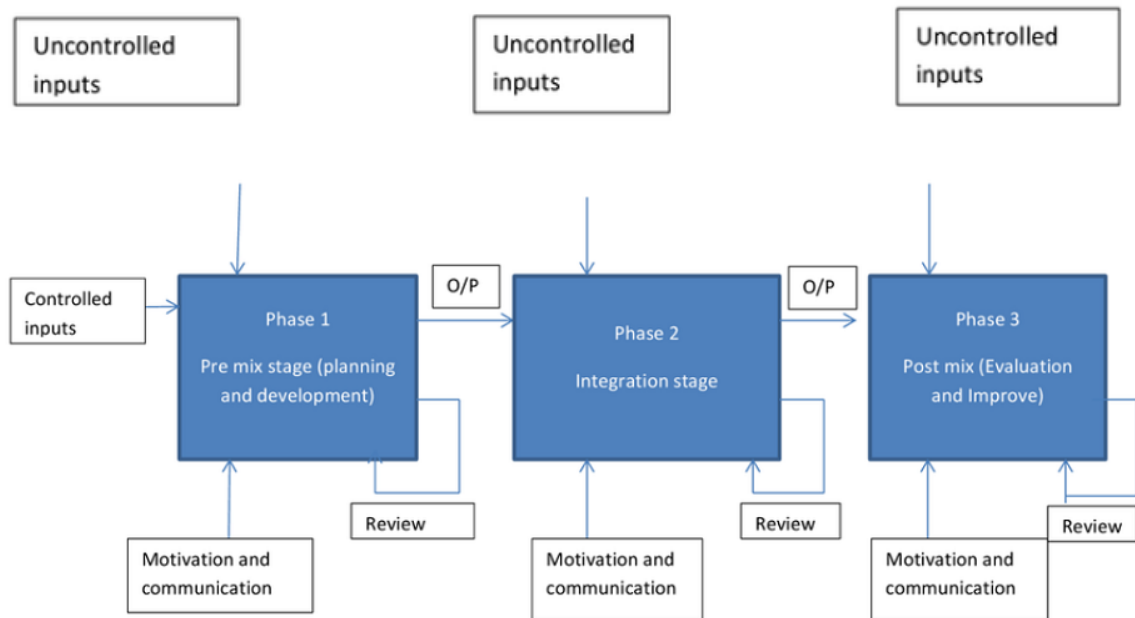
CHAPTER V

5. CONCLUSION, RECOMMENDATIONS, FUTURE SCOPE & LIMITATIONS OF THE STUDY

5.1 CONCLUSION

HR is hence an integral part of mergers and acquisition which is often overlooked. As from the literature review it was evident that the cultural dissimilarity between the merging organisation was the main cause of failure. The cultural assessment along with the current cultural fit and the cultural potential are useful in improving the probability of the success. With the inclusions of HR managers and Personnels from the very beginning of the talks of the merger the chances of the failure of mergers could be reduced to a great extent as the HR issues could be tackled from the very beginning and the framework to overcome the cultural differences could be framed. (Rubin, 2013)

 Before the HR heads and the Human resource department will form the framework for how the mergers and acquisitions will affect the employees and the ways to tackle them.

1. They should first themselves be well aware of what type of merger is taking place, the size of the merger, the culture of the merging firms, the HR practices of both the firms.
2. There can be different categories of mergers and acquisitions. The merger involving the merger of equals or unequals and acquisition involving the acquisition and separation and the other acquisition and integration.
3. Once the type is identified It now gives us direction to tackle. The information should be well communicated to all the employees through different programs and sessions as this would make the employees more comfortable and they would have some certainty about their future in the firm.

Hence for this purpose the model which was described earlier 'the 3 stage model' which completely encompasses the changes that take place in the pre merger phase, during the merger phase and post merger phase both at the HR level as well as the managerial level could be addressed. This model can be implemented in any company to tackle the Hr issues. All the processes of the model are never ending and have a series of input and output associated with each phase as there is no definite ending to a particular phase. Since change is an integral part of the organisation the model should be continuously re-evaluated and redressed. Then a little modification was done to add the controllable, uncontrollable inputs and outputs. (T.J. and Herndon, 1999)

This paper also discusses the soft issues of communication and the motivation to retain the employees in the firm being acquired or merged. The ways to motivate employees and retaining them in the organisation after recognising the staff that is important for the organisation to retain. Communication talks about the different channels of communicating the information to the employees about the change at every stage and getting them into confidence.

The basic issues talked about above have outlined that HRM may adequately add to the execution of an organization and, in result, alter the view of this capacity by other corporate supervisors. An essential condition for that part to be completely executed is its coordination in the business methodology furthermore, the power framework. In this way, despite the fact that HR heads ought to look to embrace a more dynamic and key part, contributing viably to the execution of the association so that the HR capacity can be seen contrastingly by other corporate directors.

It is well known that The Role of Hr will evermore continue to become more and more important in the Mergers and acquisitions. With its expanded role the organisations will appreciate its importance with the history to support the fact that it has played an important part in mergers and acquisitions

5.2 RECOMMENDATIONS

5.2.1 Company level

Clear plan, mission, vision for the M&A should be clearly stated, defined and communicated.

The market forces and the consumer behaviour has to be analysed carefully.

The Type of merger, ie Within merger or outside merger as well as the acquisition ie. Acquire and integrate or acquire and separate should be considered.

Different departments of the organisations such as the HR department, R&D dept. etc should be well represented by the teams and should be included in the first phase itself

The people value apart from the financial perspective should also be considered.

When the deal is made the following questions should be answered so that the employees could be integrated ie. What would be the structure of the plan and how would we go about executing it and will it be connected or standalone.

The realistic performance goal should be set up as generally the mergers are on the concept that combined the entities would be more successful ie. 2+2=5. (Edupristine, 2016)

Roles and responsibilities should be clearly defined and there should be no ambiguity on that part.

The social cost of M&A should be analysed.

5.2.2 Human resource level

Cultural issues are the main bottlenecks of M&A with respect to the HR. So they should be dealt with utmost care. The culture of the merged or the acquired firm should not be ignored or neglected. They should not feel that their culture is faster moving in the formed entity.

All the cultural differences should be cautiously handled as not handling them properly leads to miscommunication and mismanagement.

It is the responsibility of the HR professional to know that with the integration there would be some changes and everything cannot be done as per the usual way. Hence the changes should be identified and it should not be forced on the people and it should be noted that the core imbibed values of the 2 organisations are not lost.

The time for the whole process should not be overstated or understated.

Difficult decisions should not be kept pending and should be dealt with quickly so that they do not create doubts in the minds of the employees.

More emphasis should be placed on the first phase of the M&A the pre-mix stage and proper planning and integration should be there.

The communication is the key part here and should play an important role at each and every point at every stage. Since all of the information is also not good so the information should be shared with the employees keeping in mind that it would not cause distress and telling less information is also not correct as it would lead to alienation of the employees.

The grievance and the complaints of the employees should not be ignored as it could cause strikes and shutting down of work.

After the integration has taken place the bottlenecks that are still left should be dealt with equal enthusiasm.

5.3 LIMITATIONS OF THE STUDY

The analysis of this paper is based on the 3 stage model and the case analysis.

The first limitation of the study was that the data for the case analysis was collected from different research papers, websites, reports, newspaper articles. So only that information was available which was presented. There would have been more issues which were nowhere to be found and for the issues which were stated we could not be sure about the depth of its consequences. A detailed study would have been done if objective information which would have been provided in the analysis of the case or either the information could have been collected from the merged/acquired organisation. The information here on the cases as well as the 3 stage model is subject to the judgement of the author and on his limitation of the study

The second limitation is that the models that are now formed are formed and suggested after the failure of the organisation so it may not be covering the whole of the prospects. The current models lacks validity and will continue to lack it until the models being presented in future are able to be implemented completely in actual M&A.

The model we presented cannot be tested in the organisations and is purely based on the theoretical research. It is not sector specific and is for the general HR review.

The model that are present and those proposed are not being implemented fully as each organisation is different in its basic values, policies, structure. So there

cannot be a general model to them. Even within the same sector each organisation is different. So they need to be studied specifically and then a model should be suggested. The organisations either follow a part of the model suggested or no model.

5.4 Future scope

HR has been the neglected part of the organisations during M&A. With my study I have tried to lay emphasis on the fact that Hr is an important part and should be included at the point of the merger of the organisation.

In this study the research has been secondary and no data has been collected on the model proposed and even for the literature review. So the model is theoretical till here and has not been tested anywhere. It is derived from the general assumptions from the case studies and the earlier models that have been proposed.

So my model can be taken as a base for developing the future models and conducting qualitative research for M&A issues. Changes can be made based on organisation to organisation. A model that is easily adaptable in the current environment and which takes into account the global and domestic cultural issues and conflicts can be taken.

A more industry specific study can be done to look into the problems closely.

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Appendix

Cultual types and merger outcomes

Cultural Types and Merger Outcomes

Culture of the Acquirer Dominant Merger Partner	Culture of the Acquired or Other Merger Partner	Likely Outcome	Comments
Power	Power	Problematic	Success very dependent on the choice and charisma of the organizational leader. In a pseudo-merger situation likely to result in bitter political infighting.
Power	Role Task Person/Support	All potentially disastrous	Assimilation will be resisted. Culture collisions will inevitably result. Labour turnover rates can be expected to rise.
Role	Power	Potentially good	Assimilation likely to be accepted. Most acquired employees will welcome the 'fairness' of a role culture.
Role	Role	Potentially good	Smooth assimilation likely as effectively rewriting or presenting a new rule book is all that is required.
Role	Task	Potentially problematic	Many managers will have joined the acquired organization to escape the bureaucracy and red tape of a role culture.
Role	Person/Support	Potentially disastrous	Anarchy likely. While eventually members of a task culture may accept that the size of the organization may now require greater infrastructure, members of a person/support culture certainly will not.
Role	Person/Support	Potentially disastrous	Anarchy likely. While eventually members of a task culture may accept that the size of the organization may now require greater infrastructure, members of a person/support culture certainly will not.
Task	Power Role Task	potentially good	Smooth. Assimilation likely for those in existing power and role cultures; there will inevitably be a pleasant but still potentially disturbing culture shock. Some are likely to feel their status is eroded, particularly those with considerable position power. Many will find the new culture very demanding and perhaps stressful.
Task	Person/Support	Potentially problematic	While person/support cultures nurture self-development, they are not conducive to team cultures and consensual decision making.

Source: Cartwright and Cooper (1993a, 67).