The challenge of HR integration: a review of the M&A HR integration literature

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Abstract

Purpose – The purpose of this study is to follow the process perspective approach in post-M&A (mergers and acquisitions) integration studies, with a focus on human resource function, to make the research literature relevant to HR integration process up to date.

Design/methodology/approach – To the best of the author’s knowledge, limited systematic literature review and study in this interface has previously been published.

Findings – Therefore, this conceptual study filled in the research gap by pointing out a clear framework on HR integration in cross-border post-acquisitions, reviewing both the content and process of HR integration. This paper contributes to future research on the HR integration process perspective in theoretical directions.

Originality/value – It addresses the gap in research and opens the avenues for M&A researchers to consider HR as the strategic partner during M&As and to study HR aspects in an integrated process perspective view. This approach complements socialized reviews and it suggests a process perspective on how to dispersed themes and interrelate topics. It provide a clear process perspective helps to develop a concurrent research agenda, which can guide future work in the field.

Keywords Mergers and acquisitions, Process perspective, HR integration, Post-M&As, Cross-border M&A

Paper type Conceptual paper

Introduction

Research on mergers and acquisitions (M&A) integration, encompassing both post-merger and post-acquisition integration, has been developing in strength from the late 1980s until today[1]. However, the scholarly literature in this field has not yielded satisfactory results; the success rate of M&As remains relatively low (Cartwright, 1990; Halebian et al., 2009). In 2013, Latulka and Panibratov stated that “full involvement of HRM department leads to a successful M&A deal completion,” but the ways to positively support human resources M&A integration remain largely unknown. Until this date, most of the literature on post-M&A processes has focused on human-side factors; many studies have examined HR as a factor that can determine success or failure in integration, such as leadership conflicts, culture clash, lack of skills/training, inconsistent/insufficient employee communications or other factors (Hewitt, 2011; Tan and Qi,
2017; Birkinshaw et al., 2000; Friedman et al., 2016), there is still no clear outline has been provided on how HR integration should be conducted or what content it should be included.

Yet, the integration process itself is still a less-understood phenomenon. In 2017, Steigenberger presented an integrative framework for the general process of business integration following M&As. His synthesis took the academic discussion on M&A integration one step further on the journey toward a more comprehensive understanding of this phenomenon. Following his work, this study investigates a structured framework for HR integration in line with the integration of the broader business. Owing to the importance of the link that HR issues have with the success or failure of an M&A, it is imperative to have such a framework to unite HR policies and practices with the integration of business practices, finances and strategies into an integrated whole. This type of integrated process could grant added understanding and guidance to enable successful M&As.

This review worked sub-themes into a consistent framework, linked the heterogeneous sub-topics of HR integration, and offered an overview of the development of study in this area over the past 20 years. Using literature that takes up classical categorizations of process harmonization, organizational synergy, and change management, it created an integrated framework for regarding HR integration. The proposed conception of integration was coordinated with accepted general business integration following an M&A. Further, it addressed a gap in the research and provided a means for researchers to consider HR as a strategic partner during an M&A, studying the aspects of HR in an integrated process perspective. This approach complements previous reviews and develops suggestions for how dispersed themes and topics can interrelate in a process perspective. It can provide support for the development of a concurrent agenda, which would be able to guide future work on M&As.

The paper is structured as follows. First, the theoretical section provides the key concepts used in the study. Next, research on HR integration process, HR practices and integration strategy is summarized. This is followed by a conceptual framework for HR integration after M&As. The final section discusses the results and limitations of the study and presents suggestions for future research as well as indicating managerial conclusions.

Delineating process perspective in M&As HR integration

The HR involvement studies in M&As have focused on three dimensions: strategy, structure and process, which contents: capital markets (Kauser and Shaw, 2004), organizational behavior (Björkman and Söderberg, 2006) and process (Haspeslagh and Jemison, 1991). To define the field of interest, this study follows Jemison and Sitkin’s (1986) delineation of M&A integration as “M&A should be seen as a process with distinctive characteristics that can affect important organizational activities and outcomes.” therefore, devote its attention to minimize the complexity and derive a blueprint for the process of HR integration in M&As.

In M&As, process plays an important role in determining the success factors, both those studies that focus on what happens before M&As and those that focus on what happens after (Gomes et al., 2013). However, there has been little research on the process perspective for M&As in either way. Teerikangas, 2006 introduced the process perspective of the integration as “a process dealing with administrative, organizational (organizational structure, compensation and communication systems, financial systems), social (cultural system) and operative (production, marketing, R&D) system.” The most challenging part of integration is coordinating the functions of two firms that feature different management styles and departmental practices. Once the integration seeps deeper into the functional levels, strategic-level M&A commitments are faced with issues of operational implementation. The directions of those integrations, functions, and tasks are largely governed by HR practices. Therefore, the study of HR integration has been based on a fundamental understanding of the role of HR. It is
commonly known that HR’s functions include strategic HR and operational HR, and its practices include recruitment, compensation and benefits, appraisals and control, organization structure and compliance, employee relations and training and development (Panibratov, 2017). Studies that examine HR within an organization may focus on human capital, cultural factors, organizational behavior, employee emotions, leadership, and management effectiveness (Teerikangas and Thanos, 2018; Birkinshaw et al., 2000). HR departmental involvement is key for post-M&A integration because its work is responsible for successful outcomes for the merged entity (Weber and Tarba, 2010; Latukha and Panibratov, 2013) has described HR’s involvement in integration are in three following steps: “to measure cultural differences, to correlate culture to the strategy chosen, and to manage the integration process”. Organizational culture and acculturation (Lakshman, 2011; Rottig, 2016), HR practices (Duarte and Tanure, 2007), HR strategies (Sigera and Cahoon, 2018; Brueller et al., 2018) and other characteristics have been studied individually in depth. However, most such studies indicate that HR plays only a passive role in integration, and few see HR as something that drives the integration. Even less research has focused on HR integration itself, which described by Bansal (2015) as running alongside of the main tasks during post-M&A integration and as “reforms in human resources strategies and practices in a post-merger/post-acquisition organization aiming at making the human resources a functional integrated entity” (Yan and Wang, 2008).

To fill in this research gap, this study presents a systematic review (Tranfield et al., 2003) of the scholarly literature on HR functions and practices during post-M&A integration, to offer a new processual framework. The findings were expanded upon using a synthesis of current theoretical lenses into an integrative model. From the authors’ review and building on earlier works, this paper develops a conceptual model for investigating post-M&A HR integration as requiring a key resource mix for the effective production of a successful post-M&A integration. In this framework, cultural integration (Sarala, 2014) and change management are proposed to be included as part of the HR integration process during the post-M&A integrations, because of the executive body that is in charge of those mechanisms is either top management or HR. It has boarder the scope of research to focuses on cross-border M&As, where cross-cultural factors (Lakshman, 2011), legitimacy (Panibratov, 2017), and mobility (Selmer and Lauring, 2015) play important roles. These mixed fragments ensure relevance to the framework and add to the understanding of the current globalization business environment.

Methodology

Article identification methods

In this study, a systematic, concept-centric literature review (Webster and Watson, 2002) was performed in this research of synthesized and extended research. Its coverage was restricted to peer-reviewed scholarly journals. The intention was to synthesize the process of HR integration through a conceptual framework, without attempting to duplicate specialized reviews of complex sub-topics that are interrelated with the human factors themes of cross-border M&As. The scope of the literature review encompassed all research work focusing on HR issues in cross-border M&As. Multiple research techniques were employed to identify literature on HR integration with a focus on cross-border M&As. First, word searches (“cross-border M&As,” “integration process” and “HR integration,” among others) conducted in the ISI Web of Knowledge citation database and manual searches of specific journals were performed. This yielded a subset of potentially relevant articles. After this identification, an ancestry approach was applied to the located articles (Cooper, 1998), which began with the most recent articles and tracked the references on which they were based.

It is increasingly difficult to find examples in the HR–M&A literature of identifying contents and steps in HR integration, as HR functions has stated in various phases of
integration (including before and after M&As). To capture processes where HR was involved, the search was enlarged to include political synergies and M&A strategies.

Study of the factors of integration involved in HR has been scattered, and focus using the process perspective of HR integration has been limited. Empirical and theoretical articles published between 1990 and late 2018 were identified. A total of 66 articles published in 41 outlets were located, and this was taken to indicate the mainstream for studies of HR integration after M&As (Table I). It appears that HR management journals and organization change journals are most favorable outlets for papers on post-M&A HR integration. These include The International Journal of Human Resource Management and Journal of Organizational Change Management. This field predominantly uses qualitative over quantitative research. The most commonly used methodologies are the case study and the conceptual study (Table II). This review devoted its attention to HR studies of cross-border M&As, so articles were selected in which M&A integration was the focus of the empirical or conceptual work, excluding focuses on topics such as case studies of domestic M&As, target selection, financial or investment analyses, pre-deal negotiations and general post-M&A performance.

The common use of methodologies in analysis was followed, and dates of publication were organized in a large spreadsheet. Topic, key research focus (directions) and main insights (findings) were noted for each paper. Then, each paper was sorted into one of the following three main directions: integration, change management, and HR strategy. This framework, presented below, was inductively built, using an iterative strategy between samples and model.

**Conceptual development**

*Process perspective in HR integration: toward an integrated framework*

Various approaches and classifications of integration can be found in the literature. The review of 66 papers in this study show how the literature captures the key role of HR in the main research directions during post-M&A integration. The roles that HR plays in post-M&A integration can be divided into three groups: a harmonization mechanism, an organizational synergy creator and a change-management agent.

The roles of HR have received comprehensive study, but they are still largely separately assessed. In reality, however, these do not occur in different parts of the integration process. Instead, they are all linked and influence each other. As a result of the failure to account for the coordination of these roles, there has been no clear identification of steps to take in post-M&A integration. Therefore, to understand the most important mechanisms in the success and failures of M&As, we must dig a little deeper and offer a more constructive and complete overview of the entire process. A more integrated approach is necessary that would incorporate all three roles of HR. Such an approach is crucial for developing a truly integrative perspective of M&As (Bauer and Matzler, 2014). The goal of identifying key themes and factors in HR integration research requires important insights to be highlighted and for these to be condensed into a coherent framework.

Such a framework is developed to illuminate HR integration in a cross-border acquisition setting, as shown in Figure 1. This inductive analysis revealed three stages of HR integration, categorized as follows: pre-integration (preparation), HR integration and integration outcome (effectiveness). This categorization follows the larger process of post-M&A business integration (Shrivastava, 1986). M&A integration is a process of dynamic change; therefore, while the classic perspective divides integration mechanisms into human integration and task integration (Osarenkhoe and Hyder, 2015), this study categorizes HR integration into three parallel steps: system integration, personnel integration and change management (arrow 2). The interactions between those three parallel conditions and interventions are critical for understanding the success or failure outcomes of M&A (arrow 3),
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<td>Journal of Change Management</td>
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<td>Frontiers of Business Research in China I</td>
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<td>European Journal of International Management</td>
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<td>The Asian Journal of Shipping and Logistics</td>
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<td>Learning, Innovation and Development</td>
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<td>The Journal of Business Communication</td>
<td>1</td>
<td>British Journal of Management</td>
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<td>Cross Cultural Management: An International</td>
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<td>Journal of International business studies</td>
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<td>Strategic Management Journal</td>
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<td>Journal of International Financial Management</td>
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<tr>
<td>Journal of Management Studies</td>
<td>1</td>
<td>Advances in Mergers and Acquisitions</td>
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Table I. Sampled journals

M&A HR integration literature
which then lead to the creation or loss of value during integration. Whether two companies are successfully integrated into a functional whole or this fails to occur, this is the stage where the effectiveness of HR integration is measured. In the following section, each of these steps is examined in greater detail.

Table II.
Overview of methodologies of sampled studies

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<td>Conceptual study</td>
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<td>Case study</td>
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<td>Mixed-method</td>
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Figure 1.
Conceptual framework for post-M&A HR integration
**Link between pre- and post-M&A integration: HR due diligence.** Pre-integration joins the pre- and post-M&A stages. It is important for HR integration to contain such a stage because in this phase, HR risks can be discovered by due diligence (Figure 1, arrow 1) and addressed in the post-M&A stage. The difference between HR due diligence and financial or legal due diligence is that for HR, although due diligence begins before a deal is made, it can often last until the beginning of the post-M&A stage. Financial due diligence and legal due diligence must be complete before a deal can be concluded. In the current literature, HR due diligence has not yet been acknowledged as a stand-alone activity that is equally as important as financial or legal due diligence. Instead, it has been seen as a practice that involves human factors but occurs within the scope of financial or legal due diligence. This study foregrounds the importance and necessity of HR due diligence as a stand-alone activity and as a connector between the pre- and post-M&A stages of integration.

M&A begins with due diligence work, which must be based on multiple level of amylases for identify risk and opportunities. The same principles apply to HR due diligence, which must consider internal capabilities or resources, organizational constraints, institutional constraints, cultural distance (Weber and Tarba, 2010), synergy potential (Bauer and Matzler, 2014) and level of absorptive capacity (Blake, 1985) with reference to the acquirer and acquired companies. Those aspects involve general assessment of the risks and the opportunities associated with the human factors with M&As.

It is a fundamental step in preparation to choose the HR integration strategy that is most suitable for the success of an integration. It should be noted that the choice of a strategy for HR integration cannot be made separate from other corporate approaches. It must be thoroughly considered part of the main decision-making processes in a business integration strategy. The choice of such a strategy should follow the main post-M&A business strategy, as indicated in post-merger integration studies (Blake, 1985). According to their need for organizational autonomy or strategic interdependence, there are four main types of integration approach taken by businesses: absorption, symbiosis, preservation and holding (Haspeslagh and Jemison, 1991; Marchand, 2015). Here, integration is grouped into three approaches: preservation, holding and integration, detailed below:

1. **Preservation:** Maximum financial transfer and risk-sharing characterizes the preservation approach. In this context, the acquiring company often exhibits limited managerial influence over the acquired company, its original organization is maintained, and only limited changes are pursued (Marchand, 2015). In this approach, the objective of the acquiring company is often taken from the acquired company (Haspeslagh and Jemison, 1991).

2. **Holding:** In this approach, there is “no intention of integrating and value is created only by financial transfers, risk-sharing or general management capability” (Haspeslagh and Jemison, 1991). The acquired company usually continues to exist as a separate legal entity, but authority to give directives devolves upon the acquiring company. Often, one or more individuals in the top management of the acquired company are replaced by people from the acquiring company. The acquired company often requires restructuring and reorganization, and this is done to improve measures of success, especially in finance, resources, capability, and management (Wirtz, 2014). However, the organizational culture and management system that already existed in the acquired company usually remains unchanged.

3. **Integration:** Here, the business strategy of absorption or of symbiosis is followed, and both of these require greater involvement of HR practices. The previous two require much less HR integration or even quite limited HR involvement. The
structure and contents of both absorption and symbiosis involve a similar commitment of resources from HR. The difference between them comes down to the level of involvement and autonomy.

Pre-integration: HR is a process-harmonization mechanism. When the acquiring company has chosen symbiosis or absorption as its integration approach, the business processes and management systems of the two entities must be harmonized to make one efficient and effective whole with unified business processes (Schönreiter, 2018). The involvement of HR in integration process captures value through functional strategy implementation and defines the degree of organizational fit (Teerikangas and Thanos, 2018), cultural assessment (Weber and Tarba, 2012), emotional intelligence, effective integration management (Chen et al., 2016), communication climate and (socio)cultural integration (Friedman et al., 2016; Xing and Liu, 2015). Such aspects play an important role as the mechanism of process harmonization in the acquired entity, especially where differential distance or power may occur within the merging groups, leaving key employees worse off, or where pressure and conflicting priorities might have a negative impact and constrain the influence of constructive and efficient aspects of the process of harmonization (Maire and Collerette, 2011).

HR integration: system integration, personnel integration and change management. The classic process perspective divides mechanisms of business integration into mechanisms if human integration and mechanisms of task integration (Osarenkhoe and Hyder, 2015). These processes go hand in hand to achieve develop integration in M&A. However, if either activity is preferred to the other, as is true in many M&As, the path to completely successful integration is blocked. Following the classic process perspective, this study divides HR integration (Figure 1, arrow 2) into three steps that run both concurrently and consecutively: system integration, personnel integration and change management.

System integration. System integration largely refers to mechanisms of task integration, containing aspects of language (Malik and Bebenroth, 2018), compliance or non-compliance (Dell’Acqua et al., 2018), organizational structure and process redefinition (Aklamanu et al., 2016). System involves factors of internal organization and external legitimacy. It regulates tasks belonging to HR functions (performed by the HR department), such as organizational structuring and compliance, compensation and benefits, appraisal and control. These are considered hard factors that are not influenced by individual emotions or personal behaviors. This means that system integration is largely easy to manage. Ideally, it proceeds according to a predefined integration strategy, and it is the fundamental stepping stone for the ultimate integration of organizational functions. In recent work on international M&A, IT integration has emerged as an important element that requires special attention, given its direct impact on automatic processes and standardization (Schönreiter, 2018). System integration requires interaction and cooperation between HR and other departments in an organization, such as legal, IT and strategy.

Personnel integration. As with system integration, personnel integration also centers around task integration. Personnel integration is accounted for separately from system integration because of human factors. Personnel integration incorporates manpower factors (aspects/tasks): allocation of key personnel (Birkinshaw et al., 2000), international or between-group transfers, multilingual talent recruitment, resource redundancy and reorganization (Othman, 2009). Personnel integration is a task that falls into the HR function, within the realms of recruitment, compensation and benefit, organizational structure, and compliance. Personnel integration is a soft factor, involving a greater degree of influence by human behavior and individual emotions, while also being under the influence of external factors, such as visa problems or lack of available skills.
Change management. Studies of M&As characterize integration as a process of dynamic change (Steigenberger, 2017). In a process perspective view, there is a main focus on the role of change management as a potential source of improvement in competitive advantage (Birkinshaw et al., 2000; Child, 1999; Haspeslagh and Jemison, 1991). Following the literature, I propose that the way in which change management is conducted can lead to the success or failure of HR integration. Thus, owing to its importance, this step should be considered independently during HR integration. However, change management in the context of HR integration is different from change management in the context of business integration. In business integration in M&As, restructuring, outsourcing, restorations, cost-reduction programs and optimization of business process (Doppler and Lauterburg, 2008) are central. This feature has a broader scope than change management within HR, which regards changes in organizational identity, emotions, language barriers, leadership, and communication, which can all affect employees’ perceptions of integration, trust and values (Buono, 1989).

Change management shows the strongest links with overall business integration and governs the entire integration process through leadership, trust and culture (Marks, 1982). Change management is largely carried out within the HR functions of employee relations and of training and development.

Systems integration and personnel integration can have positive and negative influences. If there is good organizational fit, the change most likely will be positive. The changes may include changes in leadership, employee identity, communication and cultural sharing (Lajoux, 1998). If there is too much distance in culture, institutional constraints or absorptive capacity in the organizational fit, the outcome of the changes is likely to be influenced by emotional resistance, language barriers, unexpected legal constraints and cultural conflicts (Haspeslagh and Jemison, 1991).

HR integration: HR as change-management agent. As change-management agent, HR drive the organizational changes and are the source of the resistance of changes (Datta, 1991). The challenges of change management stem from the integration of personnel views, adaptation of different cultures, implementation of infrastructure and business strategies (Lohrke et al., 2016). While domestic acquisition only requires matching organizational cultures, cultural clashes are more likely in cross-border acquisitions, owing to the encounter between different national cultures (Very et al., 1996; Aureli, 2017) argues that in such a context, HR should be managed:

[... through mechanisms and incentives to increase managers’ motivation and alignment with M&As' objectives and an active management of cultural differences and organizational factors through social activities or other processes is necessary in the post-integration process (Kale and Singh, 2012).]

An interesting view was developed by Mirvis and Marks (1992), called reverse acquisition. This refers to cases where the resistance to change in the acquired company is too great or the integration faces forecasted failure, such that two firms do not complete the entire organizational integration; they can choose an appropriate and sufficient extent of integration and then cases consolidation at that point. This phenomenon opens a window for research that would study critical moments and influential factors in following the designed integration process (Figure 1, arrow 3). The combination of actions and behavior may lead to a value creation or value loss and thus to integration success or integration failure.

Value creation or loss: integration outcome. Integration outcomes refer to the effectiveness of how integration is valued and how the success and failure of HR integration are measured following an M&A. The measurement of integration success or failure should assess integration of HR systems, cost efficiency, transfer of knowledge, advantage of
combination for both companies, effective control, feedback, cost, system effectiveness, emotions (negative/positive), loss/retention of key personnel, resources abundance, and length of integration.

The sub-contents of HR integration outcomes has been identified, but there is still no clear indication what steps should be taken or how the relationship between factors could cause loss or gain of value. It would be related to the concrete steps taken to consolidate organizational structures, working processes, assets and departments and would influence the achievement of operational synergies.

Integration outcome. HR as organizational synergy creator. Previous research has found that successful integration is the most important step for absorbing the purchase value of an acquired company and for creating new synergy or value after acquisition. HR challenges that arise following M&A may “prevent exploitation of the potential synergy that can rise from sharing resources or transferring skills and resources” (Gomes et al., 2013, p. 26). Gomes et al. (2013) identified the critical success factors for the post-acquisition phase as integration strategies, post-acquisition leadership, speed of implementation, PMI team, communication, and management of corporate and national cultural differences (Yahiaouia et al., 2016). Among these factors, four are closely linked to HR management. HR’s early involvement in the pre-M&A phase, such as in development of absorptive capacity (Deng, 2007), ownership location and division of labor (Yakob et al., 2018), and institutional and organizational constraints, its post-M&A orientation to the integration of speed and performance from top management, leadership style (Osarenkhoe and Hyder, 2015), combination potential, organizational integration and employee resistance (Larsson and Finkelstein, 1999) are all key influences for synergy realization and creation.

Discussion
Integration process in cross-border M&As poses difficulties owing to the physical distance between the geographical locations of the headquarters of the enterprises involved, the cross-cultural issues between national and organizational cultures (Lakshman, 2011), external legitimacy and political constraints (Panibratov, 2017), and mobility factors, including transfer of key personnel (Selmer and Lauring, 2015). These mixed fragments make integration more complex and require additional managerial attention. The organization of integration from an HR perspective offers a new approach to enacting a transformation, not using a financial or resource-based view. The outcome of HR integration defines the outcome of the business integration, as human capital is recognized as a primary asset in an M&A transaction. Following this, it has come to be understood that the retention of HR should be a top priority in the post-M&A period. This means that the design of integration for HR management should be taken seriously as a key driving force in future studies.

The integrated process developed in this study offers a clear overview of all tasks involved and shows how HR should function following an M&A. Most importantly, it gives a logical and relevant process for future research to follow. This study’s contribution to the currently available theories of the process perspective is a proposed model that would bring together the results found in the field to the current moment. I urge researchers to search for gaps in the research and further develop the model presented here in both the theoretical and empirical directions. Future studies in this field should make use of an integrated approach to develop the current understanding of the steps of the process of an M&A. Using quantitative methods, the conceptual model presented here can be tested to determine whether it is in line with the business environment and whether the currently designed HR integration process has missing pieces or gaps.
To sum up, the interactive relationships among system integration, personnel integration, and change management influence and impact responses to the dilemmas of merging groups and navigating cross-cultural pressures on top management. It also shows what steps can be taken to challenge views on personnel integration in the context of multiple cultures, infrastructures, and strategies (Gomes et al., 2013), as well as identifying critical success factors associated with post-M&A HR integration.

The limitations of this study include the fact that it is a conceptual paper, limited in its review to journal publications available in recent decades, excluding books and secondary data. This study attempted an integrated view of high-level theoretical contributions, but did not present an in-depth review of the sub-themes for each direction. This paper proposes a structured view of HR integration that covers the entire length of an M&A, during the course of which it may appear to duplicate or overlap with the integration of the larger operation. This is not an accurate perception because a large amount of the integration tasks of any M&A operation integration is in fact carried out by HR. Future reviewers of sub-topics here are urged to provide a more fleshed-out picture of HR’s full role in post-M&A integration.

Conclusion
This study developed the strategic importance of HR management in cross-border M&As. This review of the literature developed a conceptual framework to provide a clear and constructive view of the role of HR in integration following a cross-cultural M&A. Kim (2003) proposed a four-way classification of international integration:

[... ] comprising centralization, formalization, people and information models. It has been argued that an organization which is characterized by high people-based integration modes will report a greater sharing of values, mission, vision and norms and possibly, may leverage this approach to integration in the securing and building of trust among employees.

The results indicate that HR integration mechanisms should be full partners at each step in the integration of businesses in an M&A. This is the carrier of knowledge transfer and synergy creation, as well as the moderator for process harmonization and change management.

This study contributes to the study of international management and managerial practices with reference to cross-border M&As in several ways. First, the proposed framework could aid both managers and policy makers to understand the approach to HR integration approach dominantly used in cross-border M&As to profit from potential synergy in the wake of cross-border M&A activities. More importantly, the outcome of this study indicates that in cross-cultural organizations, the cultural impacts appear to be most concentrated in communication style, work efficiency practices and management control systems. The integration of HR’s approach to change management and the effectiveness of personnel integration are more important and more difficult factors to deal with and can lead to greater dysfunction in cross-culture cooperation or to the loss of profit. Likewise, the framework presented here can help consultants and executives ensure better HR due-diligence practices and assessment for all stages of an M&A, including screening, planning, and negotiation to enhance the effectiveness of the interventions carried out during post-M&A integration. As such, this study emphasizes the role of corporate analysis as an important and influential milestone for the exploration of the international business environment (Weber and Tarba, 2010).

Future research work should explore the fruitful and valuable perspectives that the field of M&A integration studies has to offer to develop and enrich further insights into this
process. The integration process is an opportunity to study and account for the steps of integration taken within this conceptual framework. Empirical research on post-M&A integration is also needed to understand the factors that determine the success of the given process and the overall success of M&As. We believe that this line of research will have a significant and continuous impact on both the academic community and the business world.

Note

1. The terms “mergers” and “acquisitions” are often used interchangeably or combined as the single term M&As, but these two refer to different corporate operations.

References


Further reading


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