The Role of Human Resources as a Business Partner in the Execution of Effective Change Management in the Mergers and Acquisitions Process
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# Table of Contents

Table of Figures ....................................................................................................................... i
Acknowledgements .................................................................................................................. ii
Abstract .................................................................................................................................... iii

Chapter 1: Introduction .............................................................................................................. 1
  1.1 Background and Context of Research ............................................................................. 1
  1.2 Research Area .................................................................................................................. 5
  1.3 Approach to the Research ............................................................................................... 6
  1.4 Research Question and Objectives .................................................................................. 6
  1.5 Suitability of the Researcher ............................................................................................ 8
  1.6 Organisation of the Dissertation ...................................................................................... 9

Chapter 2: Literature Review .................................................................................................... 11
  2.1 Introduction ....................................................................................................................... 11
  2.2 Corporate Culture and its Role in the Change Process .................................................... 11
      2.2.1 What is Corporate Culture? ...................................................................................... 11
      2.2.2 The Effect of Corporate Culture on Mergers and Acquisitions............................... 12
  2.3 The Elements of Effective Change Management ............................................................ 13
      2.3.1 The Change Management Concept ......................................................................... 13
      2.3.2 Kotter’s Eight-Step Change Model ........................................................................... 14
      2.3.3 The Crucial Elements of Effective Change Management ......................................... 15
  2.4 The Evolving Role of Human Resources as a Strategic Business Partner ....................... 17
      2.4.1 Ulrich’s Four-Prong HR Model ................................................................................. 17
      2.4.2 The Role of HR as a Business Partner ...................................................................... 18
      2.4.3 The Potential for Role Conflict ................................................................................. 20
  2.5 Translating Strategy into Action ....................................................................................... 21
      2.5.1 The Performance Management Process ................................................................... 21
2.5.2 Adapting Strategic Goals at Every Level ......................................................... 21
2.5.3 The Balanced Scorecard ................................................................................. 22
2.5.4 Some Criticisms of the Balanced Scorecard Approach ............................... 25
2.6 Conclusion ........................................................................................................ 26

Chapter 3: Research Methodology & Methods ......................................................... 27
3.1 Introduction ......................................................................................................... 27
3.2 Research Design ................................................................................................. 27
  3.2.1 Research Philosophy ..................................................................................... 27
  3.2.2 Research Approach ...................................................................................... 29
  3.2.3 Research Strategy ......................................................................................... 30
  3.2.4 Research Choice .......................................................................................... 32
3.3 Data Collection .................................................................................................. 32
  3.3.1 Method of Data Collection ........................................................................... 32
  3.3.2 Population and Sample ............................................................................... 35
  3.3.3 Research Ethics ............................................................................................ 36
  3.3.4 Limitations of Methodology ......................................................................... 37

Chapter 4: Data Analysis & Findings ..................................................................... 39
4.1 Method Employed for Data Analysis ................................................................. 39
4.2 Change Management ......................................................................................... 40
  4.2.1 Critical Factors in Implementing Change ..................................................... 40
  4.2.2 Key Players .................................................................................................. 41
  4.2.3 Layers of Communication .......................................................................... 42
  4.2.4 Models ......................................................................................................... 43
  4.2.5 Obstacles to Change .................................................................................... 43
4.3 Corporate Culture .............................................................................................. 43
  4.3.1 Understanding the Custom of Practice ....................................................... 44
  4.3.2 Dominant Cultures ...................................................................................... 44
4.3.3 Change Happens Slowly ................................................................. 45
4.4 M&As .................................................................................................. 45
4.4.1 Recruitment and Retention ............................................................ 45
4.5 The Role of HR as a Strategic Business Partner ........................... 47
4.5.1 HR and Organisational Development ....................................... 47
4.6 Summary of Findings ....................................................................... 48

Chapter 5: Discussion ........................................................................... 49
5.1 Overview ........................................................................................... 49
5.2 Discussion of the Research Undertaken ......................................... 49

Chapter 6: Conclusions and Recommendations ............................... 57
6.1 The Primary Research Objective ...................................................... 57
6.2 The Sub-Research Question .............................................................. 58
6.3 Recommendations ........................................................................... 59
6.3.1 Recommendations Based on Findings ....................................... 59
6.3.2 Recommendations for Future Research ....................................... 60

Bibliography ......................................................................................... 61

Appendix 1: Self-Reflections on Learning ........................................... 76
Appendix 2: The Largest Mergers and Acquisitions Deals of All Time . 79
Appendix 3: Kotter’s Change Model ....................................................... 80
Appendix 4: The Eight Accelerator’s of Kotter’s Change Model .......... 81
Appendix 5: Domains of Human Resource Practices ......................... 82
Appendix 6: HR Competency Model ..................................................... 83
Appendix 7: Ulrich’s HR Model ............................................................... 84
Appendix 8: The Performance Management Cycle ............................. 85
Appendix 9: Link among Organisation and Unit Strategic Plans, Job Descriptions and Team Performance ......................................................... 86
Appendix 10: The Balanced Scorecard Interdependency Diagram ........ 87
Appendix 11: The Balanced Scorecard ................................................................. 88
Appendix 12: Measures for the Four Perspectives of the Balanced Scorecard ........ 89
Appendix 13: Interview Themes and Questions .................................................... 90
Appendix 14: Participant Information Sheet ....................................................... 92
Appendix 15: Security Clearance Form ............................................................... 94
Appendix 16: Consent Form ............................................................................... 95
Appendix 17: Summary of Interview One ............................................................. 96
Appendix 18: Interview Two Transcript .............................................................. 99
Appendix 19: Interview Three Transcript ........................................................... 106
Appendix 20: Interview Four Transcript ............................................................. 114
Appendix 21: Interview Five Transcript ............................................................. 122
Appendix 22: Interview Six Transcript ............................................................... 130
Appendix 23: Summary of Interview Seven ....................................................... 135
Appendix 24: Summary of Interview Eight ......................................................... 139
Appendix 25: Interview One Consent Form ....................................................... 142
Appendix 26: Interview Two Consent Form ....................................................... 143
Appendix 26: Interview Three Consent Form .................................................... 144
Appendix 27: Interview Three Security Clearance ............................................. 145
Table of Figures

Figure 1: Irish Mergers and Acquisitions Quarterly Trends...................................................... 2
Figure 2: Need for More Attention to Culture............................................................................ 3
Figure 3: Top 5 Challenges to Integration.................................................................................. 4
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Abstract

The purpose of this paper was to examine the role of human resources in carrying out effective change management during the mergers and acquisitions process while also identifying the elements necessary to carry out such change efficiently. This qualitative study begins by providing an overview of the increase in M&A activity over the past twenty years and the high failure rates associated with that. It touches on the reasons for these high failure rates being attributable in large part to cultural mismatches and a failure to address the softer issues of M&As. The literature reviewed provides a concise overview as to the concepts of corporate culture and its role in the change process, change management, the evolving role of HR as a strategic business partner and the performance management process. A monomethod of semi-structured interviews was undertaken for the purpose of collecting primary data with the areas examined in the literature forming the foundation for the line of questioning. The interviews centred on the themes of change management, corporate culture, HR as a business partner and M&As. Eight interviews were conducted in total, six with HR professionals and two with non-HR professionals so as to provide a more rounded perspective as to the role of HR and the elements contributing to M&A success. The findings indicate that strong leadership at a local level is the key to effectuating change with HR playing a central role in identifying who those key players are while also working with management to formulate a robust, consistent, detailed and structured communication plan that appeals to the individual at every level of the organisation; thus, linking individual goals with organisational goals.
Chapter 1: Introduction

1.1 Background and Context of Research

In a society where technology is advancing rapidly and global competition is expanding expeditiously in line with that, change is not only foreseeable in the future, but is an inevitable component of today’s business market (Armenakis and Harris, 2009 cited in Appelbaum et al, 2012, p.764). Thus, in order to gain competitive advantage, organisations are continuously adapting to external pressures and radically modifying their structures and systems in this age of digital communication and globalisation (Barratt-Pugh, Bahn and Gakere, 2013, p.748). Related to this continually evolving business market are mergers and acquisitions. Various growth opportunities have been the motivating factors for the increase in M&As; new products, market share, profitability, expansion into new geographical areas and improved strategic capabilities and positioning to name just a few (Weber, Oberg and Tarba, 2014, p.1). It is these economic, social and environmental factors as well as changing business trends that drive the need to change and adapt (HR Magazine, 2007, p.1) with the past twenty years in particular standing witness to a steady increase in M&A activity (Weber, Oberg and Tarba, 2014, p.1).

Twenty of the most valuable M&As of all time took place between 1998 and 2011 as can be seen in Appendix 2. This is by no means an indication that the value of M&A deals has peaked. 2013 saw Verizon buy out Vodafone’s Verizon Wireless stake at a deal value of $130 billion making it the third largest corporate transaction of all time (Burrows, 2013). Following 2007’s financial crisis a great deal of companies used the M&A process as an opportunity to make strategic acquisitions in order to survive and grow (Sassard and Davies, 2014). 2014 has seen a flurry of M&A activity with global deal value reaching approximately $1.75 trillion year-to-date, the highest since 2007 (Davis, 2014). Strategically some notable deals have included Holcim and Lafarge’s $40.6 billion deal which created the world’s largest cement producing company, and AT&T’s $68.9 billion purchase of Direct TV which has effectively garnered AT&T 38 million US and Latin American home video subscribers (Davis, 2014).
It has been said that especially toward the second half of a downturn M&A activity tends to accelerate as prices have been lowered and competitors weakened (Deutsch and West, 2010, p.3). Dealogic’s 2013 Global M&A Review saw global M&A volume rise by 9%, the highest annual total since 2008 (p.1). According to William Fry, total volume in Ireland increased by 3% in 2013 (p.6). See Figure 1. This has been attributed to the fact that corporate acquirers see Ireland as a platform for both strategic and international expansion due to the technological capabilities available here, the potential for growth, a lucrative client base and skilled workforce (William Fry, 2014, p.5). In the first quarter of 2014 the overall value of global M&A activity rose by 54% compared to the same period in 2013 which reflects greater confidence among chief executives in terms of deal-making (Sassard and Davies, 2014). These figures indicate that despite global uncertainty continuing as global economies recover from the downturn, the M&A process remains an important and relevant factor on the global business stage (William Fry, 2012, p.2).

Yet despite constant activity M&A failure rates remain high. A 2010 McKinsey survey states that failure rates are between 66-75% while Magnet (1984) and Gilkey (1991) also noted failure rates to be between 60% to two-thirds (Deutsch and West, 2010, p. 3; Bijlsma-Frankema, 2001, p.192). This then poses the following question: with such a considerable amount of M&A activity taking place on an ongoing basis, why do the majority of M&As fail? The Society for Human Resource Management reported a 30% fail rate within the first three years attributable in large part to cultural differences (Dixon et al, 2005, p.1). Weber
and Tarba have written extensively with regard to the fact that M&A activity around the world is thriving despite high failure rates post-merger (2012, p.288). They emphasise the fact that cultural management has a tendency to be overlooked when it comes to examining the role of human resource practices whether in domestic or international M&As (Weber and Tarba, 2012, p.290). The melding of two corporate cultures is something which should be “assessed and measured during pre-merger planning and negotiation stages” to assist in bringing the coveted outcome closer (Weber and Tarba, 2012, p.300; Weber, Belkin and Tarba, 2011, p.111).

Marks and Mirvis also examined how a clash of cultures may result in a merger or acquisition failing to achieve its strategic or financial objectives (2011, p.860). The ignoring of softer issues such as communication, employees and company culture is a crucial area that needs to be addressed during this time of cultural re-construction (Barrett-Pugh, Bahn and Gakere, 2013, p.748). McKinsey conducted a survey of 90 M&A professionals and found the lack of focus on corporate culture to be a major concern, see Figure 2 (Deutsch and West, 2010, p.5).

![Figure 2: Need for More Attention to Culture](source.png)

Before agreeing to a deal there should be a high-level vision of the desired end state where two companies are joining forces (Marks and Mirvis, 2011, p.866). Sinetar (1981) and
Swaim (1985), taking these soft issues and culture problems into account, put forward the need for a “solid people plan” which would require the involvement of HR throughout the entire process (Schraeder and Self, 2003, pp. 517-518). By involving HR from the beginning it would give the HR staff a clearer understanding of the entire process and coveted outcomes while also placing them in a greater position to communicate the objectives and plans of the merged organisation to employees during the transition process (Schraeder and Self, 2003, p. 518). Figure 3 illustrates the results from a survey conducted across Europe by Pricewaterhouse Coopers regarding the greatest challenges posed to M&A integration. Once again corporate culture crops up as a major challenge to integration. Much M&A research focuses on the strategic and financial fit between firms, with socio-cultural factors failing to be as thoroughly examined (Cartwright, 2005 cited in Cartwright and Schoenberg, 2006, pp. 4-5; Nahavandi and Malekzadeh, 1988, p. 79; Weber and Tarba, 2012, p. 290).

![Figure 3: Top 5 Challenges to Integration](source: Pricewaterhouse Coopers, 2009, p. 19)

The essence of corporate culture lies in the way the members of the organisation make sense of their experiences; how they are able to both define and interpret the situations they are placed in so that they may work in a meaningful way (Bijlsma-Frankema, 2001, p. 194). It is not a tangible object, nor is it easily defined. Rather it is a “collective phenomenon”, a shared set of values and norms that are moulded by the workforce; thus, creating a sense of community within an organisation (Bijlsma-Frankema, 2001, p. 194; Whitely, Price and
Palmer, 2013, p.478). When organisations come together a new vision and culture may be created whereby each organisation offers something important and special (Dixon et al, 2005, p.1). However, not all corporate cultures are equal; some may be stronger than others and so HR will be tasked with the job of evaluating which culture should be adopted as the primary one (Dixon et al, 2005, p.1).

Quite often a predominant culture will be chosen, especially where two organisations from opposing geographical cultures or regions are becoming a single entity (Dixon et al, 2005, p.1). Whether the stronger culture is adopted or an entirely new culture is created there are likely to be issues where biases within each individual group are amplified as a result of uncertainty and ambiguity about the future (Terry, 2001; Van Knippenberg, Van Knippenberg, Monden and Lima, 2002 cited in Viegas-Pires, 2013, p.363). Thus, people management within these contexts comes to the fore, with employees being asked to embrace a new set of ideals and processes. M&As involve a great deal of upheaval that must be executed within a short space of time. Experts have estimated that to truly change a culture it could take between seven to ten years yet with M&As the timeframe is shortened considerably (DiGeorgio, 2003, p.262). Hence, the question remains regarding how best HR and management alike can retain their best people during this rapid time of sizable change so their workforce will remain motivated to embrace the cultural transformation and work to their full potential.

1.2 Research Area

This research examines how central to the success of M&As is collaboration with the HR function in integrating two distinct corporate cultures. M&As have been labelled as “trigger events” that necessitate the introduction of new thought processes and behaviours by leaders of the organisation (Isabellen, 1992 cited in Schraeder and Self, 2003, p.514). People management is a critical area which is frequently overlooked when implementing large scale change projects such as M&As (Dixon et al, 2005, p.1).
A myriad of factors must be addressed that contribute to the success or failure of M&As (Figure 3) with integration of cultures cropping up as an obstacle to be overcome in many studies. Thus, this research sought to discover how important HR is if successful integration is to be achieved and to determine what factors are indispensable in bringing M&As to fruition. This research also explored the elements of effective change management and in doing so looked at the crucial elements needed to implement change, be they HR related or otherwise.

1.3 Approach to the Research

This research endeavoured to uncover these answers through an extensive review of the relevant literature coupled with primary research undertaken in the form of interviews. These interviews were conducted with HR personnel who have and have not been involved in M&As so as to garner opinion about the practice of change management from a variety of HR perspectives. Interviews were also undertaken with non-HR professionals who have been involved with M&As so as to gain a more rounded perspective and understanding of what contributes to the M&A process.

1.4 Research Question and Objectives

The primary research question of this paper is:

➢ **How central to the success of mergers and acquisitions is collaboration with HR in the integration of two corporate cultures?**

A vast array of studies including a large number from Schuler have argued that the real challenge in ensuring M&A success is the management of people and the existence of a strategic HR management plan (Buono and Bowditch, 1998; Clemente and Greenspan, 2003; Napier, 1989; Schuler and Jackson, 2001; Stahl *et al.*, 2003 cited in Antila, 2006, p.999; Schuler, 1992; Huselid, Jackson and Schuler, 1997). Ulrich is a strong proponent of the idea that it is the “HR policies, procedures, systems and activities which shape, monitor and direct
attention of people within the organisation” (1987, p.173). However, for a majority of cases the emotional turbulence of change processes can mean HR is relegated to a regulatory role, burdened with recruitment and the relocation of displaced employees rather than being utilised as a strategic weapon in the communication and implementation of the new vision (Barratt-Pugh, Bahn and Gakere, 2013, pp.748-749). Thus, the purpose of this research was to examine the contribution that a robust strategic HR plan has in assisting in the integration of two corporate cultures or whether success is possible even where HR may have been relegated to a regulatory role.

Within any one organisation there may be a variety of subcultures which may be divided based on occupation, function, product or geography (Nahavandi and Malekzadeh, 1988, pp.80-86). M&As also tend to involve thorough strategic and financial analysis with the people element being pushed aside. Hence, it is important that in implementing change the various structures, managerial styles and control systems in place be assessed and incorporated into the new vision so that employees may relate to and better embrace the incoming change. In working with management HR must be aware of and take into consideration the overall objectives of the consolidated organisation, be it financial or otherwise, so that the new culture may be aligned and cascaded down throughout the organisation with these objectives in mind. In carrying out this research a broad view of integration was explored in terms of evaluating change from a variety of perspectives, be they HR or otherwise. This afforded the researcher the opportunity to explore the factors which play a part in the M&A process from a variety of sources and attempt to unearth how pivotal HR is in creating and implementing a framework which affords employees throughout the organisation the opportunity to adapt to the new processes.

Leading on from this, a sub-research question emerges:

➢ **What are the elements of effective change management?**

Examining this question involves looking at the concept of change management and the strategies employed by organisations which successfully allow them to redefine themselves.
This drew on Kotter’s change management model which remains a key reference in the field while also looking at the importance of having a well-defined vision for the change process (Appelbaum et al., 2012, pp.765-769). The M&A process is an occasion for organisations to redefine themselves with “a new vision, new values and ways of working” (Siegenthaler, 2011, p.4). However, these will have little opportunity to come to fruition unless they are communicated and heeded in daily behaviours (Siegenthaler, 2011, p.4); thus, the role of the HR function in making this vision tangible and instilling the factors of change within a company were examined.

1.5 Suitability of the Researcher

When this researcher graduated with a law degree in 2010 the financial crisis was in full swing making it extremely difficult to obtain graduate employment, particularly in the legal sphere. Thus, the recession is something that this researcher has maintained an interest in due to the impact on its generation of job seekers. It is interesting to see how companies have grown and survived during this economic downturn with M&As being one mechanism by which this has been done. As mentioned in the background to this research the rate of M&As tends to accelerate towards the second half of a downturn and global and Irish M&A activity is on the rise. As a keen follower of this global recession and its recovery the researcher felt this study was both current and relevant to today’s social climate as well as to her own personal interests. Additionally, having studied law this researcher developed the skills to be both analytical and objective and to take all factors into consideration when assessing an issue. Hence, it was this researcher’s goal to remain unbiased in terms of examining M&As from a HR perspective but to speak with people from a variety of disciplines so as to remain open and critical to all aspects of this research.

The study of a HR module as well as a Business Strategy module in pursuit of the MBA has also contributed to broadening the researcher’s interest in these areas. The people aspect of business and how you manage them effectively and sensitively is an area of interest that developed for this researcher through the study of Performance and Reward management. Business Strategy examined the ways in which businesses perform efficiently. It touched on the M&A process as a means to survive while also acknowledging the high failure rates.
associated with it. These modules broadened the researcher’s knowledge of areas such as organisational culture, performance management, the concept of strategic human resource management and business strategy; thus, making this the most suitable area of research for this particular researcher.

Over the course of the year the researcher had the opportunity to work with a wide variety of nationalities in a number of group projects. In doing so the researcher became increasingly cognisant as to how different people can be and the issues that can arise from that. The intermingling of cultures sparked this researcher’s interest as to the ability of culture to facilitate or impede a project and how best to handle the combining of various interpretations and approaches to the work at hand.

1.6 Organisation of the Dissertation

The organisation of this dissertation is in the following manner:

**Chapter One:** This is an overall introduction to the research which includes a number of sections in order to give the context and reasoning for undertaking this research. The sections include an overall background and context for the research, outlining of the research area, the approach taken, the research question, sub-question and objectives, the suitability of the researcher and finally the disposition of the dissertation.

**Chapter Two:** This chapter encompasses the literature review which discusses the relevant literature reviewed by the researcher. This chapter is divided into six parts:

- “Introduction”
- “Corporate Culture and its Role in the Change Process” which examines the meaning of corporate culture and how it effects M&As.
- “The Elements of Effective Change Management” which looks at the concept of change management, Kotter’s change model and crucial elements of change such as leadership and communication.
- “The Evolving Role of HR as a Strategic Business Partner” which discusses Ulrich’s HR model, the role of HR as a business partner and the potential for role conflict.
- “Translating Strategy into Action” which examines the performance management process, the importance of adapting goals at every organisational level, the balanced scorecard and criticisms aimed at it.
- “Conclusion”

Chapter Three: This encompasses the research methodology and methods used. It describes the research design, philosophy, strategy, time horizon, data collection method, limitations and primary research method used - in this case qualitative semi-structured interviews - for exploratory research.

Chapter Four: This chapter looks at the data analysis and findings. This involves the analysis of the interviews conducted; thus, leading to common findings and themes which are simply and descriptively presented so as to illustrate the main discoveries uncovered through the primary research.

Chapter Five: This involves a discussion on the research undertaken. A review and interpretation of the work undertaken is encompassed within this section. This section draws general conclusions from the results through a summary of the findings and a clarification of how they are linked with the concepts that have been raised in the literature review.

Chapter Six: The conclusions and recommendations are embodied within this chapter. This looks at how the research undertaken has contributed towards its area and the link between the findings and the research questions and objectives. It includes recommendations garnered from the findings as well as recommendations for future study.
Chapter 2: Literature Review

2.1 Introduction

The purpose of this literature review is to examine how a robust HR strategy contributes towards the success of M&As. It will begin by examining what is meant by corporate culture and the part it plays in the way new organisational structures are received. The critical factors needed to execute change will then be explored beginning with a discussion on Kotter’s eight-step change model. The need to formulate a vision that can be conveyed consistently through strong leadership and a robust communication strategy will be examined within this. HR’s transition from a traditional employee support role into an invaluable strategic partner stemming from Ulrich’s business partner model will then be discussed. Finally, translating strategy into action through aligning the new vision with business and individual employee needs as put forward in the balanced scorecard will be touched on before drawing conclusions.

2.2 Corporate Culture and its Role in the Change Process

2.2.1 What is Corporate Culture?

Culture within an organisation relates to the patterns of common assumptions and values which are refined and ingrained within the social interactions of employees; thus, influencing the organisation’s social practice (Schein, 1991, 1995; Sanchez, 1996 cited in Barratt-Pugh, Bahn and Gakere, 2013, p.750). By stating what the values and norms of the organisation are it can be ensured that employees are more inclined to focus their attention on these shared priorities of the organisation which will then guide both their behaviour and decision making within the workplace (Chatman and Eunyoung Cha, 2003, p.21). Corporate culture represents the shared goals, ideologies and norms held by members of an organisation; it encapsulates the way in which things get done and guides business practices (Buono, Bowditch and Lewis, 1985; Schein, 1985 cited in Marks and Mirvis, 2011, p.861). The culture of an organisation can be a powerful force that defines what is important and “coordinates members’ efforts without the costs and inefficiencies of close supervision” (Chatman and Eunyoung Cha, 2003, p.31). It is inevitable that a culture will form, be it within an organisation, a department
or a work group. The question is whether that culture that has been formed facilitates or impedes the organisation’s ability to execute its strategic objectives (Chatman and Eunyoung Cha, 2003, p.32).

2.2.2 The Effect of Corporate Culture on Mergers and Acquisitions

M&As involve two corporate cultures coming together; thus, cultural change is inevitable whereby the patterns of behaviour and shared assumptions of each individual organisation are disrupted and reconfigured (Barratt-Pugh, Bahn and Gakere, 2013, p.750). Even where it may not appear that there is a direct clash between the two cultures it is likely they will differ, with each former firm’s ethos having a bearing on the values, beliefs and assumptions which separate it from the other (Bijlsma-Frankema, 2001, p.194). The main issue lies in the fact that no two companies are cultural twins, no matter how well their executives may get along (Deutsch and West, 2010, p.5). As mentioned in the introduction to this research, recent studies on M&As have found that the reason many M&As fail is rooted in the mismatch of cultures of the combining organisations, with a distinct lack of fruitful contact and exchange of information between the two sides throughout the process to aid the integration (Kennedy, 2001; de Beaufort and Lempereur, 2002 cited in Weber, Belkin and Tarba, 2011, p.109).

Each of the former nuclear firms will have its own set of cultural values, beliefs and assumptions instilled within its core, distinguishing it from its potential partner and providing its employees with a collective feeling of corporate identity and pride (Schein, 1989 cited in Bijlsma-Frankema, 2001, p.194). The real challenge of acculturation lies with the HR specialists of the merging or acquiring firms in analysing the soft aspects of each culture such as the decision making styles of each organisation, the performance differentiation and organisational values (Bhaskar, 2012, p.22). This will assist them in preparing a strategy for the integration of the firms through the alignment of structures, roles and policies, pay structures and employee designations; thus, aiding them in the facilitation of a smoother transition (Bhaskar, 2012, pp.22-23).

M&As generally result in firms gaining access to a whole new pool of people and talent. Indeed, by engaging in M&A activity firms can become equipped with a competitive advantage through the acquisition of unique and potentially invaluable competencies that are
embedded in a different culture (Olie and Verwaal, 2004 cited in Marks and Mirvis, 2011, p.861). Yet by their very nature it is likely that where two cultures combine a “we-versus-they” relationship may develop whereby differences may be amplified, causing tension and pressure among managers and workers (Marks and Mirvis, 1997, p.269; Weber, Oberg and Tarba, 2014, p.2). The easy part of M&As is the buying; the hard part is performing (Weber, Oberg and Tarba, 2014, p.1). Culture affects how employees perceive new systems with reactions varying from quick adaptation, adjusted expectations and commitment to defiance and departures (Bijlsma-Frankema, 1997a cited in Bijlsma-Frankema, 2001, p.193). It can be a stressful event for employees where they may be asked to relinquish an organisational identity that was previously meaningful to them and shift their allegiance to the newly consolidated organisation (Cartwright and Cooper, 1992; Hogg and Terry, 2001; Marks and Mirvis, 1992 cited in Amiot et al, 2006, p.553). Hence, a critical factor in ensuring successful change will be the ability of management to implement a well-designed plan for cultural change that translates to the various changes in company structure (Bijlsma-Frankema, 2001, p.193).

2.3 The Elements of Effective Change Management

2.3.1 The Change Management Concept

The concept of change management encapsulates a “systematic, continuous and iterative practice” of modifying particular workplace systems, behaviours and frameworks to allow for improved organisational effectiveness and efficiency (Wada et al, 1997 cited in Barratt-Pugh, Bahn and Gakere, 2013, p.750). It is considered a broad theme encompassing a number of terms such as “total quality management, reengineering, rightsizing, cultural change and business turnaround”, amongst many others (Parker et al, 2013, p.535). M&As can involve both the destruction and construction of organisational culture and these reconfigurations require detailed change management strategies (Barratt-Pugh, Bahn and Gakere, 2013, pp.748 and 750). It is imperative that management and HR clearly identify a vision so as to facilitate the organisation in supporting the change process (Hanson, 2013, p.2). Change management is a process; it is not a single event. The underlying objective is the fundamental improvement of how business is carried out in order to meet the strategic objectives of the
newly merged or acquired organisation within a changing market environment (Kotter, 1990; Kotter 2007 cited in Parker et al, 2013, p.535). M&As signal new beginnings and in implementing this new era of change there are a number of core actions that should be addressed. The need for consistency in the messages being conveyed to employees, strategically selected quick successes to boost morale, the application of symbolism linking past and present and the celebration of achieved goals along the way are but some of the elements that should be employed to ensure a fruitful change management effort (Stragalas, 2010, p.33).

2.3.2 Kotter’s Eight-Step Change Model

Arrays of models have been employed over the years to facilitate change but it is Kotter’s eight step change model (Appendices 3 and 4) that remains a key starting point regarding change management. It revolves around the need to create and maintain a sense of urgency regarding the prospective change. A critical aspect of this model is the need to ensure that complacency is avoided and the focus on change does not let up (Kotter and Rathgeber, 2005, p.79). Cascading down from this need to maintain momentum is a number of steps which are outlined in Appendices 5 and 6. Kotter highlights the importance of creating a guiding coalition to conceive a new corporate vision with a clear communication strategy whereby a failure to communicate the new vision and engage staff to align their behaviour underpins failure (Kotter, 1995, p.63; Barratt-Pugh, Bahn and Gakere, 2013, p.750). These tasks undertaken by the guiding coalition support the need for and urgency of the change by communicating the attractiveness of the change, confronting the employees with clear expectations, demonstrating that it can be achieved and maintaining a positive attitude to the change at hand (Kobi, 1996 cited in Appelbaum et al, 2012, p.767). As stated by Kotter and Rathgeber, “Handle the challenge of change well and you can prosper greatly” (2005, p.11). However, there are limitations associated with this highly regarded model. It is attributed with a somewhat rigid approach to the change process whereby Kotter upholds that the eight steps should be followed in sequence in order to effect change (Appelbaum et al, 2012, p.775). However, change projects vary in complexity by their very nature and some steps will be irrelevant in particular contexts (Appelbaum et al, 2012, p.775). Nonetheless, there are certain aspects which are essential whatever the context of the change initiative and these shall be discussed in the following section.
2.3.3 The Crucial Elements of Effective Change Management

The formulation of a vision for the change process by management and HR is of vital importance. By identifying and building the vision from an early stage it allows for company leadership to become familiar with, buy into and represent the pending change effectively (Hanson, 2013, p.3). The need for a vision from the very beginning aids in the clarification of the direction in which the organisation needs to move (Kotter, 1995, p.63). The difficulty in modifying corporate cultures becomes quite noticeable during M&As (Chatterje et al, 2003, p.512). Through identifying and building a vision from an early stage it becomes all the more possible for the workforce to see commitment from management towards the new future goals of the company (Hanson, 2013, p.3).

Leadership plays a pivotal role in the change process. It is vital that leaders communicate widely so as to reduce uncertainty among staff (Bordia et al, 2004 cited in Appelbaum et al, 2012, p.770). After all it is only natural that employees expect the most important and officially sanctioned information to be communicated through their immediate supervisor or boss (Appelbaum et al, 2012, p.771). Employees attend diligently to leaders’ behaviour, even to the day-to-day aspects such as how they appropriate time and how they celebrate (Pfeffer, 1981 cited in Chatman and Eunyoung Cha, 2003, p.28). Thus, it is crucial to ensure there is informed and respected leadership championing the change. Any hierarchies and standard managerial processes in place, even when minimally bureaucratic, can tend to be “inherently risk averse and resistant to change” (Kotter, 2012, p.47). The causes of this can be both political and cultural. People have a tendency to cling to their habits, to what is familiar, while also fearing a loss of stature or power – two elements essential within any hierarchy (Kotter, 2012, p.48). Without motivation people are less inclined to contribute and the change effort goes nowhere (Kotter, 1995, p.60). It is important that the HR function works with and encourages the leadership team in formulating and communicating a consistent message in order to foster a culture of communication between the leadership team and the subordinates of the organisation (Hanson, 2013, p.3). The change effort will be most effective where leadership is strong and consistent in what it is conveying due to the fact that employees generally assume that management are well informed and because of this will be inclined to place trust in them (Klein, 1996 cited in Appelbaum et al, 2012, p.771). Trust between management and an employee is crucial in any change or M&A process. All too often
“deception, distrust and then disintegration” permeate transactions to the detriment of both members and stakeholders within any organisation where change is initiated (Stahl et al, 2003, p.342).

However, although there may be abundant managers, there may not be enough leaders (Kotter, 1995, p.60). Inconsistency in understanding and communicating the vision for change is one of the worst things that can happen during the change process (Hanson, 2013, p.3). Some executives underestimate the difficulty of driving people out of their comfort zones while others may greatly overestimate how successful they have been (Kotter, 1995, p.60). It is essential that the right messenger to communicate the change plan is identified and that overall implementation is approached using a structured and systematic method (Hanson, 2013, p.4). A leader who is both confident in what he is promoting and highly regarded by employees stands a greater chance of empowering employees through addressing four obstacles that stand in the way of change: structures, skills, systems and supervisors (Kotter, 1996 cited in Appelbaum et al, 2012, p.771). It is inevitable that a lack of decisive action from top management as well as line managers in establishing and managing the company’s direction during the integration process will result in failure (Angwin and Meadows, 2009; Hyde and Paterson, 2002; Kitching, 1967; Nemanich and Keller, 2007; Schweiger et al, 1993; Sitkin and Pablo, 2005; Vasilaki, 2011a, 2011b cited in Gomes et al, 2013, p.23). Successful implementation of M&As, or any change effort in fact, depends on having a sound leadership style to enable “organisational and cultural alignment and good management of expectations” (Gomes et al, 2013, p.24). Leaders set the tone for the culture of the organisation and for how relationships are going to unfold within this (DiGeorgio, 2003, p.260). Thus, it is imperative that they be sensitive to the cultural issues arising from the initial dialogue regarding the proposed change (DiGeorgio, 2003, p.260).

It is crucial that the leaders identified convey the new messages consistently and demonstrate the promotion of communication (Cervone, 2013, p.63). Effective communication plans “diminish employee confusion and ignorance simultaneously” (Hanson, 2013, p.3). An “information vacuum” only leads to uncertainty among employees and the creation of rumours that can have harmful effects on the change initiative (Bastien, 1987 cited in Gomes et al, 2013, p.21). So many factors affect employees’ willingness to
welcome change; the fear of layoffs, loss of control, relocation, the loss of identity or workplace reputation, the unknown of what their new responsibilities may entail and the loss of colleagues all play a role in how receptive employees will be to a new order of things (Schraeder and Self, 2003, p.514). It is essential to address how those in the organisation will be affected by the integration at every level of employment (Schraeder and Self, 2003, p.517). Where there is a lack of credible communication and employees perceive themselves as being kept in the dark the “hearts and minds of the troops are never captured” (Kotter, 1995, p.63). Hyde and Paterson (2002) posit that leaders must act proactively in managing change; they must establish and communicate clear objectives that are aligned with the company’s strategy but that also meet the needs of individual participants (Gomes et al, 2013, p.24). However, what is important to keep in mind is the danger of disseminating too much information which may unintentionally exacerbate undesirable behaviours and attitudes (Hogan and Overmyer-Day, 1994 cited in Stahl et al, 2011, p.582). The quality of the information being communicated may be of greater importance in affecting trust than the amount of information being provided (Stahl et al, 2011, p.582). A critical element involves “stabilising the workforce from an early stage” so that the effects of uncertainty and insecurity are diminished (Schweiger et al, 1993 cited in Gomes et al, 2013, p.25).

2.4 The Evolving Role of Human Resources as a Strategic Business Partner

2.4.1 Ulrich's Four-Prong HR Model

Organisational development involves the ability to “change and adapt to financial, strategic and technological transformations” (Ulrich, 1987, p.171). The organisation’s capability to do so is attributable to the organisation and people management systems in place which focus employee attention and shape behaviour to aid organisational development (Ulrich, 1987, p.173). HR practices encapsulate the structures and systems which shape and guide the attention of employees; they are unique to the organisation and are part of a firm’s culture (Kim and Ulrich, 1987 cited in Ulrich, 1987, p.173). The functions of the HR unit contribute towards the organisation’s identity through a number of facets which assist in aligning the right people with the strategic objectives of the organisation (See Appendices 5 and 6). Ulrich (1997) argues that due to changing business environments and increased
globalisation, HR functions are gaining status and becoming increasingly influential within organisations (Lemmergaard, 2008, p.182). Ulrich proposes four major roles for the HR function which reflect a strategic as well as a more traditional support role (Galpin and Hernda, 2000 cited in Antila, 2006, p.999). See Appendix 7. The traditional HR roles which regulate employment and employee welfare do not facilitate behaviour and cultural change (Barratt-Pugh, Bahn and Gakere, 2013, p.750). Communicating, activating and engaging with staff and management during the change process are key elements of the strategic HR approach in forming a vision and ensuring it cascades down through the organisation to facilitate organisational change (Barratt-Pugh, Bahn and Gakere, 2013, p.751). As such there is a view that HR are no longer just “people specialists” but are required to be skilled in a variety of areas including the strategic decision-making process (Lemmergaard, 2008, p.182). Ulrich proposes that the ability of HR to work efficiently and effectively rests on its ability to play all four roles at the same time, mixing them up and prioritising them according to the strategic objectives and environmental contingencies of each situation (Boldizzoni and Quaratino, 2011, p.43).

2.4.2 The Role of HR as a Business Partner

Where organisations come together, a stable group of insiders with knowledge of the intricacies of each culture is necessary to guide the new organisation (Schuler and Jackson, 1987, p.207). Theme 2.3 touched on the importance of having the right people to communicate the right message. People issues have an effect on the immediate and future success of the business and so by HR liaising with management to design and create a plan for implementing a set of internally consistent policies and practices, the firm’s human capital will be better equipped to achieve business objectives (Schuler, 1992, p.22; Huselid, Jackson and Schuler, 1997, p.171). The business partner model is intended to ensure that HR professionals are integrated into the business processes; thus, aligning their activities and day to day work with business objectives and outcomes (Ulrich and Brockbank, 2009, p.5). This involves a shift of focus towards deliverables and business results rather than strictly HR related activities (Ulrich and Brockbank, 2009, p.5). HR being a business partner means that a balance must be struck in pursuing the goals of the organisation whereby all aspects must be considered. It proposes that for HR to only focus their attention on the people side of
things, as may be associated with the traditional view of the HR function, while staying separate from or disregarding the business side of things leads to sub-optimisation of HR’s influence on performance (Ulrich, Brockbank and Johnson, 2009, p.25). Emphasising the people side to the exclusion of the business side of things may result in HR being well-liked and popular among employees as they build strong social relationships within the organisation (Ulrich, Brockbank and Johnson, 2009, p.25). However, it may result in their focus not furthering business results; thus, they may fail as contributors to the business in terms of business deliverables (Ulrich, Brockbank and Johnson, 2009, p.25). On the flip side where the business side of things is the sole focus HR will more than likely be unable to sustain that success in the long term despite the likelihood of it prospering in the short term (Ulrich, Brockbank and Johnson, 2009, p.26).

HR are evolving from being solely regarded as “people specialists” to becoming competent in an array of different areas including involvement in the strategic decision-making process, as touched on in section 2.4.1 (Lemmergaard, 2008, p.182). Involving HR from an early stage of any change initiative provides them with an overall view of the employee landscape, placing them in a better position to formulate staffing plans and to communicate objectives and plans which allow for the successful moulding of the post-merger organisation (Schraeder and Self, 2003, p.518). By being well informed and involved from the offset HR can organise training regarding policies, protocols and new job responsibilities which management will expect from the new organisation (Swaim, 1985 cited in Schraeder and Self, 2003, p.518). The HR strategies employed should be tailored to the circumstances of the organisation, taking its “culture, operational processes and external environment into account” (Sahoo, Das and Sundaray, 2011, p.25). The strategic value of HR lies in the potential of the function to provide a “meaning structure” which allows managers from diverse disciplines and disparate levels of strategic decision making “to develop a common language of change” (Francis, 2002, p.310). Strategic HR management links the people with the organisation; HR’s strategy is anchored in the overall strategy of the business (Ramona and Anca, 2013, p.635). What this means is that HR must understand both the “strategy and the economic realities of the business it supports” (Ramona and Anca, 2013, p.635).
2.4.3 The Potential for Role Conflict

There are reservations that role conflict may occur as a result of employing HR as a strategic business partner in change processes (Lemmergaard, 2008, p.187). This may be due to opposing interests between the various HR roles, for example the role of strategic partner may conflict with HR’s role as employee champion; the former requiring cooperation with top management which may not cohere with employees individual needs (Lemmergaard, 2008, p.187). This then may create a sense of distrust among employees to fully cooperate with the change process where they may feel that the HR department are no longer solely their champion but a corporate agent. A critical aspect in any change process is the development of trust in order to successfully form and implement cooperative alliances between firms and employees (Eulati, 1995; Inkpen and Currall, 2004; Zaheer, McEvily and Perrone, 1998 cited in Stahl et al, 2011, p.576). Particularly in the case of joint ventures such as M&As, various factors such as maintaining open communication and the exchange of information, task coordination or role realignment and the levels of surveillance are all manifestations of trust based “on a willingness to rely on, or be vulnerable to, another party under a condition of risk” (Currall and Inkpen, 2002; Inkpen and Currall, 1997 cited in Stahl et al, 2011, p.577).

Due to the unpredictability of M&As they have the potential to become a breeding ground for distrust, misinterpretation and vulnerability among employees (Krug and Nigh, 2001; Stahl and Sitkin, 2010 cited in Stahl et al, 2011, p.577). Thus, it comes back to communication and maintaining an open and informed dialogue as discussed in section 2.3.3. Maintaining credible and open communication reduces the likelihood of rumours evolving while ensuring trust in management and the HR function (Buono and Bowditch, 1989; Marks and Mirvis, 1998 cited in Stahl et al, 2011, p.582). Writers such as Legge (1999) and Guest (2002) have stressed that operations should be more people focused and challenge the strategic ideal of “what is good for the organisation is good for the worker” (Lemmergaard, 2008, p.187). However, this is exactly where the benefits of utilising the HR function in creating and communicating a new organisational strategy come into play. They assist in clarifying the new organisational values and educating employees by incorporating the new culture into the organisation’s decision-making processes (Marks and Mirvis, 2011, p.871).
Although input from the HR team may not totally eradicate culture clash, it might lessen the likelihood of it adversely impacting M&A outcomes (Marks and Mirvis, 2011, p.871).

2.5 Translating Strategy into Action

2.5.1 The Performance Management Process

There are two primary objectives for management to achieve, particularly in the case of a combination, if they want to see their strategy become a reality; retain the best people and motivate those people so they will work to their best potential in realising the organisation’s objectives (DiGeorgio, 2003, p.271). Performance management is viewed as an integrative process whereby managers will work with their employees in order to set expectations and measure, review and reward results and performance with the goal of improving employee performance so that ultimately it affects organisational success positively (Mandy, Noe and Premeaux, 2002 cited in den Hartog, Boselie and Paauwe, 2004, p.557). Appendix 8 outlines the performance management cycle. The aim of performance management is to link individual and team objectives with the organisation’s overall goals and strategy so that it is a shared effort and specific to the particular organisation and employees in question (Hutchinson, 2013, p.26). Performance management is a strategic, integrated, shared, ongoing and flexible process (Hutchinson, 2013, p.26-27). It is specific within the context of the organisation and is not a one-size-fits-all process (Hutchinson, 2013, pp.26-27). Thus, in formulating human resource strategies it is essential that they be tailored to the circumstances of the organisation or combining organisations taking their “culture, operational processes and external environment into account” (Sahoo, Das and Sundaray, 2011, p.25). Performance management systems adopt a strategic management role in assisting top management achieve strategic business objectives by connecting organisational goals with individual goals (Aguinis, 2007, p.13).

2.5.2 Adapting Strategic Goals at Every Level

It is likely that in the case of a merger or acquisition it will be necessary to develop strategic plans at multiple levels in order to address employees of all positions and stature
HR plans assist management in determining the best way to manage people in support of corporate strategies (Ekhsan and Othman, 2009, p.198). Most firms will have more than one set of beliefs that influence their behaviours and practices (Nahavandi and Malekzadeh, 1988, p.80). As discussed in section 2.3.3 the formulation of a vision encompassing all that the new organisation strives to be is of fundamental importance. This works to unite the workforce in having a common goal. A strategic plan begins with the formulation of mission and vision statements which then indicate the actions to be taken in order to realise organisational goals and strategies (Aguinis, 2007, p.50). Goals provide employees with a tangible representation of what the company is striving towards (Aguinis, 2007, p.61). The HR team must work with the management team to create a strategic plan which will serve as a “blueprint” that outlines how the organisation will pursue its goals using the resources at its disposal (Aguinis, 2007, p.49). What is crucial is that HR link the strategic plan with individual performance for each team, department or individual so that the strategy cascades down through the organisation leading to concrete actions and management is schooled in how to communicate these goals for each department, team or person (Aguinis, 2007, p.50). See Appendix 9. HR professionals act as strategy architects as they work with management in shaping and sharing the vision of what their organisation is aiming to be (Ulrich, Brockbank and Johnson, 2009, p.26). In order to sustain strategic agility HR professionals must first understand the business strategy and then align HR practices with it (Ulrich, Brockbank and Johnson, 2009, p.26). It is critical that every person at every level within the organisation understands the vision for the future which brings the discussion back to section 2.3.3 regarding the importance of communicating relevant information at all levels. Communication of ideas regarding the change and specifically how it affects employees individually and how they can adapt to the change helps people to see the need for it as well as the logic behind it (Kotter and Schlesinger, 2008, p.134).

**2.5.3 The Balanced Scorecard**

The M&A process involves a wide range of management disciplines including financial, strategic, behavioural, operational and cross-cultural (Cartwright and Schoenberg, 1988, p.4). The increase in technology and availability of information has meant that customers and management practices are becoming increasingly sophisticated, globalisation is escalating, product differentiation is becoming ever more prevalent and great emphasis is being placed
on “intellectual capital and enhanced employee empowerment” (Johnson and Kaplan, 1987; Eccles, 1991; Kaplan and Norton, 1992; Hope and Hope, 1997; Huckstein and Duboff, 1999; Brander, Brown and Atkinson, 2001 cited in Atkinson, 2006, p.1442). In such a fast paced society, successful implementation becomes ever more important with emphasis placed on short term targets to pave the way for longevity on the long term strategic road (Atkinson, 2006, p.1442). In measuring M&A performance financial data often tends to be the focus (Kusewitt, 1985; Chatterjee, 1986 cited in Nahavandi and Malekzadeh, 1988, p.87). This financial approach to measuring effectiveness takes a “general, one-shot” approach to evaluating success (Nahavandi and Malekzadeh, 1988, p.87). However, in enlisting HR as a strategic partner the long term strategies of the new organisation from each departmental perspective may be linked with business and individual objectives (Kaplan and Norton, 1992; 1993; 1996a cited in Hutchinson, 2013, p.34). This approach encompassing financial metrics as well as non-financial metrics stems from Kaplan and Norton’s “balanced scorecard” which appreciates that there are many interlinked factors which affect organisational development (Pangarkar and Kirkwood, 2008, pp.95-96). See Appendix 10.

The balanced scorecard is a strategic change management and performance management process that encompasses traditional financial metrics with non-financial metrics such as internal processes and learning and growth within the organisation – thus, the term “balanced” (Pangarkar and Kirkwood, 2008, p.96). See Appendices 11 and 12 for a more detailed breakdown of the balanced scorecard. A critically important factor underpinning the balanced scorecard is the need for a skilled and empowered workforce. Today’s business environment is moulded by “innovation, social responsibility and constant change” and it is argued that in order to succeed in the 21st century the primary focus of businesses must be the recruitment and retention of high quality employees (Chavan, 2009, p.394). Retention is of key importance in the case of M&As. On average one quarter of a target company’s executives are lost in the first year after an acquisition which is a turnover rate three times higher than normal (Krug, Wright and Kroll, 2014, p.148). Krug and Nigh (2001) found in a study regarding the departure of talent post-acquisition that one-third departed due to subjective reasons which included alienation and lost autonomy (Krug, Wright and Kroll, 2014, p.149). The balanced scorecard encapsulates the crucial strategic steps needed to survive change and retain talent in the modern business world. It recognises the need for clarity of the organisations vision for the future, it emphasises the importance of
communication as has been highlighted throughout this paper, and it outlines the need to align strategic initiatives with organisational systems and processes as well as the necessity of feedback in order to facilitate change and allow the strategy to come to fruition (Chavan, 2009, p.395).

The model looks at utilising all resources at the organisation’s disposal, reflecting a causal relationship between all four perspectives with innovation and learning leading the way in terms of internal processes; thus, having a knock-on effect in terms of meeting customer and shareholder needs (Atkinson, 2006, p.1449). The internal processes provide the backbone regarding lucrative strategic performance management systems. True competitive advantage is not garnered through products or physical assets but through the talent of employees (Pangarkar and Kirkwood, 2008, p.98). It is essential that performance measures are aligned with the goals and strategies of the firm and the firm’s individual units (Chavan, 2009, p.398). Thus, a number of formal and informal processes compose the strategic performance management process. These include but are not limited to induction and socialisation, clarifying role expectations, setting objectives, agreeing performance measures, formulating personal development plans, performance appraisal and feedback, training and development and reward mechanisms such as bonuses and pay increases which motivate employees to reach organisational goals (Hutchinson, 2013, pp.40-43). Of particular importance is the learning and growth function which leads to “improved internal business processes, leading to improved customer satisfaction, which in turn leads to higher financial performance” or, in the case of M&As, successful integration and growth (Iselin, Mia and Sands, 2008, p.72). It can be said that realising a strategy begins with “educating those who have to execute it”, bringing the necessity for communication to the forefront once again (Kaplan and Norton, 2007, p.154). By aligning performance reporting measures with the strategic goals of the organisation, it acts as a control system which can motivate employees to relate to what the organisation is seeking to do; thus, enhancing integration and guiding performance in the right direction (Iselin, Mia and Sands, 2008, p.73-74). These processes all contribute towards allowing the organisation to achieve its strategic objectives while both motivating and enhancing individual and group performance (Hutchinson, 2013, pp.43-44).
2.5.4 Some Criticisms of the Balanced Scorecard Approach

Section 2.4.3 touched on the potential for role conflict within the HR function in terms of a potential clash between its roles as employee champion and strategic business partner. However, the benefits of adopting a strategic HR approach such as that outlined within the balanced scorecard whereby individuals at all levels are incorporated, and there is recognition that a myriad of factors contribute towards successful strategy implementation, is that HR practices underlie organisational capability (Ulrich, 1987, p.173). By working with management HR is best placed to prepare strategies for integration and change that are bottom-line oriented from a top-down perspective (Sahoo, Das and Sundaray, 2001, p.30). In today’s fast changing society coupled with the climate of economic turbulence there is increased competition and increased pressure to show results. Managers must adopt a more strategically-focused approach with regard to how they do business in terms of becoming more bottom-line oriented (Sahoo, Das and Sundaray, 2001, p.30).

There are also criticisms that such a thorough approach to strategy implementation is costly to develop, particularly in the erratic economic environment of today (Atkinson, 2006, p.1450; Chavan, 2009, p.398). However, as noted by Pangarkar and Kirkwood, it is the marketplace leaders who invest a substantial percentage of their payroll back into their performance management systems that are best able to connect their strategic objectives with employee development (2008, p.98). The balanced scorecard has also been criticised by some on the grounds of its rigidity with the accusation being that it fails to address certain issues such as employee and supplier contributions (Hutchinson, 2013, p.37; Atkinson, 2006, p.1449). However, a major part of what makes the balanced scorecard work is the focus on feedback and learning from individuals within the organisation. Additionally, as illustrated in the interdependency diagram of the balanced scorecard in Appendix 8, this is the first business trend to incorporate “learning and growth”, placing great emphasis on the employee and the important role he plays in assisting the organisation to evolve and change (Pangarkar and Kirkwood, 2008, p.98).
2.6 Conclusion

Culture encompasses shared values, assumptions and beliefs within an organisation that guide the social behaviours and practices of its employees. It has an impact on how changes to corporate structure will be received, particularly where two separate cultures come together. No two firms are identical and more often than not there will be issues to overcome. To facilitate change it is imperative to have a clear, consistent communication plan that is guided and implemented by trusted and respected leaders. What is truly crucial is that the right people have the right message to convey and this is where HR steps in as a strategic business partner. By collaborating with management from an early stage in the integration process HR has a better view of the employee landscape and how best to communicate and implement change. A variety of factors are involved in the M&A process and the literature puts forth that it is the HR function, with its expertise in the management of people, that is best placed to assist in ensuring that the new vision and objectives are understood and employable by each employee, regardless of status or preference. The themes examined within this literature review formed the basis for the areas to be explored when conducting primary research. Both HR and non-HR professionals were interviewed and asked about change management initiatives they had experienced, their views on corporate culture in facilitating change and the concept of HR as a business partner. Where it applied they were also questioned about any M&As they had been involved with. These themes were chosen due to their potential to achieve the research objectives and to identify any links between them. They were also chosen for the purpose of examining whether the relevant theories put forth by the literature are reflected in practice.
Chapter 3: Research Methodology & Methods

3.1 Introduction

This chapter explains the techniques and procedures employed in order to obtain the data required as well as outlining how the research was undertaken and why it was done so in the chosen manner. It will begin by looking at the research design chosen, discussing in the process the use of an interpretive research philosophy and inductive research approach. The reasons for employing a research strategy based on the grounded theory are examined as is the fact that this was a cross-sectional study using qualitative data. Data collection will then be explored with a mono-method of data collection in the form of semi-structured interviews being employed, the reasoning for which shall be explained, as well as the use of non-probability sampling – heterogeneous purposive sampling in particular. The reasons for selecting the interviewees and their relevance to the research are discussed before touching on the potential ethical issues involved and how they were dealt with. This chapter concludes with the associated limitations of this research.

3.2 Research Design

3.2.1 Research Philosophy

An interpretive research philosophy was used for this research. Interpretivism encompasses the ideal that it is people who construct reality by interpreting both the acts of others and the world surrounding them and as a result graft their own behaviour based on these interpretations (Boeije, 2012, p.6). Human experiences and behaviour are central (Boeije, 2012, p.6). M&As involve combining two corporate cultures, two social practices and ways of doing things. This combination involves the reaction of people to the circumstances surrounding them. Interpretivism holds that our everyday social roles are interpreted according to the meaning and importance we place on them; it also holds that we interpret the roles of others based on our own set of meanings for what those roles should entail (Saunders, Lewis and Thornhill, 2009, p.116). M&As involve restructuring and change
whereby people interpret things according to their own set of beliefs and co-operate in the change process based on those beliefs.

Interpretivism focuses on social phenomena and the details of a situation. It is subjective and allows for the possibility of change and for multiple interpretations. It is ideally suited to this research because all people and organisations are different; thus, all M&A activity varies and is subject to opposing views on what makes a successful M&A versus what doesn’t. The most commonly used data collection techniques associated with interpretivism involve investigative qualitative research methods and this was the type of research method used. The data collection method employed was able to contribute towards this empathetic approach.

When compared with other philosophies it became clear that interpretivism was most suited to this research. For example, positivism views reality as being independent of social actors with an emphasis on data and facts (Saunders, Lewis and Thornhill, 2009, p.116). Researchers who adopt the positivist approach prefer to use quantitative data, employing the use of tools such as surveys, experiments and statistics (Neuman, 2014, p.97). This research does not employ the use of quantitative data; thus, ruling out the adoption of positivism. Positivist researchers seek rigorous and exact measures, viewing their results objectively (Neuman, 2014, p.97). This is not the kind of research being employed here where the data gathered and meaning attributed to it is of a subjective nature, moulded to the context to which the data relates through the experiences of the social actors who have contributed to the research.

Realism also encapsulates an objective, fact and data driven philosophy whereby the nature of being exists independently of human thoughts and beliefs (Saunders, Lewis and Thornhill, 2009, p.119). The essence of this philosophy lies in the belief that what we sense is reality and it is a reality independent of the human mind (Saunders, Lewis and Thornhill, 2012, p.136). The two facets of realism are direct realism and critical realism. The former encapsulates the ideal that “what you see is what you get”; what you experience through your senses is how the world is (Saunders, Lewis and Thornhill, 2012, p.136). The latter argues that what we see and experience are merely sensations, mere representations of what is real (Saunders, Lewis and Thornhill, 2012, p.136). It accepts that a view may not be entirely
objective but may be acceptable to the person taking it at that time. Hence, the critical realist is more accepting of the fact that the social or business world is constantly changing. Although this is a more flexible view than that of the direct realist, the critical realist still does not consider the notion that it is the social actors who shape and construct their environment. Realists rather believe the world is as it is and should there be change it is due to the environment changing and an individual perceiving it differently rather than playing a role in its construction. The M&A and HR management processes are constructed around people, their interactions and reactions where practice is rarely objective. Thus, interpretivism was the chosen research philosophy.

### 3.2.2 Research Approach

An **inductive** research approach was used for this research. The purpose for using this approach as opposed to a deductive approach lay in the fact that a deductive approach has its origins in the natural sciences whereby a clear theoretical position is developed prior to collecting and analysing data (Saunders, Lewis and Thornhill, 2009, pp.41, 126). The deductive approach has a tendency to result in the formulation of a rigid methodology whereby alternative reasoning tends to be disallowed (Saunders, Lewis and Thornhill, 2009, p.126). By using an inductive approach, theories are developed and related to the literature through a collection and interpretation of information and data (Saunders, Lewis and Thornhill, 2009, p.61). The inductive approach incorporates the integration of the context in which certain events take place and was appropriate for this kind of research (Saunders, Lewis and Thornhill, 2009, p.126). Social phenomena, in this case M&As, are explored to examine whether there are empirical patterns which could contribute towards the beginning of a theory, i.e. is collaboration with HR from an early stage in the M&A process a central element in ensuring the success of such activities (Boeije, 2012, p.5)?

The inductive approach was right for this research as it allowed themes to develop from broader patterns and theories that when coupled with literature and personal experiences assisted in the formulation of a theoretical position (Creswell, 2014, p.65). It looked at why something is happening – why are the vast majority of M&A’s failing? Induction allows the researcher to gain an understanding “of the meanings humans attach to events” (Saunders,
Lewis and Thornhill, 2009, p.127). This was employed in examining the importance of an organisation’s culture and how it affects reactions to change. A deductive approach would have required a highly structured methodology whereby the development of a theory would have been subject to rigorous testing in a way that allowed “facts to be measured, often quantitatively” (Saunders, Lewis and Thornhill, 2012, p.146). Again, the use of quantitative data was not employed within this research. Generalisation is a characteristic of the deductive approach that was not appropriate for this kind of research. This involves generalising statistically about certain regularities in the social behaviour of humans through selecting samples of sufficient numerical size that would allow for a generalised hypothesis to be formed, an approach not taken within this research (Saunders, Lewis and Thornhill, 2009, p.125).

3.2.3 Research Strategy

A research strategy based on the grounded theory was utilised. This involved employing both interpretive and inductive approaches which were chosen as outlined in the previous sections (Saunders, Lewis and Thornhill, 2009, pp.148-149). This allowed for the formulation of an initial theoretical framework which was encapsulated in the research questions; thus, through the collection of data, it allowed the theory to be developed and examined further (Saunders, Lewis and Thornhill, 2009, p.149). Boeije (2012, p.8) notes that the grounded theory is geared towards interpreting human experiences and behaviours which directly correlate to this type of research.

When evaluating the other potential research strategies it became clear why the grounded theory approach was the most suitable. The use of an experiment or survey approach was unsuitable due to the fact that these approaches deal with the collection of quantitative data not utilised in this research. Experiments use predictions or hypotheses instead of research questions in order to test a predicted relationship rather than inquiring into the relationships between variables, making them unsuitable for this research (Saunders, Lewis and Thornhill, 2012, pp.174-176). The survey strategy is associated with the deductive approach and involves the collection of quantitative data not employed here (Saunders, Lewis and Thornhill, 2012, pp.176-177). Archival research was also unsuitable due to its focus on the
examination of archived administrative records and documents which are irrelevant to this kind of research (Saunders, Lewis and Thornhill, 2012, p.179). Although on face value the case study approach seemed suitable, it was not the right choice for this research. It examines a research topic or phenomenon within its context yet it encourages the researcher to “triangulate multiple sources of data” so that he may be sure that what the data is putting forward is clear (Saunders, Lewis and Thornhill, 2012, p.179). The time constraints of this research project meant that collecting data from a variety of sources was not a feasible option. Ethnography is used to study groups of people and/or their culture which is not something this research involved (Saunders, Lewis and Thornhill, 2012, p.181; Neuman, 2014, p.435). Action research involves applying research and knowledge so as to facilitate change or develop solutions to organisational problems and then put them into action; the researcher does not remain detached, making this an unsuitable research strategy (Neuman, 2014, p.30). Finally, another strategy to touch on briefly is that of the narrative inquiry. Although a qualitative interview involves a participant storytelling, as is the central action in narrative inquiry, it has a more specific meaning and purpose (Saunders, Lewis and Thornhill, 2012, p.187). The narrative inquiry attempts to capture people’s experiences without disrupting or reducing its narrative character, rather than collecting their experiences as bits of data that flow separately from different interview questions, as was the case in this research (Neuman, 2014, p.496; Saunders, Lewis and Thornhill, 2012, p.188).

The pioneers of grounded theory, Glaser and Strauss (1967), stated that it is aimed at findings which are rooted in the gathering of data from a certain field; thus, relevant to those who are using those findings (Boeije, 2012, p.70). It is not an excuse to ignore literature or to present data in its raw form. Instead it is necessary to analyse the relevant information and data collected at a conceptual level in order to draw conclusions from what is presented and gain theoretical insights (Saunders, Lewis and Thornhill, 2009, p.149). This research aimed to look at the field of strategic HR management in relation to the M&A process and whether there was a connection between this and the success of a merger or acquisition. The aim was to unearth whether there is a link for those involved in those processes which can contribute towards future M&A activity.
3.2.4 Research Choice

This research encompassed a cross-sectional study with the use of qualitative data. Cross-sectional research examines information on a variety of different cases at one point in time rather than over an extended time period (Neuman, 2014, p. 44). In this case the research was cross-sectional due to the fact that it involved a variety of interviews at particular points in time. A longitudinal study examines change and development over a longer, more drawn out time period (Saunders, Lewis and Thornhill, 2009, p. 155). The time constraints of this dissertation meant that the information had to be gathered from participants within a short timeframe.

A mono-method of data analysis was carried out through the single qualitative data collection method of interviews (Saunders, Lewis and Thornhill, 2009, pp. 151-152). The use of a single data collection technique, in this case semi-structured interviews, is what is known as a mono-method of data analysis. The reason for this was that qualitative research involves “exploring and understanding the meaning individuals or groups ascribe to a social or human problem”, as opposed to testing theories based on the meanings of numerical and standardised data as in the quantitative research approach; thus, it was best suited to this research (Creswell, 2014, p. 4; Saunders, Lewis and Thornhill, 2009, p. 480). The use of qualitative data reflected an inductive style of research through focusing on the meaning an individual attributes to a situation while remaining fully aware of the complexity of each individual situation (Creswell, 2007 cited in Creswell, 2009, p. 4). By employing the use of qualitative interviews the participants afforded the researcher the opportunity to gain detailed, individualised information for the purposes of this research while maintaining a semblance of control through the direction of the line of questioning (Creswell, 2009, p. 179).

3.3 Data Collection

3.3.1 Method of Data Collection

Data was collected through semi-structured interviews. This allowed for a range of themes to be explored and discussed depending on the flow of the conversation, with each
interview tailored toward each individual interviewee depending on their background and experience. The use of semi-structured interviews meant that, as the interview process continued with each interviewee, additional questions were added or went unused where events or themes arose that had not previously been considered or that were not relevant to the particular industry, organisation, individual or information being relayed. Interviewees were encouraged to describe and speak about their own interpretations of the various factors in the M&A process or the change management process in general which led the discussion towards areas of significance which had not previously been identified or considered (Saunders, Lewis and Thornhill, 2009, p.324).

Structured interviews were not used due to the fact that they are based on pre-determined and standardised questionnaires which don’t allow for the introduction of themes or topics individual to an organisation or person. They are more appropriate for quantitative analysis which did not align with this type of research (Saunders, Lewis and Thornhill, 2009, p.321). Unstructured interviews were also unsuitable due to the fact that they are informal and non-directive, allowing the interview to veer far off topic and potentially making it difficult to steer back on course. Unstructured interviews are also potentially time-consuming as the interviewee may veer off topic or carry the conversation on without any structure or direction, thus potentially yielding irrelevant information as well as large amounts of data for the researcher to work through. Given the time constraints associated with this particular research project, the use of unstructured interviews would have been unsuitable.

In terms of gaining permission to carry out interviews all interviewees were initially contacted by email. Eight interviews were obtained in total with three being conducted face to face and five being conducted over the telephone. The ethical issues involved are outlined in section 3.3.5 with particular emphasis being placed on respecting the privacy of each individual and the organisations involved as well as the voluntary nature of the process. Sampling is outlined in section 3.3.2 and the chosen respondents were specifically selected due to the fact they were either related to HR or had been involved in the M&A process, with two interviewees matching both of these criteria. Ideally interviews were conducted face-to-face; however, due to the status of the respondents in certain cases, their locations and their schedules, five of the interviews were conducted over the telephone and were recorded using
a dictation machine. The interviews were then transcribed or summarised after gaining permission to do so.

Four main themes guided the interview process: change management, mergers and acquisitions, corporate culture and HR as a business partner. The M&A process can involve major upheaval and change in the emotional, hierarchical and/or physical workplace. Thus, in examining the M&A process, the concept of change management was an overbearing theme when conducting interviews. The interviews sought to examine how HR and non-HR professionals alike deal with and manage the change process, changes to positions and roles, the personal consequences for the employee and the impact of one corporate culture colliding or amalgamating with another. Corporate culture was a theme running through the interviews due to the fact that where an M&A takes place there is a very real possibility that the organisations coming together may have very different ways of working. Hence, it is of interest to explore how the cultures will coalesce, if they do so at all. The people within an organisation embody the culture of that organisation and the way it does business. M&As, change initiatives and corporate culture all involve the social identity of the organisation to some extent, i.e. the people factor. People affect both the immediate and future successes of the company and it is the HR team who are regarded as the people specialists within an organisation. Thus, the researcher sought to examine the theme of HR as a business partner in order to examine whether or not collaboration between management and HR regarding the implementation of a change project influences how successful the process will be. The researcher also sought to examine whether HR is becoming increasingly regarded as a business partner as the literature proclaims, or whether it is still viewed as having a more traditional, regulatory role in practice.

As a prompt and a means of ensuring certain information was sought, a list of questions was drawn up. This acted as a guide for the interview process. Certain questions were asked in each interview and others added or removed as the interview progressed and as the interviewer saw fit. Appendix 13 contains the themes and questions. The interviewer had no previous experience of interviewing and so the process was a learning exercise in how to extract information. The first interview was conducted with a contact with whom there was a
prior existing relationship. However, the second interview acted as a pilot test for the rest due to there being no previous relationship with the interviewee.

### 3.3.2 Population and Sample

**Non-probability** sampling was employed when selecting participants for this research. This is due to the fact that this method allowed a sample to be chosen based on subjective judgement. Participants were chosen based on the likelihood they would facilitate the research questions to be answered and objectives met (Saunders, Lewis and Thornhill, 2012, p.281). Probability sampling is suited to research where it is possible to reach the research aims through estimating statistically the characteristics of the population from the sample, a sampling technique unsuited to this kind of research (Saunders, Lewis and Thornhill, 2012, pp.262-262). The results of this research are not based on statistical data. Specifically, the type of non-probability sampling employed was that of **heterogeneous purposive sampling**. Purposive sampling meant that the researcher used her own judgement in choosing research participants that she felt could best answer the research questions and objectives (Saunders, Lewis and Thornhill, 2012, p.287). Heterogeneous purposive sampling meant that participants were chosen with sufficiently diverse characteristics so that the data collected would contain the maximum degree of variation possible (Saunders, Lewis and Thornhill, 2012, p.287). In this case the researcher interviewed HR personnel from a variety of backgrounds and statuses, as well as non-HR managers, to get a varied perspective as to what works in implementing successful change management.

The interviewees who participated were obtained through personal contacts of the researcher. The organisations for which the interviewees worked cannot be named for privacy reasons. However, all had extensive backgrounds working for multinational corporations from a variety of disciplines. The sample size remained small due to the time constraints associated with undertaking this dissertation as well as constraints in terms of access to relevant participants. It was also desirable to maintain a smaller sample size so that there would be greater time available to devote to conducting longer, in-depth interviews with the participant interviewees. The specific context within which the research was carried out made it difficult to obtain interviews with professionals who had all at some point or other been
involved in M&As. Thus, interviews were conducted with two HR managers and two non-HR managers who had been involved with M&As. The remaining four interviewees were HR professionals who have a wealth of knowledge in terms of HR practice, and specifically change management, with one in particular providing information on how the integration of corporate cultures from different countries and departments was handled. The reason for the chosen sample was to examine from a variety of perspectives how central a role HR played in the change processes within their particular organisations and to analyse whether there was a common thread, i.e. whether or not early and continual involvement with HR from the negotiation stage through to post-merger integration was (a) present and (b) beneficial. It also allowed the researcher to gain insight into various views on the critical elements of effective change management. The data collected was analysed to examine whether common themes arose among the interviewees in terms of having a solid HR strategy and successful integration.

### 3.3.3 Research Ethics

The privacy and confidentiality of the information surrendered by the interviewees were the main ethical concerns encountered in this research. It was imperative that informed consent was obtained through correspondence by email or phone and that consent forms were signed by the interviewer and interviewee clarifying the research subject as well as its voluntary nature. Interviewees had the right to fully or partially withdraw their consent at any time. Should the interviewees have wished to withdraw consent after the information had been divulged then the information provided would have been disregarded. It was also important to obtain permission to use the name of the interviewee and their organisation and to respect their choice to remain anonymous should they so choose. All interviewees chose to keep their names and organisation names confidential; thus, they were referred to as Interviewee One, Two, Three etc and their companies were given letters to identify them, e.g. Company A. Participant information sheets were created and provided to the interviewees so as to fully explain the purpose of the research, its voluntary nature and its recognition of the need for confidentiality and discretion. See Appendix 14. Security clearance forms provided by Dublin Business School as well as consent forms which were composed by the researcher were also provided, again fully addressing the issue of confidentiality and seeking permission.
and clearance to use the information gathered in an appropriate manner. See Appendices 15 and 16.

Staying within the scope of the research and maintaining a professional relationship was critical so as to avoid any discomfort, embarrassment or stress for the interviewees. Facilitating the interview in a way which was comfortable for the interviewee was important. For example, it was necessary to ask whether the interviewees would prefer a telephone or face-to-face conversation. The interviews were recorded using a phone for face to face interviews and a dictation machine for telephone interviews. Any objections to being recorded must be respected and so it was important to be prepared to take written notes. This eventuality did not arise as all participants were willing to be recorded. Remaining objective and reporting information honestly without subjective editing was also of significance. Interviewees’ other commitments had to be taken into consideration and so it was important to agree on convenient time frames and to adhere to those so as not to infringe on the interviewees’ other engagements.

3.3.4 Limitations of Methodology

Conducting, transcribing and analysing interviews is a lengthy and time-consuming process. This research was conducted in a relatively short space of time between May and August. This impacted the amount of research that could be carried out and primary data obtained. The researcher is also aware that eight interviews may be too small a sample size to be truly representative of the key elements that affect M&A success. The sample was chosen due to accessibility of contacts within the prescribed time period. The researcher is aware that the participants primarily hail from the IT and pharmaceutical industries and so the conclusions may not reflect HR practices employed within every industry. These industries are also constantly subject to change which affects the types of cultures found among these kinds of staff. Thus, the researcher is aware that there are limitations in this research in terms of the corporate cultures examined and that their particular methods for cultural integration may not be transferable to each industry or country.
The availability of suitable interviewees was also an issue to be taken into consideration. The researcher’s contacts all had relatively senior positions and very busy schedules; hence, not as many interviews as anticipated were carried out. The seniority of the participants also meant that the information gained regarding employees’ experiences of such change projects from all levels of the organisation was somewhat finite, and therein can be found a limitation in terms of the research being truly representative of all levels of employment.

The quality of research also depended on the researcher’s skills and the ability to put the interviewee at ease. Thus, it was essential to be confident in the subject area and to put the interviewee at ease by communicating exactly the purpose of the research as well as to be thoroughly prepared, a skill the interviewer improved upon as the process continued. The researcher had no previous experience of interviewing; thus, the process was a learning curve. It may have been possible to garner more information from the participants than was actually obtained due to the researcher’s inexperience.
Chapter 4: Data Analysis & Findings

4.1 Method Employed for Data Analysis

Six of the interviews were transcribed by the researcher while the final two interviews were summarised due to time constraints. Due to the nature of the information contained in Interview One regarding specific incidents which could make the organisations easily identifiable the interview was summarised and that summary is attached in the appendices. See appendices 17 to 24. Also attached are the consent forms for Interviews One to Three which were obtained physically. The consent forms for Interviews Four to Eight were emailed to the interviewees who verbally gave permission to use the information provided that all individual and organisation names remained confidential and there was no indication as to whom each interview referred to, personally or professionally.

In analysing the data, categories were identified. The meaningful pieces of the original data were attached to the relevant categories, in this case to the four themes outlined initially: change management, corporate culture, M&As and HR as a business partner (Saunders, Lewis and Thornhill, 2012, p.557). Identifying categories or codes to allow for the comprehension of data aided the identification of relationships and patterns between the findings (Saunders, Lewis and Thornhill, 2012, p.557). This is part of the grounded theory and allowed the data to be defined and organised (Boeije, 2012, p.94). The end goal was to have themes and categories within the data that could be distinguished and developed into concepts that together would constitute a theory (Boeije, 2012, p.95). These categories emerged due to the fact that they guided the interviews as well as due to their abundance in the relevant literature (Saunders, Lewis and Thornhill, 2012, p.557). The categories have both an internal and external aspect with the former indicating that they are meaningful in relation to the data itself and the latter referring to the fact that they must be meaningful in relation to the other categories (Saunders, Lewis and Thornhill, 2012, p.558). As Chapter 3 highlighted, each of the themes was interlinked with the other in the pursuit of achieving the research objectives. Reorganising the data according to the categories allowed key themes, patterns and relationships to emerge between the data within each category (Saunders, Lewis and Thornhill, 2012, p.560). The following sections within this chapter look at the four main categories identified and the data gathered and analysed in relation to each of these.
4.2 Change Management

The interviewees were asked about successful and unsuccessful change projects they had been involved with, what they felt the most important factors in implementing change are, who the key enforcers of change are, whether any particular models were employed and what they felt were the biggest obstacles to the facilitation of change. Each of the interviews contributed something towards this topic of discussion.

4.2.1 Critical Factors in Implementing Change

The need for communication arose in each interview. Engaging the workforce and providing them with the necessary information, the rationale for why the change is happening and the context allows an open and honest relationship to develop, thus building a strong foundation of trust; employees must understand ‘the why’ (Interviews One, Two and Three). Employees must understand the different milestones associated with the project. One must never assume that everyone has all the answers; there must be a clear and detailed communication strategy that protects the organisation while also being cognisant of the people (Interviews Two, Four and Five). Interviews One and Eight were conducted with HR professionals who had overseen M&As. Both relayed the importance of educating people, having well defined timelines, knowing where an organisation is headed and having platforms in place whereby employees feel comfortable seeking information. Interviewees Six and Seven stressed the need to educate people through communication so that employees feel catered for in the case of M&As or any change project. Interviewee Six noted that the failure to communicate what each individual’s role entailed and how it would differ from others contributed towards tension and disharmony. Interviewee Seven stated that had they the chance to redo their acquisition they would have communicated more thoroughly, so that the transitioning of people and their jobs could have been handled better.

Interviewees One, Three, Five, Seven and Eight all stressed the importance of creating a community of trust among employees through communicating honestly, openly and thoroughly. The interviewees put forth that a lack of honesty and openness may result in rumours becoming widespread and a disconnect forming between employees and
management. For example, Interviewee One mentioned the possibility of “Chinese whispers” while Interviewee Three stressed the need to “kill the grapevine”.

Interviewees One, Five and Seven noted that consistency contributes towards a sense of trust and security among employees, with Interviewee Seven in particular stating that due to constant changes in management there were constant changes in what was expected. This contributed to a sense of uncertainty with this interviewee wondering “does somebody really care?”

Interviewee One maintained that there is a need to sustain a sense of urgency, to avoid “change fatigue”. Hence, team building exercises, calling out the wins for people, celebrating each milestone reached and having a detailed timescale of what has to happen and when are required. Interviewees Two, Four, Five and Eight also stressed these factors. The majority of interviewees focused on the need to drive home successes and keep people motivated through positive actions. Interviewee Three differed from the other interviewees in that he spoke about focusing on the negatives and the things that had not been achieved. He put forth that to get people to perform and adapt to the changes they “need to feel under threat” or, to put it another way, if “you don’t embrace change you’ll be left behind”.

4.2.2 Key Players

All interviewees stated that having strong leadership at a local level is critical for seeing the change initiative come to fruition. Interviewee One stressed the need to identify who the key people are in terms of leadership sway while Interviewee Two emphasised the need to identify those who have “a lot of clout” among the employees. Interviewees Three, Four, Five, Six and Seven all reinforced this view that local and departmental managers are central to ensuring change is realised. Interviewee Eight stressed the importance of having local leaders on board but ultimately felt that it is senior management who are critical to the change initiative – “It has to come from the top; it’s not going to be resolved from the bottom”.

41
For all interviewees except Interviewee Seven HR played a critical role in working with management to ensure all leaders were equipped with the right information, the reasoning behind the change and understood how to communicate that message to the employees so that people trusted management and felt they were being accommodated. Interviewee Six, who created a company which then merged with another, stressed the importance of line management in implementing the change, but stated, “the job of HR in that situation is the brains”. Interviewee Eight, who was involved in an acquisition between two companies, stated that HR was involved from the very beginning in identifying how the change would be implemented and who needed to be involved in seeing the change through to completion. The aim was not to change everything but to get people to work together with HR collaborating with management in how to do just that. Interviewee Five stated “In HR really our customer is the manager or the leadership team” and that the role of HR is to “equip them with the skills and the confidence to manage”. Interviewee Three felt HR played a role in connecting the change to the company agenda and then educating leadership on this so that “these people can walk the talk; they can speak for the company agenda rather than speaking against it”. Interviewee Four put forth the sentiment that HR keeps the communication lines open with line managers so that they are informed and knowledgeable about the change and how it should be implemented in a professional and legally sound way. Interviewees One and Two stressed the importance of HR working with the key influencers and leaders in educating them and having them on board so that they may educate the workforce as to the change. Interviewee Seven had no experience of HR impacting how the companies would merge together due to the fact that in his experience HR had a peripheral role.

4.2.3 Layers of Communication

Interviewee Two touched on “trying to cascade” the strategy down through the organisation so that “you have layers of a communication plan associated with that”. Interviewee Eight spoke of their experience where management had worked with HR to ensure the goals flowed downward throughout the organisation. The interviewees all stressed the need for goals to be tailored to each department or individual but to also remain in line with the organisation’s overall agenda. Interviewee Three spoke of how appealing to the individual and explaining how the change will affect them makes the transition easier. Interviewees One, Four, Five and Seven also referred to the importance of awareness in terms
of broaching the change on an individual level so that employees are in the know and can relate and align their work to the new initiative. For Interviewee Six there was a distinct failure in terms of having a communication plan in place at any level and HR failed to identify a policy or communication strategy for the new organisation.

4.2.4 Models

In terms of the change models employed there was no distinct model used. Each interviewee had a different method or had experienced different ways of doing things according to the organisation and industry they were in. All interviewees expressed the need for a detailed and well-structured communication plan as discussed previously, as well as the need to identify those key influencers to work with HR in bringing about the change.

4.2.5 Obstacles to Change

The main obstacles to the successful implementation of change tie in with what has been discussed up until this point. Where there is no plan, no communication, weak leadership and inconsistency it is more likely that the initiative will fail. For Interviewee Six, the main problems arose from a lack of engagement with individual employees in terms of how they would be affected by the change. For Interviewee Seven the lack of a communication plan and failure to comprehend the potential risks from the beginning were two things the interviewee felt contributed towards difficulties. Differences between corporate cultures are also an obstacle that arose regarding the implementation of change and these shall be discussed in the next section.

4.3 Corporate Culture

The interviewees were asked about their opinions or experiences regarding corporate culture and its role in the change process. In terms of integrating two cultures or forming a new culture a lot of necessary factors were mentioned in the previous section regarding the change management process, such as communication, leadership and a robust plan. The data gathered in Interview Two was not relevant for this particular area.
4.3.1 Understanding the Custom of Practice

Interviewee One spoke of how, although two companies may fit very well together from a commercial perspective, their individual ways of doing business must be examined and a strategy put in place for dealing with the change to one or both cultures. Interviewee One stressed the importance of asking “What is the custom of practice?” Interviewee Four spoke about the culture of a company relating to each individual through the type of role they may have, the type of leadership present and the actual country in which they work. Interviewee Five spoke about the importance of looking at the type of environment you are in to give some kind of indication as to how difficult it is going to be to bring about a cultural change. “…I.T., data, tech...[is] changing by the day...very fast moving...people who work there are agile, quite flexible, because they need to be...If you are somebody who is in a role where...[things are] very processed and structured...[you] will struggle most with change” (Interview Five). Interviewee Six oversaw a merger involving two very different cultures, American and Irish. Thus, cultural issues arose as to their ways of working, time zones, pay structures and smaller factors such as religious holidays. He stressed the fact that HR failed to set up a new culture or to persuade managers to set one up within each department so employees would feel they were being engaged and not being taken advantage of. Interviewee Seven experienced two different cultures coming together with one “very formal, very traditional English way of operating” but the other quite informal due to its origins as a small start-up. There was a lack of dialogue between the two companies as to just how differently they worked. Interviewee Eight spoke about integrating two cultures that had different ways of working due to cultural backgrounds - Indian and US - with management involving HR from the very beginning to educate the people about the cultures they were working with.

4.3.2 Dominant Cultures

Interviewees One, Six, Seven and Eight all experienced M&As. The existence of a more dominant culture within one company can cause issues for the other where both come together. Interviewee One spoke of how due to one company being unionised and the other having no union and no HR leadership of its own the unionised company’s culture took command with that company’s employees experiencing very little change initially. This
boiled down to a lack of understanding and a feeling of “things being imposed on you rather than being discussed”. Interviewee Six spoke of an Irish company which was taken over by an American company where the Irish culture would have been much more dominant in terms of how business was conducted. However, when the CEO transferred to the US, the culture became more accustomed to the American way of doing business as “The American culture is one that is very hard to resist anyway”. Interviewee Seven discussed how the acquiring company imposed their way of doing things; thus, there was disharmony. Interviewee Eight stressed the fact that it was not about changing a particular culture but about educating each side about each other so they would be able to understand each other and work together; in a sense creating a new culture.

4.3.3 Change Happens Slowly

All interviewees agreed that change is not easily achieved and generally takes a long time. Interviewee Eight acknowledged that things change slowly and in some cases can’t be integrated entirely, noting that the two companies “remained separate in a lot of ways”. Interviewee Six discussed the importance of educating staff incrementally so that “slowly, slowly there is a cultural change”. Interviewee Seven noted that the acquired company had never truly settled with either of the companies who acquired it due to the different management styles employed. Interviewee Four discussed the need to integrate slowly so that people are clear as to what is happening and don’t feel that their culture is being ambushed.

4.4 Mergers and Acquisitions

The change management and cultural aspects discussed in the previous sections all arose in relation to M&As, with the aspects of recruitment and talent discussed within this section. Interviews One, Four, Six, Seven and Eight all contained data relevant to this section.

4.4.1 Recruitment and Retention

Interviewee One spoke about examining the whole “life cycle of the employee” to examine where he fits in and how he can contribute towards the new organisation as well as
mentioning the importance of having a contingency plan in place. This interviewee spoke from personal experience where there was a lack of communication in terms of the recruitment strategy; there was no retention plan and they “lost a lot of key talent as a result”. Interviewee Four noted that the intellectual capital acquired is a huge part of M&As. As part of an organisation that has acquired approximately eighty companies in the last fifteen years this interviewee spoke about the need to be open and free and to involve the stakeholders of the acquired company in order to gain their insight into how to protect and slowly change the culture of the acquired employees (Interview Four). Interviewee Four advised to “handle [the change] very delicately at the beginning...you want to make sure that they don’t leave”. However, it was also noted that not everyone may suit this merged company and so you must look at the people that may inhibit the process. Interviewee Six discussed how there was no examination of the cultures from either side; thus, there was a complete lack of respect between both sides with HR and management failing to bring people together. They spoke of how things changed long after the merger when management and HR started to slowly educate people due to a climax of miscommunication being reached.

Interviewee Seven discussed two companies who came together with different ways of working, with the acquiring culture being far more dominant. The interviewee had founded the acquired company but left once his contract ended due to frustration. He stated that many employees stayed due to the recession hitting and the fact that jobs were scarce. The company has since been reacquired but remains unsettled culturally with a much higher turnover rate now that the economy is recovering and employees have more choice. He also had experience as an employee during a huge merger which was highly successful in how it integrated due to the fact that “they didn’t rush things...[they] very slowly started mingling people”, thus allowing people to acculturate. Additionally, he stated that they had put a “huge amount of effort into communicating properly...so that people trusted what was going on” (Interview Seven).

Interviewee Eight experienced a huge cultural shift in trying to bring Indian and American cultures together within a US multinational. Huge effort went into this acquisition with HR involved from beginning to end. Interviewee Eight noted that there is only so much that can be done and in certain cases there is no solution. There were major problems
regarding the Indian caste system. An Indian manager within the American company refused to work with an Indian manager in the acquired company due to his beliefs in this regard and subsequently left the company.

4.5 The Role of HR as a Strategic Business Partner

All interviewees except Interviewee Seven viewed HR as a partner to management in bringing about change. Interviewee Seven, although having experienced M&As, saw no HR involvement in the first he was involved in and was too peripheral to have an opinion on it in the second, aside from acknowledging the existence of a robust communication plan.

4.5.1 HR and Organisational Development

Interviewees One to Four all discussed HR as a business partner on the organisational development side. A number of tasks undertaken by HR including recruitment, redundancies, compensation and benefits, redesigning sales and remuneration from a strategic point of view contribute towards the advancement of the business (Interview One). Interviewee One noted how remuneration from a strategic point of view, carried out by HR, motivated the sales people and drove business forward. Interviewee Two discussed how HR gets management on board and informed about what must be done while also rewarding and promoting those individuals who demonstrate the desired behaviours for company advancement.

The organisation of which Interviewee Three is a part of is a strong proponent of the Ulrich model of HR as a business partner. “Dave Ulrich as you may know...[is] a big advocate for the fact there’s possibly three streams...one is a business partner...so the business partner concept is well established now across many sectors including our own”. They spoke of how HR looks at ways to optimise the performance of the team of people they have as well as challenging and provoking the business to look ahead and determine the product mix they’ll have in five years and the type of skill sets that will be required. HR can facilitate this by looking at the people within the company as well as further recruitment. Interviewee Four was of the same ethos, advocating that HR work with management to optimise performance, integrating and recruiting those best suited to meet the business needs – “you hire slowly, you
exit quickly”. Interviewee Five felt that HR as a function is evolving from the traditional administrative role to a point where businesses are asking HR “What value do you add?” and are seeking a more supportive role strategically. Interviewee Six felt HR should have stepped up more to work with management in bringing the two companies together, stating that essentially he felt HR to be the brains of the change operation in terms of identifying the right people to communicate the new message. Interviewee Eight felt that to survive in the global environment it is critical that HR becomes a strategic business partner in order to deal with increased globalisation and cultural integration among employees. Interviewees Three and Four noted that the traditional administrative role remains associated with HR, acknowledging that “there is also the bread and butter that needs to be taken care of” (Interview Three).

4.6 Summary of Findings

The findings demonstrated that each area is interlinked with the next in attempting to discover the research objectives. According to the interviewees, there are a number of factors that will affect how successful the initiative will be and will result in its failure if not present. They put forth the need for a strong communication plan whereby an open and honest relationship between all employees is maintained. Consistency in the messages being conveyed was another element, as was maintaining a sense of urgency through focusing on the good, or in some cases the bad, and measuring and maintaining this through a clear and detailed plan. Milestones should be highlighted, timescales clear and expectations set so that each phase of the plan is visible to all employees, according to the interviewees. To do this it was felt that HR must identify the key influencers within the organisation and work with them and management to effectuate the strategy for change. Corporate culture was felt to be personal to each organisation and the interviewees felt that organisations should exert energy and resources to understand the other culture before they come together. It was put forth that change should be implemented slowly, particularly where there is a more dominant culture taking over, so that employees are engaged and educated as to what is happening. They also stressed the need to retain as many of the best people as possible but recognised that it is not always easy and that sometimes there is no solution but to let people go. The next chapter will discuss how these findings, in conjunction with the literature reviewed, contributed towards discovering the research objectives.
Chapter 5: Discussion

5.1 Overview

The purpose of this research was to determine how central a role HR plays in integrating two corporate cultures within the context of M&As. The researcher also sought to discover what the most important factors are in carrying out effective change management, be it cultural or organisational change. This chapter examines and discusses the relevant literature reviewed in conjunction with the data gathered and analysed in order to bring together the aims of the research questions. The following is a discussion on the themes explored throughout this research and the ways in which they are interlinked with Chapter Six drawing final conclusions as to the research objectives achieved. The main factors that came to light and which will be discussed here are the need to understand the culture of each entity and in doing so to come up with a robust communication plan that is tailored to the specific organisation. This plan needs to be consistent in the messages it conveys while ensuring individual goals are linked to the organisational goals. What is important is retaining and nurturing the talent within the organisation and so strong leadership at a local level is of critical importance. HR’s role in identifying those key players and formulating a strategy for integration is at the centre of all this and shall be discussed in the following section.

5.2 Discussion of the Research Undertaken

Culture within an organisation is a unique and generally unspoken construct. It encompasses the employees’ identities and the values they hold dear in terms of the way they do business and deal with others (Biro, 2013, p.4). The interviewees supported this concept of corporate culture being shaped by the people, traditions, locality and work ethics to which they were privy. Interviewees Four, Five, Six and Eight all discussed the need to really examine the roles, the leadership in place, the industries within which the change is happening and the actual countries from which the employees or organisations are based in order to achieve success in initiating change. No two organisations are cultural twins, as put forth by Deutsch and West (2010, p.5); thus, it makes sense that in effectuating change, the need to understand the custom of practice within each entity should not be overlooked.
(Interview One). Where interviewees had experienced M&As and seen them encounter problems a fundamental issue was the failure to examine who each side really was and how they were going to integrate, with the more dominant cultures tending to take control and a collective sense of “things being imposed...rather than discussed” (Interviews One and Seven). Thus, in bringing about cultural change, the question is posed as to how it is initiated and implemented in a sensitive manner that avoids a “we versus they” mentality among employees and managers (Marks and Mirvis, 1997, p.269; Weber, Oberg and Tarba, 2014, p.2).

Change management involves the “systematic approach and application of knowledge, tools and resources to leverage the benefits of change” (HR Magazine, 2004, p.1). There is an extensive amount of literature in this area with many different views as to what makes for effective change management. However, there are a few select factors that appear to lay the foundation for successful change, particularly where two cultures are to be brought together. As mentioned in Chapter Two, Kotter’s change model remains a pivotal starting point when exploring the practice of change management. However, every industry, organisation and individual is different and in implementing change it would seem that Hutchinson’s point regarding change management being a flexible process whereby there is no “one size fits all” is well founded. While Interviewee One had experience of the Kotter model being employed, ultimately they felt that “a lot of the time you take the best bits from everything” with Interviewee Two noting “at the end of the day it’s actually more about having a plan”. All Interviewees stressed the need for a detailed and structured plan if change is to succeed and it is this formulation of a vision for what the organisation is striving for that drives the process at its very core (Hanson, 2013, p.2). Although a single definitive model for change did not surface, a number of elements necessary to see change through to the end continually appeared both in the literature and among the interviewees. Interviewee Four reiterated this when they stated “So there isn’t one particular model...every situation can be different but everybody in management and HR would sing from the same hymn sheet”.

Kotter put forth that, without credible communication, “the hearts and minds of the troops are never captured” (1995, p.63). This was supported by Interviewee One, who stated that “You can’t communicate enough during an M&A” what the vision for the new organisation
entails and expects of its employees. Engaging employees ensures a better chance of success as employees have the opportunity to ask questions and understand how it will impact them personally (Interview Five). As Hanson noted, this diminishes any confusion or ignorance so that employees are better equipped to work towards the new goals (2013, p.2). Failing to continually publicise the “new” organisation is a primary cause of M&As failing (Barratt-Pugh, Bahn and Gakere, 2013, p.753) A lack of communication facilitates “Chinese whispers” and “disaffected leaders”; thus, resulting in misinterpretation and turbulence within the organisation whereby a distinct lack of respect may begin to emerge between the two combining factions (Interviews Three and Six). However, as Stahl et al noted, the amount and the quality of information being disseminated is just as important as the communication itself (2011, p.582). Hence, it is critical not to bombard people with every grain of information but to proceed by “gently educating people” about what is expected (Interview Six; Kotter and Schlesinger, 2008, p.134).

This education involves maintaining a sense of urgency, as first put forth by Kotter (1995, p.60), so that employees do not fall victim to “change fatigue” (Interview One). The effort is unlikely to steam ahead where people remain unmotivated. Thus, the whole initiative is “a process, not a single event” (Kotter, 1990 cited in Parker et al, 2013, p.535). It is an “evolution, not a revolution”, as eloquently put by Interviewee Three. Stragalas put forth that to facilitate this process the past should be separated from the future using milestones, the celebration of strategically selected small successes and consistency in everything conveyed (2010, p.33). As mentioned in the previous chapter, five of the interviewees saw celebration as a way of motivating employees and pushing the change effort forward. However, the experience of Interviewee Three was just the opposite, with the negatives instead being focused upon, so that people knew what had to be fixed. The rationale for this approach lay in imposing a feeling of being under threat so that people would be driven to embrace change rather than experiencing the consequences. Nonetheless, there is a motivation behind this; there is an urge to adapt, whether driven by feelings of achievement or pressure. This feeling of “We’ll prove them wrong” drives the effort forward and maintains the momentum of the initiative (Interview Three).
By clarifying the goals and expectations on organisational, departmental and individual levels, organisational members will feel secure trying out the new ways of doing things (Bijlsma-Frankema, 2001, p.202-203). Setting the milestones and targets as well as communicating continually about what is expected reduces fear among employees so that they feel secure in adapting to the new ways of doing things without a fear of punishment or loss of position (Bijlsma-Frankema, 2001, p.203). Thus, it is essential that what is being communicated is consistent across the board (Stragalas, 2010, p.33). Inconsistency in understanding what is going on should be avoided at all costs (Hanson, 2013, p.3). For Interviewee Seven, management was constantly revolving and there was a lack of stability in the actions expected of employees leading to disengagement and the questioning of whether anybody really cared, as mentioned in the previous chapter. An open and effective communication plan incorporating dates, all relevant information, the challenges, the deadlines and how individuals are going to be impacted as well as their avenues for questioning the entire process leads to an environment of trust where clear and consistent messages about every detail are conveyed (Hanson, 2013, p.3). Where those implementing the change consistently demonstrate that the line of communication is open in an ethical and socially responsible way, confusion will be kept at bay and a relationship of trust fostered between employees and management (Cervone, 2013, p.63). “Really having those focus groups and one to one meetings...so [that there] is really clear and consistent messaging in terms of ok this is what’s happening” (Interview Five). This goes back to the idea of “Chinese whispers” and killing the grapevine (Interview Three). Where the messages are being communicated in an open, honest and consistent manner an environment founded on trust is more likely to emerge; thus, assisting in the facilitation of change and making employees more welcoming of the new era.

Of course there will be no communication and certainly no effective communication if there is no one to convey what it is the organisation seeks to do. Thus, it remains to be asked “Who are the key players in implementing cultural or organisational change?” Strong leadership is critical to any change effort where the experiences and actions of employees are determined by the kind of management they experience (Barratt-Pugh, Bahn and Gakere, 2013, p.755). All interviewees emphasised the importance of having strong leadership at a local level. Interviewees One and Two spoke of identifying those within the organisation that wield power and are trusted and looked up to by employees – “If you can’t win the hearts and
minds of...the key influencers, then you’ll struggle” (Interview One). Appelbaum et al put forth that where a leader is confident, knowledgeable and respected it will be easier to change structures, skills, systems and supervisors (2012, p.771). Not all managers are leaders (Kotter, 1995, p.60), hence, “what’s important is the key leadership” (Interview Four). Leaders must be identified and provided with the correct information so that as smooth a transition as possible may be facilitated. Interviewee Two also stated that “you start with the managers because they’re the central change agents” and in that interviewee’s experience “ultimately it was the line manager who had the relationship” with the employee. This then begs the questions as to who identifies those key managers within the organisation and equips them with all of the information they need. As Interviewee Eight pointed out it is senior management at the highest level who initiate the change, but it is local management who put it into practice and communicate it at every level.

For the majority of interviewees it was HR who were “the brains” (Interview Six), providing all the necessary information to local management and equipping them with the tools they needed to see their projects come to fruition. In Interviewees Six and Seven’s experience, problems and tensions all resulted from the fact that a strong communication plan was never put in place; “there was no consistency” (Interview Seven) and “there were a lot of issues which were HR issues which were never flagged by HR...HR would have stepped in at that stage...[to] see where problems could arise” (Interview Six). This is where the role of human resources as a business partner comes into play. Where organisations are merging there needs to be a plan at every level of the organisation so that employees at each level within each department are aware of what they must do to adapt and are informed as to how their specific roles will be changed, affected or even remain untouched so that “even if you have nothing new to say, you communicate that there is no change” (Interview One). Interviewees Four and Five highlighted the fact that it is the management and leadership within the organisation who are HR’s primary customer, equipping the managers and leaders with the knowledge they need to bring the organisation to where it needs to be.

Ulrich posits that HR is evolving so as to encompass a number of roles including the traditional administrative role as well as having a hand in shaping the structures and systems in place strategically (Kim and Ulrich, 1987 cited in Ulrich, 1987, p.173). Chapter Two
touched on the potential for role conflict within the HR function. However, as the research progressed, it became clear that not only are HR best placed to identify problems that may arise within the organisation, they are also mindful of the problems they themselves may encounter. Interviewee Four noted that HR must be cognisant of the people within the organisation while also being conscious that there is a pay cheque to be honoured. Hence, the HR function is adapting to be both attentive to the people aspect of their business as well as making sure that the “correct business strategies are designed and delivered” (Ulrich, Brockbank and Johnson, 2009, p.25). Although people form a large part of the change process, there is also a professional boundary which must be recognised and respected – “It’s showing empathy, but you’re an employee so you have to try to manage that” (Interview Four). The interviewees were mindful of the fact that HR is still “seen as an administrative function” (Interview Four) and there is the “bread and butter” to be taken care of (Interview Seven). Yet they also put forth that with increased technology and globalisation businesses are increasingly asking HR “what value do you add?” (Interview Five). A strategic business partner is “something you have to be” to survive (Interview Eight).

Involving HR from an early stage of any change initiative allows them to evaluate the overall employee landscape and places them in a better position to formulate staffing plans for the successful moulding of the post-merger organisation (Schraeder and Self, 2003, p.518). Where HR is well-informed and involved from the offset they are best placed to organise training regarding the new policies, protocols and new job specifications which management will expect to see in the new organisation (Swaim, 1985 cited in Schraeder and Self, 2003, p.518). This was reflected in Interview One where the interviewee spoke of looking at the whole life cycle of the employee, how it will fit within the new entity and the need to put a contingency plan in place in order to retain key talent within the company. HR plays an integral role in both recruitment and retention whereby they must be cognisant of what it is the organisation needs in terms of manpower, “how to be more competitive...how to optimise performance of the team of people we have here” (Interview Three).

As has been discussed, there is a need for a detailed, structured and clear communication strategy in implementing change. Implementing a performance management system that makes it clear to people how their performance links in with the overall performance of the
organisation itself is a necessity if employees are to remain in the organisation and produce effective results (Armstrong, 2006, p.20). This incorporates “trying to cascade” the strategy for the merged organisation down through the organisation so there will be layers of communication for each individual or department (Interview Two). Interviewees One, Three, Four, Five and Seven also stressed the need to appeal to the individual so that they may align their behaviour with the new organisation. For Interviewee Six the existence of a solid communication plan and strategy for the organisation would have meant that employees “didn’t feel they were being taken advantage of”. It’s vital that employees understand why the change is occurring and why it is a positive thing.

This brings the discussion to one of the most important factors of any M&A or change initiative: retention. HR plays a role in strategically realising the organisation’s needs through the identification and implementation of policies and practices that utilise the firm’s human capital so that it is best equipped to achieve its business objectives (Baird and Meshoulam, 1998; Jackson and Schuler, 1995; Schuler and Jackson, 1987 cited in Huselid, Jackson and Schuler, 1997, p.171). This involves retaining the key talent that the organisation relies on and values and, in the case of M&As, has acquired. Of course there are some cases where companies simply “merge and get rid” (Interview Four) or where “you want [some employees] to leave...depending on what it is you’re acquiring” (Interview Six). However, for the most part it is about the retention of high-quality employees (Chavan, 2009, p.394). This research also had a particular focus on how to bring people together. As discussed in section 2.5.3 M&As can see turnover rates three times higher than normal due to feelings of alienation and lost autonomy (Krug, Wright and Kroll, 2014, p.149). The balanced scorecard recognises that the long-term strategies of the new organisation can be tailored for and implemented within each department so that business and individual objectives may be linked (Kaplan and Norton, 1993; 1993; 1996a cited in Hutchinson, 2013, p.34). There is an appreciation for the fact that a myriad of interlinked factors affect organisational development, not just how much money is being made or lost ((Pangarkar and Kirkwood, 2008, pp.95-96).

Underpinning this whole concept is the need for a skilled and empowered workforce. Where they remain unequipped for moving forward or are left in the dark as to what is
happening there is a much greater likelihood that employees will become disheartened or leave. This is precisely what occurred in Interviewee One’s experience where a lot of key talent was lost due to the failure to create a robust people-plan post-merger. Interviewee Seven made an interesting point regarding retention where the perpetual inconsistency amongst management, lack of communication between both sides and a failure in any attempt to understand each culture meant that once the economy began to recover people had more opportunities to seek employment elsewhere and “now...[there is] bigger turnover than there was before”. Of course in certain cases there “is only so much that can be done” (Interview Eight) and some people will be unsuited to life post-merger (Interview Four). However, what it all boils down to is the communication. Educating the people who have to execute the strategy is at the epicentre of what makes a change initiative successful (Kaplan and Norton, 2007, p.154). The balanced scorecard has its foundations in the fact that learning and growth will “improve internal business processes”, which improves overall customer satisfaction, leading to stronger financial performance (Iselin, Mia and Sands, 2008, p.72). These processes include a number of elements outlined in Chapter Two but also discussed by some of the interviewees in terms of equipping their workforces with the necessary tools to integrate. They include clarifying role expectations, setting objectives, training, reward mechanisms and performance appraisal (Hutchinson, 2013, pp.40-43). For Interviewee Seven all of these mechanisms were in place, “a huge amount of planning...went into it...making it a success”. Everything is interlinked and there is no room for complacency. The starting point is the need for clarity of the organisation’s vision for the future and from this focal point stems the action plan for communicating and putting in place the mechanisms for how that vision will become a reality (Chavan, 2009, p.395). The following Chapter brings this discussion together in concluding how the research objectives were achieved.
Chapter 6: Conclusions and Recommendations

6.1 The Primary Research Objective

The primary research objective was to answer the following question:

*How central to the success of mergers and acquisitions is collaboration with HR in the integration of two corporate cultures?*

In exploring the themes of change management, corporate culture and HR as a business partner in the context of mergers and acquisitions, this research established that although HR may not be the central change agents in terms of motivating people on the field, they are the brains behind the whole initiative and they collaborate with management in implementing effective change. This indicates that in integrating two corporate cultures HR plays a central role in examining the soft aspects of each culture, implementing mechanisms for integration and working with senior management regarding the information that must be disseminated to local and departmental management for the initiative to proceed. Essentially the purpose is to retain and integrate the key talent that has been acquired; thus, corporate culture is something management must handle delicately.

Strong leadership is the key to any successful merger or acquisition. Employees take direction from those they trust and respect. It is imperative that the key influencers be identified. Senior management finalise plans but it is not their job to see that every individual does their job. It is the departmental managers who ensure that the organisation’s vision comes to fruition. In doing so, HR work with management to create a strategy for implementation that can be introduced at each level within the organisation so that goals flow downward and reach individuals on a personal level. It ensures employees are better equipped to identify with the new strategy and are educated and engaged. This is where the concept of HR as a business partner comes to light. It still retains traditional administrative type role connotations, yet in such a fast-changing society there is a need to add that strategic element.
This is particularly true in an increasingly globalised environment in which M&As are occurring on a global scale and there is an ever-expanding mobile workforce.

HR is cognisant of the importance of recruitment, retention, compensation and benefits, remuneration, personal development plans, setting objectives for employees, ensuring employees are recognised, educated or, if appropriate, reprimanded while above all understanding the way in which each organisation does business. All of these factors deal with the human element which HR works on so that the new organisational goals may be realised, the workforce motivated to work to its potential while keeping “that communication line open with the line managers...to show that HR isn’t just admin, but it’s critical to change” (Interview Four). Corporate culture is unique to each workplace, it is not a tangible object that can be replicated everywhere. Thus, the most important task in any merger or acquisition is that HR examines the soft aspects of each side, identifies potential problems and formulates a plan for integration which is then communicated to all managers. “If HR doesn’t educate the key stakeholders like the leadership on the new view of HR, developing people...how to effectively manage...integrating people...letting them go...communicating properly...that will expose the organisation and the company to legal implications” (Interview Four).

This all relates back to HR’s key tool in assisting management with their implementation of change: communication. The communication aspect is critical, with the most important factors that contribute to effective change management summarised in the following section.

6.2 The Sub-Research Question

The sub-research question sought the elements of effective change management and it was these elements that were interlinked with HR’s role in implementing change. Although no universally-adopted model surfaced among the interviewees, particular elements uncovered lay the foundation for ensuring the successful integration of two corporate cultures if put in place by the HR function and management. The sub-research question was:
What are the elements of effective change management?

This research established that communication is the pivotal factor upon which successful integration hinges. The plan must be detailed, structured, clear, concise and above all consistent. Without consistency in what is being communicated the plan will crumble with distrust, misinterpretation and confusion taking centre stage. Everything flows from having a solid and consistent communication plan for how the organisation is to change. It creates an environment of trust whereby employees are motivated to maintain momentum and can identify how their roles affect the initiative or contribute to the success of the organisation.

Another crucial factor in implementing change – and in particular cultural change – is understanding the custom of practice in place. Every business has different ways of working and it is an absolute necessity that effort is made to examine the ways in which each entity operates so that the communication plan can be best tailored to those within the organisation and the way in which they approach business. As discussed throughout this research, all the elements are interlinked with this examination of the soft aspects falling to the HR department who can work with management to incorporate the organisation’s strategic goals so that suitably tailored communication and people-plans may be devised going forward. The employee must be appealed to on an individual and personal level so that they feel a part of the change and understand exactly how it is they are to be affected and in what ways their role will contribute towards the change effort.

6.3 Recommendations

6.3.1 Recommendations Based on Findings

Based on the research conducted for this paper the following recommendations are offered:

1. An evaluation of the custom of practice and culture within each entity should be undertaken by HR prior to integration so that the strategy for amalgamation
incorporates the ways in which each side does business; thus, tailoring the plan to each faction.

2. It is recommended that extensive planning takes place prior to the merging of the entities and that contingency plans are formulated and each individual educated as to how they will be affected on a personal level; thus, ensuring employees feel catered for.

3. Clear, concise communication should be employed so that messages and expectations being conveyed are consistent across the organisation.

4. The key players within the organisation should be identified by HR and provided with all necessary information and support to ensure they are equipped with handling the integration.

6.3.2 Recommendations for Future Research

With regards to potential avenues for future research, the limitations outlined in section 3.3.4 demonstrate a number of potential areas for future study. It is recommended that a future study could be undertaken involving participants from a wider range of industrial backgrounds and from various levels of employment within organisations of varying size. This research is limited due to the fact it was unable to examine the role of HR further with regards to organisations of all size, stature and culture.
Bibliography


Appendix 1: Self-Reflections on Learning

Before undertaking this course I had no previous experience of studying business. My undergraduate degree was in law and although this course was designed for people like me the majority of my classmates had some kind of business related background which made it more daunting. I was accustomed to a theoretical way of learning involving a lot of reading and gathering of information and not a whole lot of “learning by doing”. Once classes started it became clear that very different techniques for learning would be employed and I was apprehensive about this.

At the beginning of the year the Honey and Mumford questionnaire was undertaken to determine our learning styles. This stated that I had no single definitive learning style, but two, that of a reflector and a theorist. A reflector is careful, methodical, thinks things through thoroughly and gathers information before making a decision. A theorist dislikes uncertainty and subjectivity and is very rational. These are traits I would certainly attribute to myself and my personality. However, the MBA process – the dissertation process in particular – challenged every way of learning that I was so comfortable with.

DBS place a huge emphasis on group work, public speaking, presentations and class participation. As someone who experiences anxiety at the thought of speaking in front of more than two people I was overwhelmed at what was to be expected. Our first presentation was a group presentation for Project Management. It was also the first presentation I ever had to do. My teammates were majoring in Project Management and because I was so nervous I really relied on them to cover all bases. This was clear when we presented; I hid behind the podium and for the most part let them field the questions. Afterwards I realised I wasn’t proud of how it had gone; I was underprepared and left the girls to carry the brunt of the presentation. The next presentation involved the same group. I was determined to engage with the material and know exactly what it was we were talking about. The area hadn’t sparked my interest initially and I realised I have a tendency to skim over details if they don’t catch my attention from the get go. I hate feeling as though I haven’t contributed enough nor as well as somebody else and I kept that feeling after the initial presentation at the back of my mind for all subsequent group assignments.
Group work featured so heavily during the year and I realised that the more interested I am in a subject the more I try to get involved in managing the project. I have always been a team player and very good at taking direction. So it was surprising to me that I willingly took the lead for our Marketing project. There was a lot of confusion as to which direction we should take the project but I had an idea as to what I would like it to be. I took the initiative to organise meetings, decide on the direction and divide up the tasks. I hadn’t consciously realised I was doing it until I began getting phone calls and emails from my team members seeking advice on their respective pieces of the project. I was overseeing the time management of the project as well as giving input into every piece. My team members had asked me to put it all together. It was exhausting but I really enjoyed having the final say. It was in stark contrast to the Project Management piece whereby I had taken the direction and feedback from my team members rather than taking the lead.

Becoming more assertive and confident were two things I improved upon over the course of the year. Developing a thicker skin was another. My previous studies involved minimal continuous assessment and very little personal feedback. My initial research topic was shelved after speaking with our Research Methods lecturer who felt it wasn’t quite right and that I should go back to the drawing board. I had tried to come up with what I thought a research topic should be rather than what was right for me. Although I realised this I was unused to getting such feedback and having spent a number of weeks working on it became genuinely upset. I was surprised at my reaction and embarrassed at my childishness. My friends had received critical feedback but were taking it in their stride. That was a learning curve for me in that you have to separate your work from your emotions. It was constructive feedback, not a personal attack and I make sure to carry that thought with me to this day.

I learned that I am a methodical and analytical learner, I like having all the facts but most importantly I need to have all the facts if I am to feel confident and engaged in what I’m doing. I get anxious and nervous when I’m underprepared; I’m not necessarily good at “winging it”. In terms of seizing career opportunities I’m more cognisant of the fact I have to be committed to whatever it is I am involved in. I learned that it is essential to keep emotions and personal feelings separate from matters of work. If I am to take criticism or rejection personally then I am doomed in seeking a job post-MBA.
I used to be of the opinion “Any job will do”. Yet the group work in particular opened my eyes to the fact I am hard to motivate if I am uninterested. I realised that I enjoy working as part of a team and enjoy areas that have a little more creativity associated with them rather than a distinctive right or wrong answer like areas such as financial analysis. Areas such as advertising and promotions appeal to that more creative side to me and are fields I hadn’t considered before this process. Although Project Management didn’t initially catch my attention the year made me realise that I am good at managing people, influencing others and organising a schedule, skills I hope to employ in my future career.
## Appendix 2: The Largest Mergers and Acquisitions Deals of All Time

Source: Bloomberg, 2013

<table>
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<th>Rank</th>
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<th>Announced total value</th>
<th>Announcement date</th>
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<td>Time Warner</td>
<td>$186.2B</td>
<td>01/10/2000</td>
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Appendix 3: Kotter’s Change Model
Source: Kotter, 1995, p. 61

Eight Steps to Transforming Your Organization

1. Establishing a Sense of Urgency
   - Examining market and competitive realities
   - Identifying and discussing crises, potential crises, or major opportunities

2. Forming a Powerful Guiding Coalition
   - Assembling a group with enough power to lead the change effort
   - Encouraging the group to work together as a team

3. Creating a Vision
   - Creating a vision to help direct the change effort
   - Developing strategies for achieving that vision

4. Communicating the Vision
   - Using every vehicle possible to communicate the new vision and strategies
   - Teaching new behaviors by the example of the guiding coalition

5. Empowering Others to Act on the Vision
   - Getting rid of obstacles to change
   - Changing systems or structures that seriously undermine the vision
   - Encouraging risk taking and nontraditional ideas, activities, and actions

6. Planning for and Creating Short-Term Wins
   - Planning for visible performance improvements
   - Creating those improvements
   - Recognizing and rewarding employees involved in the improvements

7. Consolidating Improvements and Producing Still More Change
   - Using increased credibility to change systems, structures, and policies that don’t fit the vision
   - Hiring, promoting, and developing employees who can implement the vision
   - Reinvigorating the process with new projects, themes, and change agents

8. Institutionalizing New Approaches
   - Articulating the connections between the new behaviors and corporate success
   - Developing the means to ensure leadership development and succession
Appendix 4: The Eight Accelerator’s of Kotter’s Change Model
Source: Kotter, 2012, p.52
Appendix 5: Domains of Human Resource Practices
Source: Ulrich, 1987, p.175
Appendix 6: HR Competency Model
Source: Ulrich et al, 2007, p.6
Appendix 7: Ulrich’s HR Model
Source: e-HRM Inc., 2011
Appendix 8: The Performance Management Cycle
Source: Armstrong, 2012, p.26
Appendix 9: Link among Organisation and Unit Strategic Plans, Job Descriptions and Team Performance
Adapted from: Aguinis, 2007, p.51

- Organisation's Strategic Plan
  - Mission
  - Vision
  - Goals
  - Strategies

- Unit's Strategic Plan
  - Mission
  - Vision
  - Goals
  - Strategies

- Job Description
  - Tasks
  - Knowledge
  - Skills
  - Abilities

- Individual and Team Performance
  - Results
  - Behaviours
  - Developmental Plan
Appendix 10: The Balanced Scorecard Interdependency Diagram
Appendix 11: The Balanced Scorecard
Source: Kaplan and Norton, 2007, p.153
Appendix 12: Measures for the Four Perspectives of the Balanced Scorecard

Source: Chavan, 2009, p.397

(1) Financial perspective: to succeed financially how should we appear to our shareholders? Measures:
   • return on capital;
   • improved shareholder value; and
   • asset utilization.

(2) Customer perspective: to achieve our vision how should we appear to our customers? Measures:
   • product/service attributes;
   • customer relationships; and
   • image and reputation.

(3) Internal business processes: to satisfy our shareholders and customers, at what business processes must we excel? Measures:
   • develop products and services;
   • deliver products and services; and
   • “post-sales” services.

(4) Learning and growth perspective: to achieve our vision, how will we sustain our ability to change and improve? Measures:
   • employee capabilities;
   • information system capabilities;
   • motivation; and
   • empowerment and alignment.
Appendix 13: Interview Themes and Questions

Themes to be examined:

Change Management – Corporate Culture – Mergers and Acquisitions – Human Resources as a Business Partner

1. Could you tell me about your professional background?
2. How long have you been working in this particular organisation?
3. What would you say are the main roles of the HR function/HR managers?
4. Would you say the role of change agent is a large part of what you/the HR function does?
5. Have you been involved in many change projects within this organisation or previous places you have worked?
6. What would you say are the most important factors needed to implement change?
7. What would you say are/have been the main obstacles in implementing change?
8. Could you tell me about a well implemented change initiative that you were involved with?
9. Could you tell me about a change project that didn’t go to plan/could have been better implemented?
10. Do you think corporate culture plays a role in the facilitation of change?
11. In terms of the change projects you were involved with do you think HR impacted on the success/failure?
12. Would there be any particular processes or strategies in particular which you would have employed or observed being used?
13. Do you think the size of the organisation affects the ability to implement change or do you think a robust people plan overrides this?
14. What are your opinions on the role of line managers during the change process?
15. What are your views on the importance of motivational activities such as maintaining momentum, setting milestones and celebrating small wins?
16. If there is opposition or resistance to change what steps would be taken?
17. Would HR have been in collaboration with management to implement change from an early stage and throughout?
18. Do you think the role of HR has become regarded as a business partner to the organisation as opposed to a primarily administrative separate entity?
Appendix 14: Participant Information Sheet

PARTICIPANT INFORMATION SHEET

Title of Research Project
The Role of Human Resources as a Business Partner in the Execution of Effective Change Management in the Mergers and Acquisitions Process

Name and position of researcher
Dena Keane, MBA (Business Management) student, Dublin Business School

You are being invited to take part in a research study. It is important that you understand why the research is being done and what it involves. Please take time to read the following information. Ask if there is anything that is not clear or if you would like more information.

What is the purpose of this study?
The purpose of this research is to examine how central to the success of mergers and acquisitions is collaboration with HR in the integration of two corporate cultures. This involves examining the strategies employed by HR personnel in promoting organisational development as well as looking at the effect of involving HR from an early stage in bringing about successful change management.

Do I have to take part?
You are not obliged to take part and your participation is fully voluntary. By taking part in the study, you will be asked to read this information sheet and indicate your consent. Even if you decide to take part, you can withdraw at any time during the study without giving a reason.

What will happen to me if I take part?
The interview should take approximately one hour at your place of work or at an alternative suitable location. You will be asked about your experiences in the human resources department in managing change, strategies employed and your views on the role of human resources in carrying out effective change management during mergers and acquisitions where you have the requisite experience. You have control over the right to the recording of any of your responses where a voice recorder is used.

What are the possible disadvantages/risks involved, if any?
There are no expected physical or psychological risks involved.
Will my taking part in this study be kept confidential?

Yes. Your views are anonymous with all the data you provide being kept strictly confidential and used only for the purpose of this research.

What will happen to the results of the research study?

The results of the research will be used for a Masters Research Project and may at a future date be published in an academic journal. You will not be identified in any report or publication.

Any further questions you may have about this study may be directed to:

Dena Keane, Dublin Business School
Email: denakeane@gmail.com

OR

Eddie McConnon (Dissertation Supervisor)
School of Business & Law, Dublin Business School
Email: eddie.mcconnon@dbs.ie
Appendix 15: Security Clearance Form

Dublin Business School
Company Security Clearance

Name: _____________________________________________________________
Student Number: ___________________________________________________
Dissertation Title: __________________________________________________

Company Security Clearance

Please initial as appropriate

☐ We agree that the student(s) may undertake a dissertation of the nature indicated above and that he/she/they will be given access to appropriate information sources within our Organisation

☐ We agree that copies of the finished project will be made available for assessment by staff of Dublin Business School and External examiners

Company Name: ___________________________________________________
Signed: ___________________________________________________________
Position: __________________________________________________________
Date: _____________________________________________________________

Note to Student:

Please keep the original signed copy of this form and ensure a copy is included in the Dissertation Appendices.
Appendix 16: Consent Form

CONSENT FORM

Title of research project:
The Role of Human Resources as a Business Partner in the Execution of Effective Change Management in the Mergers and Acquisitions Process

Name and position of researcher:
Dena Keane, MBA (Business Management) student, Dublin Business School

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving reason.

3. I agree to take part in the study.

4. I agree to the interview being audio-recorded.

5. I agree to the use of anonymised quotes in publications.

Name of participant:  Date:  Signature:

Dena Keane (researcher)  Date:  Signature:
Appendix 17: Summary of Interview One

Interviewer: Dena Keane (student).

Interviewee: Senior HR Business Partner at a multinational pharmaceutical company.

Interview Setting: Office of interviewee at 2p.m. on the 26th June 2014; Interview lasted approximately forty minutes.

The interviewee was first asked about what they felt the main functions of the HR department or HR business partner are. They discussed the seven levers of HR which is a type of strategy tool used and includes areas such as recruitment, compensation and benefits, employee relations, communication and organisational design. They look at “the whole life cycle of the employee” as well as different projects and everyday tasks before dividing them out. The majority of their work is covered under the employee relations side and organisational design side of it.

The interviewee felt the role of the change agent or strategic business partner comes into it quite a lot. The change agent perspective may come into it on the OD side of things if you look at areas such as retrenchment and redundancies, compensation and benefits and redesigned sales from a strategic point of view which “can be very emotive places to be working”.

They spoke of a particular company where they needed to change their model and the interviewee had to project manage a compensation and benefits package “that would motivate the sales people but also drive them to sell profitable business”. This took over two years to do. On the recruitment side of it the work is around strategy.

The interviewee was asked about any involvement in M&As and they began by discussing a reverse takeover they were involved in. The company of which the interviewee was a part of was a smaller company taking over a larger company and the interviewee was heavily involved in the due diligence on that side.

Things that went well in this M&A included the fact a PMO office was set up, there were very clear objectives where “they really did set out the target operation model. “What does the end state look like?” There were clearly defined deliverables from the get go.
The company fell down in that they underestimated the impact of the change on their own employees. The larger company had unions and so there was very little change for the larger company initially. “The strategy wasn’t there for dealing with the effect of the change on the” smaller company.

It resulted in the loss of a lot of key talent. The interviewee spoke of how normally you try and put some sort of a contingency plan in place around incentives to retain and keep people. This didn’t happen and they didn’t communicate enough in terms of the recruitment strategy. There was bad handling of how the roles and positions would be allocated and people transitioned. The company thought people would accept the changes without having them fully explained to them or having been given the opportunity to apply for different roles. There was no retention strategy in place and “they lost a lot of key talent as a result of it”.

There was a lack of engagement in the interviewee’s opinion. There was nobody particularly senior from a HR perspective on the smaller company’s side and there was a lack of understanding about the different cultures. There was a feeling of “things being imposed on you rather than being discussed with you or that kind of a consultation process just didn’t happen and there wasn’t enough thought given to it”.

You must make sure people are comfortable asking questions be it in a town hall or one-to-one and you must appeal to the different types of individuals. “You can’t communicate enough during a merger and acquisition”.

The interviewee then spoke of a very successful M&A they had been involved with. The company they were with at this time had a huge amount of practice with change projects and so were able to execute them very well. The merger involved two companies with a very similar customer base which “from a commercial perspective fit very well together”. However, their staff and ways of working were very different. One was a very polished and sophisticated kind of culture where the employees had a lot of qualifications and performance management systems in place. The other company was made up over the years from different family run businesses and didn’t have a very strong HR culture with no aligned policies. The remuneration systems and benefits were entirely different.

In terms of how the merger was approached the target operation model was set out from the beginning. Everybody knew where they had to be, timelines were well defined, there was a clock in the project office counting down to the go live, there was a project management
suite, consistent paperwork and terminologies – “something that is also really important in delivering success...that you’re using consistent language and the consistent templates”.

There was an effective overall project manager and all project managers from each team met every morning for a fifteen minute overview. “It was the discipline that drove the project”.

The due diligence that was done at the outset was very robust. You must be aware of the small things at the local level such as the kind of benefits people get etc. “What is the custom of practice? What is written down? What is not written down is nearly more important.”

Particular attention was paid to communications. There were unions involved. The communication strategy was really robust. There were town halls, one to ones, follow ups, everything was minuted, FAQ’s produced and all conversations fed back to the project team. It was extremely detailed. There was a plan for post implementation in terms of merging the cultures. It involved “building in that learning curve and making sure people were comfortable with the technology and bringing them up to speed and having a robust plan around that”. Things such as calling out the wins for people and paying attention to team building activities were also important.

Identifying who are the key people, the key influencers in an organisation is critical.

The interviewee had used the Kotter model most frequently although “a lot of the time you take the best bits from everything”. Creating a sense of urgency is something the interviewee stressed as well as getting the right people involved from the outset. Sometimes “change fatigue can set in” so celebrating the small wins is important.

The interviewee felt that where there is already a corporate culture in place it can be harder to integrate people than if you are creating one from scratch. “Sometimes it can be harder where there is an established culture”.

HR has a role in “the communication, the coaching of line managers, bringing the people along with you”.

“It doesn’t really cost anything to talk to people”. Where there is no communication plan Chinese whispers can start and the less you communicate with your employees the more they communicate among themselves. Even if there is nothing to say you should communicate that there is no change, that everything is the same.
Appendix 18: Interview Two Transcript

Interviewer: Dena Keane (student)

Interviewee: HR Business Partner at a multinational software company

Interview setting: Office of interviewee at 2p.m. on the 27th June 2014.

Additional Notes: This interview resulted in being quite unstructured and more of a chat as opposed to an interview. The interviewee offered to partake through a personal contact. Although the interviewee has extensive experience in HR and change management, the interviewee had no experience with mergers and acquisitions or the integration of cultures and so an informal discussion resulted primarily on the interviewee’s many years of experience in change management which is included for that reason. The interviewee also provided the researcher with a change handbook and manual which she had used on numerous occasions for change projects in a number of multinational companies. The interviewee began the interview quickly before consent forms and recording equipment were discussed; thus, the interview transcription begins a few minutes into the conversation after formalities were dealt with whereby the interviewee had begun discussing a change project they were involved with at a multinational pharmaceutical company. The interview lasted approximately thirty minutes and was not as fruitful as the other interviews due to the interviewer’s lack of experience; thus, this served as a pilot test.

Interviewee: For me, what I’ve learned from experience is the importance of actually having a structured change management process. And to some degree I suppose one of the key things for me as well was the importance of actually ensuring that you’re equipping the organisation and that you start with the managers because they’re the central change agents. Even though in the organisation I was in, I was Cork based, and a lot of the change management was happening out of Dublin, essentially the communication plans and the strategies they would have put in place, started and ended with the line management because ultimately it was the line manager who had the relationship. They were the people that actually had to manage people through the change and for this significant change where the business was on sale as was the case of Company A, they had a very uncertain future. So it was a change that didn’t actually have a platform, so it wasn’t a burning platform for a reason for change, it was something that was happening to the business and the business was trying to navigate through
that with employees against the backdrop of a situation where the media was involved as well. There was I suppose buyers who were interested and feeding the media with different stories. It was in a political arena so it was very much a political story as well. So there was a lot happening for employees. What happened in the end was it was actually sold and split three ways, so three separate entities have now bought the old Company A business. So they went three separate directions and so three entities are now taking them over and they’re obviously trying to establish their own culture. I wasn’t there unfortunately for that part; it would have been very interesting from a HR perspective.

My background, I would have worked for Company B, back in the 90’s, I would have worked for an American company, Company C, for a number of years and I would have worked with Company D for I suppose eleven and a half years. I’ve been here with Company E since the end of January. And then Company A in between. So for me, apart from Company A I haven’t actually had a situation where we’ve done a lot of M&A’s. Now with this organisation since I’ve joined we have acquired a number of companies but because obviously corporate is...headquarters is in Palo Alto, I haven’t been connected to that here. So as I say, I’m very sorry this conversation may be very short!

**Interviewer:** No, that’s fine; you’ve been in HR a long time so you’ve seen a lot of change initiatives within companies. What kind of strategies would you have employed within companies?

**Interviewee:** Well I think you know I was part of...we were implementing SAP into the Company D site back in early 2002. Essentially what that was, it was bringing obviously an enterprise platform into the manufacturing facility and what we were doing was we were implementing six separate modules of SAP into the organisation. So, really a precursor to that actually was saying that we were going to standardise global processes, I suppose...globally. So basically the procurement processes had to basically all align right across the world; HR processes, finance processes. So obviously my role there was actually as responsible for organisational change management. So I was released from HR to actually act as the OCM and communications co-ordinator for that project which took about a year and a half. So, I suppose there it was really important to understand the different milestones associated with the project and be preparing the organisation through communication strategies.

Starting off, what we would have done there was we would have had the burning platform which was: we as a company need to have a better capability of seeing what’s happening
right across the organisation and in order to do that we need to implement this ERP system; in order to do that we need to simplify our processes first. But obviously, every time you change a process you’re impacting a job and when you’re impacting a job you’re impacting people. So, people did their job and how they interacted with the IT systems was going to change an awful lot.

So first of all what we would have done we would have had a phased approach. So all of the senior leaders would have done organisational change management training and so again there it was actually trying to establish what the burning platform was, what was that? Try and basically get early adopters, so there was a whole methodology that was applied right through the project and I suppose it’s something that you bring with you when you go through other change projects that you try and apply that same methodology.

There I suppose when we’re talking about changing lots of jobs across the organisation, one of the first things we need to do is we had a model office. So we basically brought all of the SAP gurus to site and we demoed what the new system was going to look like to the team leaders. Then we would have had to release thirty people from the business to actually work on implementing the project. So I suppose from a people perspective we had to go from ‘Ok, so what’s the organisational structure going to look like?’ ‘What are the actual teams going to look like?’ ‘What are the changes to every single job going to be?’ ‘What are the things that are going to be deleted from jobs?’ ‘What are the things that are going to be added to jobs?’ ‘What are the new types of jobs that we now need to create?’

Coupled with that, communication was incredibly important; you’re preparing the organisation for what was coming down the track. So there was a communication plan associated with all of that. There was a lot of milestone reporting. So obviously there was a project team and then there was a wider team of five hundred people on site that really knew about the project but would...really it hadn’t become tangible to them. So as the project went forward we had a communication plan which basically had milestones associated with them and every time we achieved those milestones we communicated what that meant, what was involved and then basically had a celebration. So it was OCM, the organisational change management, and also the communication went hand in hand. So that was really critical, the organisational change management there was very, very significant. Because as I say there was very few jobs that weren’t touched by implementing this system and because we were implementing the global processes as well there was huge change and sometimes huge
resistance. Because some processes we were very proud of, we felt they were fantastic processes, but when we were trying to simplify across the world, some processes lost that clarity and so sometimes there was resistance where people said ‘Hang on a second, my job is now more complicated than it needs to be’, and they wouldn’t have seen the necessary benefit to it, because a lot of the benefits accrued to corporate with the capability of corporate better managing their supply chain processes, better managing reporting and being able to see exactly what’s happening and being able to make more direct comparisons than they would have been able to do before.

I suppose another project I would have been on was to do with the introduction of a new job categorisation system. Again that was a huge project from a change management point of view because globally we were changing the hierarchy of our job structure. That also meant changes to salary grades, so there was a huge impact there on people as well as we tried to align their jobs to the new salary structure and with that to the new job structure. So again obviously you’re trying to cascade and you’re trying to manage the communication in a way that you’re helping the organisation make the change. So again you have layers of a communication plan associated with that, so there was a project which was a technical overlay but there was a communication plan associated with that. So yeah, throughout my career HR was really a lot about, a lot of the projects you’re doing you’re implementing change. I would have been involved in lots of projects where we were implementing changes to performance management and all of those come with the same, you know, you have a resistance to change, you have early adopters, you have late adopters and the whole change management piece is really critical.

Even more recently here now we have a lean initiative that’s going on whereby we’re trying to constantly improve the customer experience and add value. I suppose for that to happen it can have an impact on how people transact and do their jobs and again there it’s trying to explain ‘What’s in it for me?’ Sometimes you have to be honest to say there’s not something in it for you but if there is something in it for them, or an end benefit to end user or the person interfacing then you have to really call that out actually because if you can obviously explain to people the importance of making a change, you’re halfway there.

So the culture piece I suppose is really you know another aspect in terms of culture change that I would have been aware of would have been in Company D. So Company D is a big pharma company and essentially pharmaceutical companies are quasi-monopolies almost.
Essentially what they have is they have a product, they might have one or two competitors against that product but essentially it would have a unique aspect to it and that’s why it’s patented and protected, but you have that for twelve years. So what you have is you’ve got quite a long horizon in terms of decision making and planning. But I suppose over the years the market had changed, the FDA had changed in terms of response and also we became involved in biotech. What that meant is culturally we had to shift as well and I suppose there was a lot of work done by corporate in terms of what are the behaviours and values that we now need that are required going forward. I suppose something that was constantly called out as an area of challenge for us in employee surveys, and I suppose leaders in the organisation, would have been decision making and speed of execution. So we were always very good at quality which you’d obviously expect in pharma where you are injecting drugs and people’s lives are impacted. Our execution and driving down decisions was something we found difficult. The other part that we found in our culture was we liked to invent things ourselves which meant we were slow to execute, and we also were perfectionists as an organisation, so we didn’t like to implement until we had a hundred percent plan; so in the new world that we were entering those behaviours and values were no longer valid. So I would have been part of implementation in Ireland trying to actually explain ‘Ok so this is where we were, these were the values and this is what we rewarded, these kinds of behaviours. Now these are the behaviours we need and this is why’. And again, it’s just about communicating the why really, and creating that understanding as much as possible, and then obviously reinforcing people who demonstrate those behaviours in terms of either promoting them or rewarding them or recognising them. But that was another thing where you’re trying to influence which is obviously longer term and it takes much longer, but obviously getting management on board. And as I say rewarding and recognising people who display those behaviours is really important.

**Interviewer:** Yes I was speaking with another lady and what I got from that is just how key communication really is. Getting into the details and not allowing a sort of “Chinese whispers” situation to arise.

**Interviewee:** Oh definitely, I actually had a thing which I got years ago and I’m sure you have it in spades and I’m not sure if it will help at all but it’s called the Organisational Change Management Methodology. It’s something that we used to take managers through and it basically starts with, you know, assessing your organisation in terms of ‘What are the change projects you’ve done? How successful have they been?’ And then basically
identifying, I suppose the levers for change, and the supporters of change. So it’s almost how you implement change management. If I can find it here I’ll send it on to you.

Note: This was followed by a conversation regarding how my research was going, mutual contacts we had and which firms the interviewee felt would be beneficial to contact. The interviewee also located the Organisational Change Management Methodology and talked me through it, highlighting certain pages and steps for change for managers before emailing it to me.

Interviewer: How do you feel about details, defined timescales, and milestones being set out by management?

Interviewee: Super important. Absolutely critical, as you can see here it is essential [looked at guidelines in OCM Methodology].

This is basically to understand the role impact. For every single job I had to do an individual impact. This is the response assessment to see how you’re doing in terms of your level of sponsorship, so this is to find out have you got the support before you start a change. You basically do the overall assessment. You have strategies to address weak sponsorship, business impact, what’s the business impact, so that you’re basically managing it through that, techniques for surfacing resistance. This is the individual readiness profile that was recommended people did.

Interviewer: And would there have been any particular models you used, like Kotter for example?

Interviewee: Yeah, I mean to be honest the freeze-unfreeze, was it Lewin? But again I think at the end of the day it’s actually more about having a plan, having a documented plan, having milestones, telling people what the next step is going to be before they get to the next step, telling them they’ve got to the next step and reinforcing and obviously dealing with people who are not supporting the change. Obviously reinforcing with those people, communication, project planning, chartering and sponsorship. I mean if you don’t have the sponsorship...one of the issue I had to deal with when I was implementing on the Company D project was one of the key influencers on site wasn’t on board.

That was an absolute disruption. He eventually got there but he was a very big influencer. He had a lot of clout in the organisation and when you have somebody like that who’s basically
not supporting they can do an awful lot of damage. At the end of the day what we used to say, which you normally wouldn’t say about change projects, but ‘resistance is futile’. Because this was a global project, what we were doing was we were implementing it phase by phase right across the world. It took a billion to do this for Company D worldwide; it was a massive, massive project. It was something that was decided at the senior level of the company and we had to implement so really the people that were resisting it ran out of room in the organisation really. So they had to come late but it was obviously worthwhile to surface what the issues were and try and deal with them and actually not to sugar-coat it. So one of the things that he called out very early on was that it was going to add work to some of the operators on the floor, and it was. That was the bottom line. They were going to have to do a transaction where before when they were on the production line and they were adding a material to a chemical process, they just added it. They got it from the stores and added it and now they were going to have to use a radio frequency gun to tell the stores that they had now applied this to the process. That would tell the supply chain that they’ve used X amount and from order management that would tell that but also from a quality perspective it was able to tell in what batch what material was used. So there were loads of other benefits but for the actual individual operator, he now had to do a transaction. He would have to do the process and then he would have to tell the system he had added the material. So again you know it’s partly about educating, about saying yes you are doing that, but now you don’t have to fill out that paper, and this person doesn’t have to come down and check that. So it’s education and communication.

The interview then wrapped up as the interviewee felt they didn’t have any other information relating to the dissertation area. The interviewee again spoke with me about the dissertation and was thanked for her time before concluding the interview.
Appendix 19: Interview Three Transcript

**Interviewer:** Dena Keane (student).

**Interviewee:** HR Head at a multinational pharmaceutical company.

**Interview setting:** Office of interviewee at 2p.m. on the 7th July 2014; Interview lasted approximately forty minutes.

**Additional notes:** Although the interviewee had no personal experience with mergers and acquisitions, his extensive HR experience and experience of change projects meant that this interview was beneficial for information on change management practices.

**Interviewer:** So first of all, could you tell me about your background in HR?

**Interviewee:** I’m a qualified teacher, way back, twenty years plus ago. I then have the degree in HR management and I have twenty plus years experience in HR, working in different industry sectors including the pharma sector. So that’s my background briefly.

**Interviewer:** Ok, and what would you say have been your main roles as a HR manager?

**Interviewee:** The main roles...change management is a big feature of it, industrial relations, talent management is a very significant part of it, recruitment, retention, recognition, reward and recognition and of course training and development.

**Interviewer:** Do you think the role of change agent comes into it quite a lot?

**Interviewee:** Yes. Yes it does, challenging the business and provoking the business to forecast the future, to look ahead and to determine what’s the product mix we’ll have in five years time and the type of skill sets required in five years time would be a feature of the job and for that reason you are a change agent, you are challenging other partners in the business to look differently at how to run this place, how to be more competitive, how to do less with more or should I say more with less, excuse me, and how to optimise performance of the team of people we have here is a big part of it, yes.

**Interviewer:** And what would you say are the most important...I suppose the most important factors in implementing change?
**Interviewee:** The most important factors first of all for me would be that people understand ‘the why’. They have to believe in the future, they have to believe in the fact that sometimes change isn’t that easy for people. It’s not, in fact it’s the most significantly challenging thing to do in any business, is to bring people from A to B, but if you equip them with the right information and the rational and the context it can often be made easier. So it’s about being open and being honest and having a relationship with your team where they believe you when you say ‘guys we’ve got a problem or we don’t have a problem’, that they believe it and that they’re prepared to support it. So trust, more information or lots of information, and then explain it step by step as to how it impacts the individual because that’s what it comes down to, is people comfortable or uncomfortable with how it affects me. For example, ‘will I have a job at the end of a change programme?’ If the answer is ‘no I won’t’ then clearly you can imagine that embracing change for people isn’t that simple. If they know they have a job at the other end of it and maybe a more secure future it’s always easier.

**Interviewer:** So would you say that on the individual level it would be the biggest obstacle?

**Interviewee:** Yeah. Influenced of course significantly by those around you who will...needless to say the loudest voices can often influence the less level voices in a manner negatively. But yeah, if you can appeal to the individual for me it can be way easier.

**Interviewer:** Would there have been any change project you’ve been involved in that you could say really worked well and how it worked well?

**Interviewee:** We have gone through organisational change in this company in the last five years whereby we have de-layered the business and made it a flat structured organisation. The objective in that case was to empower the organisation to be decision makers at the appropriate level using the resources and the people that they need to help them with their decision making. So we flattened the structures from say seven levels to three levels. And in doing so we had to explain why we were doing it, we had to explain what we believed to be the benefits of it, and we had to explain to people that they should welcome the idea of being able to make decisions for themselves rather than having others make decisions for them. Not everybody gets it, or will get it immediately but some do naturally get it because they’re more self-confident in their own capability and it often boils down to an individual’s capabilities. The person who is quite capable of doing a job without instruction welcomes that sort of cultural change whereas the person who is going to struggle with it is often the person who is
the least equipped personally, both on a technical skills basis and in the capability to make
decisions or having the self confidence.

So we had to go through a process of trying to explain to our colleagues the fact that this was
a better way to run our business, it was more mature and more adult manner because you
have less, as I said, of the asking for permission and more of the, ‘Ok I’ve got all the facts,
I’ve got all the information for me now to make a decision’. It’s a journey; it’s an evolution
not a revolution. It’ll take quite a number of years to say we’re a truly empowered
organisation but the structures and the change and the approach was the first step in that
journey. And there is a change management piece to it. As there is in everything we do
because it’s easy to implement technical change but if you’re forgetting about the fact that the
technical changes are only made possible by the people then you’re probably doomed to
failure. So you must remember that any time you effect change just remember to put together
the change management plan so that those people who are ultimately going to have to work
with the changes or embrace them need to understand again as I said earlier ‘the why’.

**Interviewer:** Do you think corporate culture plays a role in that or do you think if you have a
strong enough people plan it’ll override that?

**Interviewee:** Sometimes it requires almost a very, dare I say it, the need for people to feel
pressure or to feel under threat. Often it’s the case that change is easily affected or more
easily affected in an organisation where their future is in doubt. I’m not suggesting artificially
create a doubtful future but you’ll notice in some organisations who for example are
confronted with closure, the most recent example being Bausch & Lomb in Waterford, where
nine hundred people were told that unless they took a 20% pay cut and had two hundred
redundancies the place would close down. And you might have seen in the news that very
quickly within a couple of weeks the unions who represented them and the management had
come to an agreement to reduce the wage by 13% plus I’m sure a number of productivity
measures that were built in which made up the last seven and they effected two hundred
redundancies but they did it in the context of ‘Well, what alternative is there?’

In an organisation where that sort of threat doesn’t exist it is often much harder to effect
cultural change. So you have a challenge in that instance to get people to understand that it
may not mean a disastrous outcome tomorrow or next week or the year after or next year for
that matter but in the longer term if you don’t embrace these changes we’ll be left behind. For
example, in a network like ours it is not uncommon that every year one site will close down
or will be announced as closing down. And that site is often the best performing because the minute that’s announced, the people who work there decide, ‘We’ll prove them wrong, we’ll make it hard for the organisation to close us, we will be the best performing site’. It’s human nature that people will react to that sort of situation, but by the same token in an organisation with a steady state and that is working well but yet has to change, has to evolve, it is more challenging there is no doubt.

You asked the question about the corporate play role and by corporate I mean the people who are sitting above the local entity, who are responsible for this entity, not really. I suppose apart from the fact that they set out the objectives or set out the ambition to do whatever it is, it’s up to local management and local leaders to effect that change, and to utilise whatever resources they have at their own disposal to help them. We have to be able to help ourselves not wait for others to help us.

**Interviewer:** Obviously having those kinds of line managers implementing that is very important. Would HR work with them or would that come down from management?

**Interviewee:** Yeah, that’s a good question. In fact, not too long ago we set up a forum here entirely where we wanted to engage far more productively, positively or otherwise with our teams to affect the behaviours and the attitudes and the approach that’s taken by people to the site. We set up a site wide leader’s forum where leaders at all levels, particularly leaders who were responsible for people, or if they’re not responsible for people they’re influencers, what they say might be listened to by others in the organisation. So we’ve taken the initiative to start to create a forum with that group of people who previously only would have had the opportunity to be part of a local departmental leadership team, for example. They’re now part of a site wide leadership team. There are over forty-five to fifty people in that team and their level of knowledge, their level of understanding about what’s happening and why it’s happening, is being increased by them having direct dialogue, direct interaction with the site head so that they have a much, much better understanding as to what’s happening, that they can utilise the opportunity to kill the grapevine because sometimes they have been in the past, if you like it, the recipients of the grapevine news. They’ve often possibly found out about things that they should know about beforehand, they’ve found out about it from a colleague. So now to correct that gap they’re the first to know what’s happening.

So for example the site here has recently announced the fact that it needs to reduce its numbers which means that there’ll be some severances, some departures. This team of people
are the first to know about this and they understand the reason why. They’re accepting of it, they support it and they will be able to answer any questions that someone else might have.

They’re level of education and knowledge around the metrics that we are measured by, that they have a lot more understanding of them, a lot more context to them and they have a lot more clarity on why it is important we achieve the objectives we say and we achieve the scores that we say we’re going to achieve on a weekly or monthly basis. Connecting it more to the agenda has a wider impact on the wider audience because these people can walk the talk; they can speak for the company agenda rather than speaking against it, which can often happen. Where you have disaffected leaders what they might often say is, ‘Don’t ask me, ask them’ with ‘them’ being the next level of management in the company. So you have to utilise that resource very heavily to, as I said, help with the change agenda.

Interviewer: And would there have been any project you thought didn’t quite work out as well where it may have been like that, a lack of communication or something that didn’t go quite according to plan?

Interviewee: Well there are always examples. They wouldn’t be necessarily earth shattering to the point where you bring the place to its knees but there are often cases where you look back and say ‘Hmmm, we could have done that better’. For example if you’re engaging with your unionised workforce and we are a unionised site here, you know, the level of interaction with them by some of our senior managers who would tend to delegate this process to others, isn’t ideal for the business. They should take ownership; they should participate fully and should be accountable for an outcome. It could be for example a set of pay talks. So in our case for example if a set of pay talks was to drag on too long you’d have to ensure that business leaders understand that they’re accountable for ensuring that it becomes a much quicker, swifter process.

There are examples I would say as well of people management issues, very localised issues, that if we had our time back again you wouldn’t necessarily do it one way, you’d do it a different way, but sometimes you have to understand that you will find yourselves, particularly in a manufacturing setting, making decisions and trying to execute them very quickly. So you’re not aiming for perfection, you’d be aiming for about an 80/20 rule, which is 80% right and 20% for future improvement. That can happen and has happened in the past, in particular with different projects where you would argue afterwards ‘No, that’s not the approach I’d take the next time’ in bringing people on board. Yeah, because we’re not perfect
and we don’t get it right every day or every time. It’s always possible to make mistakes but the most important thing is to learn from them, and the next time round ensure, you know, not to stand on the same land mine again.

**Interviewer:** How do you feel about the importance of maintaining momentum, celebrating small wins and milestones?

**Interviewee:** A lot of your questions are very pertinent I have to say, based on what you’ve asked so far, but if you look typically at an organisation in our setting we tend to focus on the negatives. So all the red metrics get the focus and the green seem to be almost assumed that they’re fine, don’t worry about them, but actually the point you make through the question is very relevant which is that you have to reflect on success, and you have to celebrate success.

So for example we’ve set up a thing here where instantaneously, on a nominated basis, you can recognise individual or team success on any issue you like from the smallest possible thing to something very large. And being able to say formally that we recognise success that we acknowledge success and more importantly, we thank people. And sometimes it’s a simple act of saying, ‘thank you’. It could be something very small this morning you did for me, almost like you got me out of a hole on a particular thing and I say look thank you very much for your help Dena, appreciate it very much. That’s a small thank you and it goes a long way. And people respond to that if it’s done in the right fashion. If you’re patronising about it, it won’t work or if you do it too frequently it won’t work. But if it’s done in a sensitive and genuine manner it does make a difference. The nomination process is that your colleagues can nominate you and your team colleague or team colleagues for a great piece of work you did together and we have a site recognition committee who then review the nomination, count scores and subsequently we have a quarterly set of awards for people who went, what we describe, as above and beyond or the extra mile in pursuit of whatever their job is. So it’s important to do it, yeah, for sure. And as I said at the start, it’s not something that we’re historically very good at but we’re becoming more aware of it. Particularly around quality and the importance of recognising quality behaviours which is an important part of our set up here; the quality of the product we make, it’s on time every time, quality product and the quality of the product is as you can imagine in this industry, paramount.

**Interviewer:** Very important! How do you feel about the idea that...in your experience would you say that HR has been a business partner as opposed to a separate entity?
Interviewee: For the last how many years now, and Dave Ulrich as you may know of in your research and your studies, would be a big advocate for the fact there’s possibly three streams. In his thinking one is a business partner, two is a leveraged service centre type transaction activity; back office and three is a centre of excellence approach. So the business partner concept is well established now across many sectors including our own. Here, we have a number of business partners whose job it is to be exactly that; partners to the business on daily challenges, not your transactional activities which are taken care of in some cases centralised units or alternatively taken care of at site level but using a HR specialist. The partner is meant to be there to partner the business, and to challenge them, support them in their day to day running as much as to help them with looking ahead.

So yes, I’d say, I’m an advocate of it. In creating space for business partnering you have to accommodate the fact that there is also the bread and butter that needs to be taken care of. Some companies would globalise that, or regionalise it, which means that some of the back office transactional activities in HR become very impersonal. It’s almost like me ringing up a hotline for the bank, you take a number, and you speak, where nobody at the other end of the phone knows you. Whereas in the past life you’d come into this office and talk about changing your address or changing your bank details and there would be a personal touch. Whereas now it’s all online. And that’s what’s happening here is a lot of that back office stuff is online. If you want to change your address you go online, if you want to look at your pension you go online, you don’t speak to anybody anymore; you go online for the facilities. The business partner then is the one, as I said, who supports the leaders in the business, or the team members themselves, depending on what’s going on.

Interviewer: Would there be any particular models you would be a fan of or would have seen employed?

Interviewee: We have a business model called results orientated management operating on the site here. It’s very robust, it’s very rigorous, and it’s very disciplined. We have what’s called an operational excellence process here working on a weekly basis. So we have a nerve centre, we track all our actions, three monthly plans, we have a clear set of objectives that we need to achieve within that three month period and we have accountability every two weeks for people who are able to report progress or if they can’t report progress what’s the reason and if there’s a reason for that how can we unblock it. But yes we would be very structured in using an approach such as...I call it the results orientated management system. The Kotter
model I’m familiar with that as well and there are several different others as you can appreciate, but the one we’re using I think serves our need. We identify what are the sites critical success factors; we identify a target for each of them, a two month target, a six month target, a twelve month target. We then identify what are the enablers to help us achieve those so those enablers become projects and those projects are time bound and measured. And you know, as I say, what gets measured gets done. What’s not measured often slips off the radar screen. So the company here, the local site, is becoming far more action orientated once it understands what it is in terms of broad headlines we’re trying achieve. So is it safety, quality, they’re two big ones, the cost of running the business. Those three legs of the stool will largely define what our agenda might look like after it and as I said it’s broken into three buckets because one of the difficulties that often arises in that situation is that you can have more priorities that need to be actioned, that you have capability resource wise to fulfil. So what happens in that instance is that anything that is identified as a business project that requires resources, particularly anything cross-functional, would be put through a toll gate process. In other words you can’t just assume that once I institutionalise a project automatically it becomes something the business will support. It would have to be prioritised and put on a list and if we’re not capable of doing it in the next three months then it will be pushed forward. Because we have been great victims of our own inability in the past by saying we can do everything together at the same time, and then achieving nothing. So as I said that’s the benefit of systems you’re talking about. It brings more focus, more rigour.

**Interviewer:** I think that’s everything. Thank you so much for your time.
Appendix 20: Interview Four Transcript

Interviewer: Dena Keane (student).

Interviewee: Manager at a multinational IT company where interviewee was formerly a HR Learning and Development Specialist.

Interview setting: Telephone interview at 11a.m. on the 10th July 2014.

Additional notes: This interview was not completed in person due to the interviewee’s schedule. The interview lasted thirty minutes and was recorded using a dictation machine.

Interviewer: So to begin, could you tell me about your background in HR?

Interviewee: Ok, so my background in HR is that I was a business partner for a couple of different functions here in Company A. So I was responsible for the groups of graduates who would come in from different countries and integrating them into different departments in the company.

Interviewer: And what would you say have been the main roles for you as a HR business partner?

Interviewee: It would be [unknown word] and integrating people into the organisation, but also I was responsible for hiring and recruiting people. Also, if they weren’t a fit for the organisation or if there was change going on, I would be responsible for exiting them as well as managing their performance.

Interviewer: And do you think the role of the change agent comes into what you would have done a lot?

Interviewee: Yes. If you work in a multinational as a HR business partner you have to be ready for change constantly. So for example, I’ve had four or five managers in the past year, we’re a global organisation, the companies are all either being consumed or merging together, so you have to see what’s important is the key leadership and the stakeholders, you work with them. So it’s not like the old HR. Any communication, any joint meeting, HR is there to give their input because it all centres on the people.
**Interviewer**: And in terms of line managers which seem to be critical in implementing change, would HR have a role working with them to bring about the change in bringing it down the line throughout the organisation?

**Interviewee**: So I guess traditionally and it’s still in my organisation, HR is seen as an administrative function. It’s seen as being you know, hiring and firing and your compensation. The line managers do still see that as the role of HR, and if they come as we say, with the monkey on their back, with an issue, at lastminute.com, with a problem person or you know they need to let people go or have to integrate a function into theirs from an acquisition then, if they don’t include HR as part of their ongoing meetings, and if HR doesn’t educate the key stakeholders like the leadership on the new view of HR, developing people and how to effectively manage all the legal side of things on integrating people or else letting them go and communicating properly, then that will expose the organisation and the company to legal implications. The employer is guilty unless it does something properly. So you can’t fire anyone, you can’t do anything, you can’t communicate with people inappropriately because that will expose the organisation to a big legal case and money. So, more so now it’s changing but the HR function is just trying to keep that communication line open with the line managers, and they would have one to ones with them, give updates on their meetings, give updates to the teams just to show that HR isn’t just admin, but it’s critical to change.

**Interviewer**: Is there any particular change project that you worked on that you thought worked well or was implemented well?

**Interviewee**: Yeah, I suppose there was one, I wouldn’t say it worked well...so some people don’t like change. But last year I guess was a project that was shrinking one department and merging different groups from across Europe. It was very, very delicate I guess because peoples roles were going to be ending and they were going to be removed and repurposed, and what was required was a very tight planning practice, maybe four, six months ahead and confidentiality was key because of the emotion that was involved. Also that communication piece was important. So what we had to do was first of all work with HR to understand all the different legal implications. And HR was present at everything that was required, and because of my background then as a line manager with HR, the lines now are blurred so I knew how to work that. So what we did then when a time came to communicate, HR who was present in a big town hall or big meeting communicated the issue and because of the
planning, messaging even on the slides was very, very clear to the group what was happening. There was lot of...you know they were very upset. But from there what we had planned after that was one to one meetings from a HR perspective. But also what was offered to them was the other options around what other roles or jobs they could get with the merging of the different departments. We managed to repurpose, it’s an awful word, but we managed to repurpose and find about 80% of the group other jobs in the organisation due to the fact you know, we had developed them, they had other skills, the culture in the organisation was that we don’t like to let people go, especially talent we’ve developed. Then the other 20%, you know they’re a different group, you know it suited them to get a redundancy package, to move on, they wanted to go home, different things like that and now a year later I guess HR went through that process and for different projects around globally that model can be reapplied.

**Interviewer:** Would you say the main obstacles to change would be on a personal level with people individually as to their concerns about their future?

**Interviewee:** Yes. So the main thing you have to think about is people...your main problem as a manager or dealing with people is how they’re going to react. You don’t know what sort of pressures...there was one particular case years ago where, you know, it can end in tragedy right because if people are worried about their job, their money coming in, change, someone’s been in a role for a long time and suddenly you’re moved, that can have an effect so it’s dealing with the people. So you have to have the communication piece which is key. Also, having that HR knowledge of the options for them, being very clear legally and you have to protect the organisation, but you have to be cognisant about the people. However, in HR you have to sit on the fence, you can’t get emotionally involved at all, and there may be shouting and screaming and all that. It’s showing empathy but you’re an employee so you have to try to mange that. So that’s the most difficult thing is managing the people involved and making sure they’re set but also honouring your pay cheque.

**Interviewer:** So what would you say would be the most important factors then? Communication is there, having detailed plans...?

**Interviewee:** Yes. So there has to be a plan. If you don’t plan ahead and you don’t consider all the different things that will go wrong, because they will, then you’re set up to fail. So what you need to do is have a [unknown word] function and team set up, all the key stakeholders, leadership, the company that’s going to be acquired, the acquiring company,
HR, the functional department and also if there is unions, union representatives and set up the plan aligned to the business plan. Then applied to that you have to put in an accompanying communications plan and by that again it’s the legal implications, the people implications, if you’re going to do mass communiqué make sure there’s nothing that gets out to press and you should get your team to sign a NGA – non disclosure agreement – so I signed those with any change management things that went on, and not speak to anybody about what’s going on because that can cause havoc.

**Interviewer:** Would you say setting milestones, celebrating smaller wins, would those things come into it in maintaining momentum?

**Interviewee:** Yeah, so the main thing you need to do is you need to set up the project team, like a work stream. Then what you need to do is you need to set out in your project plan, what are the actions, when does it need to be done by, who is the owner and how you’re going to communicate that. A key thing as well is whether it’s a weekly, biweekly meeting with the owners, and the project manager needs to keep everybody honest to that timeline. And then you can use whatever tools you would need, people use excel, red/green/amber, onerous risks, milestones...so you keep along the project track. For those types of global change, especially M&A’s would have huge, huge amounts of people and it’s essential to keep those projects on track because you have people who are dispersed globally, different time zones and also they’re not in your team, you’re not their manager and they have to deliver on things as well, so it’s a challenging job. It may not necessarily be the HR person, but the HR leader would be responsible, because if it involves people and transitioning people like that then they would usually take the lead. If it is an M&A or anything to do with people movement either in and out of the organisation.

**Interviewer:** You were saying earlier as well about how you were bringing together different groups from across Europe, would they have had different corporate cultures affecting the transition?

**Interviewee:** Oh absolutely. In my organisation the difference between a manufacturing group and someone in sales is like two different companies. I’ve moved people four or five times, they’re all like different companies, different cultures, ways of thinking and it’s down to a lot of things. It’s down to the type of role, the leadership, the actual country and when you’re bringing all of those things together...for example the English guys, bringing the English guys over to Ireland, so these are very Type A personalities, Londoners, real high
achievers. Then in Cork you had the different companies like France, the French, the Italians, the Mediterranean groups; completely different attitude to the actual roles, the way they work, even to timelines and the way they attack a job. So then you had two groups looking at each other, the English were like high achievers, getting loads of awards and then you had that split happening looking at those who had been in Cork. They had their own culture set up and now kind of going ‘Who are these guys? They’re making us look bad?’ There was a lot of kind of tension and just trying to bring that together is the manager’s job. HR would let go then the manager would look at all the different groups and try to bring that together through different activities; it could be team building, it could be joint forums, activities, and barbeques, all of this kind of thing. So after the dust settles it’s down to the department managers to try to address any of that tension or cultural issues and that then loops back. It’s all about the communication piece, if there’s someone who’s not going to play ball, right, you have to look at, ‘are they a fit for the new organisation?’ If performance is down, if there’s issues with communication, attitude or anything like that then you have to start looking at the individual and say, ‘Ok, they’re not a fit now for the new merged organisation’. So you have to put them on some kind of plan, you have to have your own people plan, but it’s the manager. And then it loops back to HR, right, for that person HR would come in to advise the manager but the manager would deal with his poor performers. He needs to know how to do that, and again it comes back to the first question, the change agent, making sure the manager knows that it’s his responsibility to deal with the aftermath.

**Interviewer:** And what kind of steps would you take if there was resistance to change, like that you’d have to review is the person a fit for the new organisation?

**Interviewee:** Ok, so you’d have different stages. If you look up any theory about team building, you’re looking at, you have the new team in place, you have different groups of people coming from different companies and in the stage of team development you have the forming stage. Forming, storming, norming and performing, right, and in the forming stage you’ll have the people who will kind of resist that change and then through communication and planning and pulling people into the right places in the job and playing to their strengths etc, giving them time to settle and bring it together. And a very, very clear structure as well goes back to the planning. The manager has to make sure that they know what their goals are, what they need to do. Usually 90% of the time people will come along with it but there will always be the 10%, and that’s where if it continues and that they don’t settle...I’m just making it up now but say it could be 3, 6, 9, 12 months and after that you’d have to start
looking at are they in the right job. Because you’re priority...everyone has a boss, your priority is to make the merger work so if someone is inhibiting or affecting the team you know, we’ve done it before where you bring them in and say ‘What’s the matter?’ ‘How can we help?’ And you give them dates and timelines and say ‘Ok, by this timeline I expect to see a change in behaviour, I expect to see this’ and then you start looking at the exit door structurally, so it’s two verbal’s and a written and a warning and you do it so that you exit that person out. So you hire slowly, you exit quickly. You do it structurally so that you can move on with your merger. The team has to start performing and if there is someone affecting that then you need to make that decision. For whatever reason, it could be personal, they’re just not happy, it’s a person, so you don’t know what they’re bringing into work every day.

**Interviewer:** And would there be any particular models or processes you would be a fan of or would have seen used?

**Interviewee:** I’m trying to think of the model that’s used here, hold on a second, let me have a look here. It’s based on I guess our own university programme that all managers are trained on. So there isn’t one particular model, it’s based on every situation can be different but everybody in management and HR would sing from the same hymn sheet in terms of managing your project, but also involving key stakeholders and having a communications plan around that, and making it so that the person is the priority, the people you’re dealing with. So there wouldn’t be a particular model but it is part of the people training and development programme.

**Interviewer:** I think that’s everything. Is there anything else you think is important?

**Interviewee:** I suppose I’ve kind of been lucky in the way of working in multinationals you know. I suppose it’s a great subject, change, because if you think about Ireland what happened a couple of year ago with the recession. There was people who weren’t exposed to that type of life where you’re always going to be changing, you’re always going to be acquired or merged and it’s something that is, especially with the new big technology companies, the car companies, that you either merge or you change very, very frequently and have a management plan in place for these type of relations. Otherwise if you’re not looking five, ten years down the line around the people you want to acquire, because they’re a big reason why people acquire companies and the intellectual capital that they have, then you’ll go down the road of those companies like Kodak and Blockbuster and all those big
companies that didn’t look at Netflix, at online digital imaging for example. They didn’t look
to acquire companies that in the long term were going to have potential.

But the legal side of it and the administrative side of it in the background I don’t think anyone
realises the work that HR and legal have to do. It’s a full time job and usually people would
go on those projects, could be 18 month projects, long, long projects, both the preparation
stage and the aftermath. Some go well and when they don’t go well, then as I said before you
have to look at the people that are inhibiting the department and everybody has to get back to
business.

So in this company they’ve acquired eighty companies so in 2000 this particular company
was on the way down, it just had one business. Now it has acquired a huge amount of
companies and is making billions. If you looked at who they wanted, what type of companies,
they merged with them and some of them are still years later very proud. Some of the
companies were really successful in their own right, you know, and keep that distance still,
for the right reasons because of the business and all that and there are other smaller ones who
merge very well. But the ethos of this company was to leave those companies, even though
they’re acquired, leave them have their identity for a while. Or say leave them have their
company, their business that’s ding well, that’s a success, and see can that convergence come
together. Bring in the logos, the branding but handle it very delicately at the beginning so as
not to cause too much disruption. And it’s usually acquiring, so in my case acquiring
companies for their potential people.

**Interviewer:** So to take it slow, not just to charge in?

**Interviewee:** Yeah, well there is merge and get rid but my experience has been acquiring
because they have a really good product and a really good workforce. The people have
invented something really cool and even though they’re a small company, this company get
them so that (a) they’re not competitors anymore and (b) you have the right to their pieces.
Sometimes when they’re acquired first they keep their own email addresses for a while, there
isn’t any big movement of offices, it’s kind of just ‘softly, softly, catchy monkey’ . And then
it’s like ‘Ok, we’ve danced, we’ve had a date now for a while, you need to commit’. That’s
where it comes usually after about the 12, 18, 2 years whereby ok, they start adding in our
logos and all that but it’s handled quite delicately because of the people and you want to
make sure that they don’t leave. You bought them for the talent and the people so you don’t
want the people to leave that you bought the company for.
The reason you’re getting them, I mean Silicon Valley if you think of these guys in their hoodies and stuff like that, they don’t want some old corporation taking them over. The reason they’re in their start-up is they have the freedom to skateboard around and free ice-cream and all that. Recently that same thing happened where we acquired a company and I was talking to one of the guys and he said ‘Yeah we still have the free ice-cream, we’re up in Napa Valley, we’ve got scooters...’ So even though we’d merged that culture has to be protected because you don’t want to lose the people. So there are those tiny small things that you want to be taking into account and that’s why you have to involve those stakeholders of the acquired company to get their insight and you stick to your culture as best you can and the bits and pieces that are outstanding you know that trickles downstream to the department managers. That old type of acquiring culture and mindset...you have to be very open and free and take into account the culture of the people.

**Interviewer:** Thank you so much for your time.
Appendix 21: Interview Five Transcript

Interviewer: Dena Keane (student).

Interviewee: Senior HR Generalist at a multinational IT company.

Interview setting: Telephone interview at 6.30p.m. on the 16th July 2014.

Additional Notes: The conversation began with a brief discussion as to what my dissertation topic was as I explained the change management aspects. The interviewee offered her views on change management to begin with before the interview proceeded. The interview lasted approximately thirty-five minutes.

Interviewee: I suppose here in Company A I would have been involved in a number of different change management initiatives. I even had one this week whereby we have a new organisation, by new I mean in existence about eleven months and we have about a hundred people in the team and we communicated to them that we were changing their work pattern from what is... currently most of them Monday to Friday to a 24/7 shift. So whilst that may sound very simple I guess the profile of people in that team, their average age is of about 28, and they value their weekend and their time off so I think the key aim there was to really ensure that we had an effective communication and engagement approach. Because that’s really it. I suppose when you are making changes, to somebody the big question is how is it going to impact them? Is it impacting their social life or their work-life balance, or their compensation or their job? With anything like that a lot of the time there’s the fear factor. You find that even using age as an example, that particular example I gave you there, it’s a young organisation and I suppose the change for them is it’s impacting their social life versus another big project we had last year we were implementing a new ERP system.

So we were moving from Oracle to SAP. Basically what that meant was that in a lot of our business units... so here we have about thirty different business units, I suppose the one that’s there the longest would be the manufacturing organisation. So there as an example we have people who may have been in the organisation for twenty-five years and in those business units that haven’t evolved significantly... not saying their roles haven’t changed but for the most part they work on the assembly line and they come in and they have a process to follow and they follow the steps and they complete their job and they go home at the end of their
shift and there’s that familiarity that they know what they’re doing. Now you’re telling them, actually we’re making these system changes which means that the role that you’ve been doing essentially for the last twenty years is not going to be the same, so you have people now essentially that feel they’re going into jobs whereby they no longer know what they’re doing, they’re no longer the expert in their field and I suppose that’s really where HR comes in, supporting them throughout that change because with change there’s a lot of emotion a lot of the time, a lot of fear, there’s a lot of ‘Ok, we’re now implementing this superb system or technology. Is that in time going to replace the requirements to have somebody there physically?’

And even right now if I take this company as an organisation, then going back to manufacturing like we’ve got six hundred people working there but we’re moving away a lot from manufacturing to services so you wonder in a couple of years if those six hundred people will still be there and if they’re not, you know, where are they going to be? Do we need to look at re-skilling them for potential future roles? In this company right now there’s a lot of change happening. Whether it’s from kind of a role is changing, a shift pattern is changing, technology is changing and depending, definitely I would say that there’s a generation gap as well. So under one roof at any one point you could have four different generations and the way a fifty plus year old will deal with change versus your Generation Y who are just out of college, who want flexibility and mobility and you know, will challenge their managers...that’s as well where you see the difference in change management all the time.

**Interviewer:** And would you say the role of change agent is a big part of the HR function?

**Interviewee:** Yes absolutely. The skill that we kind of now term change agent, it’s how...our role I suppose is very much supporting the managers. In HR really our customer is the manager or the leadership team. Our role is not necessarily to meet with the twenty employees on the factory floor. Our role is more how do we coach our managers or leaders so that they’re equipped, because essentially they’re the ones who on a day to day basis are managing the team, so how do we equip them with the skills and the confidence to manage because a lot of the time as well they’re struggling with the change. But as a manager, as a leader your role is to kind of absorb the fears of your direct reports. So whilst you yourself might not agree with the change, this is a change that’s been implemented by the business so as a leader your role is to support it and that can be challenging to do and a lot of the time
they have the same fears as the employees do so HR really, our role is to support the managers. Really it is just kind of regular one to one meetings, try to ask deep meaningful questions and try to get them to see...most of the time change is happening, for a lot of the time it’s happening for the better good you know. If the organisation needs to introduce new systems that may be short term, it’s going to have some short term pains in terms of the same familiarity that was there previously is gone, the frustration in terms of implementing it...but it’s kind of long term in most cases. So I guess trying to get them to see ‘Ok, what’s the long term vision? Is this the right thing to do in the long term?’ So they can then have those one to one conversations with their employees and try and really support them throughout the change. Because as I said, depending what the change is, there’s different stages...I’ve actually forgotten it now but the storming and norming and all of that, it really supports throughout those different phases and you know with employees they’re all good friends, they’re all individuals, they all have different emotions and a lot of the time it’s not one size fits all so when in change management one person may be very concerned at the start but then once they’re brought into the idea and they’re on board they’re fine. And then vice versa, sometimes you have people who are fine at the start, all ‘Oh it doesn’t bother me’ and then suddenly there’s the realisation ‘Oh this is how it’s going to impact me...’ So you know a lot of the time it’s a journey and different people are impacted at different stages.

I mean the other thing is, a recent example I would have is we had in certain business units we had restructuring or redundancies. So there’s a huge change management effort required there because I suppose from a HR perspective it’s looking at ‘Ok, why has the company made this decision?’ and ok, we may not fully agree with it but we need to respect that this decision was made for the right reasons and then some of the examples I have this year...a lot of it depends on the maturity level of the managers. You have some managers who are like ‘Ok I don’t agree with this but I can see why the business made this decision and I’m a manager and no I don’t want to go into a one to one meeting with my direct report and tell them that they’re job is being affected and they’re being let go, but that’s what I’m needed for as a manager’. Then you have other managers who essentially grumbled...It’s during times of change a lot of the time that you really see who the central leaders are...I suppose what you find is when you’re delivering a change message, you really do see who the true leaders are who have to stand up and deliver a tough message. And I suppose redundancy as well is very challenging and then it’s challenging for the employees who are left behind. If you’re a team of ten for example, and some are made redundant and they’re your colleagues and your
friends, again it’s HR's role to support the managers to alleviate the concerns of the team that are left behind might have. You know how do you do that? Encourage them to have their communications, encourage them to have their one to ones; it’s all that kind of stuff.

**Interviewer:** And would say HR would be involved in identifying those managers who are better leaders in terms of delivering the message?

**Interviewee:** Yeah completely. I suppose I would have sat in with the managers on those one to one meetings, but for those managers I felt were kind of taking it very carefree I would need a more senior leader for them to just bounce ideas off, someone who had a lot more experience and had gone through that in the past. The other thing with HR, I’m a senior HR generalist so I don’t have direct reports myself, so I’m not a people manager, you’re conscious of that as well. But I suppose the role of HR, you do have a lot of exposure into obviously people, and managing people and difficult situations. To be honest, I think moving forward the other reality is HR as an organisation is changing. So even for us the skills that got us here aren’t necessarily going to get us to the future because I think there’s a new ask of HR. When I started as an example here a number of years ago, a lot of my role was very administrative, for example produce mortgage letters, issuing contracts, your general HR personnel type stuff. But in recent years as the organisation has grown, businesses are relying on us more in terms of ‘Ok, what value do you add? I don’t need somebody to produce a mortgage letter for me, something the shared services centre can do as an example. But I really need you to support me because I’m a new manager, and I have a very challenging employee in my team or I have conflict between two people in my team or, you know, I’m struggling with whatever the case may be...’ And that’s where you as HR add value. So I think for us we’re evolving as well in term of our roles and responsibilities so we can relate to it as well as a business unit.

**Interviewer:** Yeah because I actually was going to ask you, do you think HR is becoming more of a business partner as opposed to a separate entity?

**Interviewee:** Yeah absolutely, like, I suppose you hear that term business partnering being thrown around a lot I’d say in the last few years and that’s even from our perspective in terms of our HR leader what she wants us to move towards. As I said, we have shared service centres that can produce mortgage letters but really what we need to be doing is consulting with the business, having those kinds of deep and meaningful conversations and challenging the managers to think for themselves. Because when people are promoted to managerial role
a lot of the time they’re promoted, it’s not like you get handed a handbook that tells you how
to deal with every different scenario. So they are definitely engaging us more in terms of this
is the organisation structure and I’m looking at changing the organisational structure because
the current one isn’t working, and I’m looking at doing the compensation analysis or I’m
looking to have an offsite meeting and they really are more and more looking for HR to be
present in those types of meetings whereas in the past we would have been perceived as
somebody who…I hate to go back to it but somebody who will process my mortgage letter for
me or that kind of stuff, so I think the role of HR has evolved. I think you probably see it
more in the multinational environment while I’d say maybe the public service organisations
are maybe more still at the, I don’t mean the personnel stage but it is more of an
administrative focus as opposed to the whole…I myself as opposed to getting sucked into
using the words strategic business partner, I think it’s an overused word. But I suppose that’s
what we are currently thriving to become. It’s not like it happens overnight. Even for us it’s
how do you build those skills in terms of negotiation or facilitation skills or consulting or you
know they’re all skill sets you need to develop over time. But yeah I do think definitely, I
think the HR profession is being more highly regarded than it would have been in the past, I
think the role is being redefined.

**Interviewer:** And in terms of implementing change what would you say are the most
important factors, would it be communication, leadership...?

**Interviewee:** Yeah communication would be the number one and I don’t think you can ever
communicate enough. Because I think when there is change happening you want people to
feel that they have an opportunity to ask questions. So it is really that clear and consistent
messaging in terms of, ‘ok this is what’s happening’. But after the initial communication,
depending on what the change is, really having those focus groups and one to one meetings.
A lot of the time when you are implementing change, you as the leader is making the change
that you feel is the right thing to do, but there may be times when your team or those doing
the job on a day to day basis...they probably have a lot of valuable input as well that should
be considered. You really do need to almost, not consult with them, because sometimes
they’re going to have to make a decision they’re not going to like, but it has to happen. But if
there’s decisions that aren’t so clear cut that are open to feedback, that’s where I would
definitely suggest having the kind of approach where it’s not them against us but this is a
change that’s needs to happen, how it’s going to happen, when it’s going to happen, what
change or what the new pattern looks like, we’re open to your input in achieving that. So I think communication is absolutely key.

And then I suppose leadership in times of change, people really need to feel they have somebody that’s leading them in the right direction, someone who is quite visionary, has a mission and somebody they feel they can trust. Trust is huge as well. I think if you lose trust in your leader that has huge repercussions for an organisation. Because if you don’t trust the people that are leading the organisation to do the right thing, what you typically find is people start questioning ‘Is this really the business organisation that I want to be part of?’ Because you hear the phrase a lot ‘You don’t leave your job, you leave your manager’ and I think that’s really true. So I think you can put leadership and trust, a trusted leader would certainly be the things.

But then the overall engagement which comes from communication is critical. Ok, we communicated and how do we ensure that we can keep a pulse of where the organisation is at. I suppose never underestimate that we’ve communicated and we’ve implemented and oh it’s fine but that continuous engagement and follow up...never assume that everyone has all the answers. It’s not necessarily a one size fits all. That’s the issue a lot of the time, where managers say, ‘oh, this is the change and it is what it is and deal with it and this is going to be everybody’s reaction’ and it’s not. Change really impacts people in different ways and really be mindful of that.

**Interviewer:** Of the individual on a personal level?

**Interviewee:** Yeah and I know that is challenging. If you’re a very large team you may not have the opportunity to follow up with thirty or forty people on a one to one basis but if you’re making a big communication and you see somebody in the corner and their whole body language changes or they’re fearful, try and take the opportunity after the meeting to follow up with that person and say ‘During the communication I noticed particularly that you seemed concerned and is everything ok?’ That’s where employees feel like yeah, I feel like I’m in a caring environment that does exist and it’s not just this is happening, and I don’t care how this impacts you but we need to make a decision from an organisational perspective. Communication and leadership and then overall engagement would be the key things.

**Interviewer:** Do you think corporate culture plays a role in susceptibility to change?
Interviewee: Yeah absolutely I suppose again it depends on the organisation you’re in as well. If I take this company as well for example the nickname it has relates to the fact everything must change. So we’re in that type of organisation where it’s IT, data, tech industry where literally it’s changing by the day, it’s very fast moving. So typically in those types of environments the people who work there are quite agile, quite flexible, because they need to be. But if you’re in a steady state organisation or if I need the manufacturing industry, which I suppose is a business unit within a very dynamic organisation. If you are somebody who is in a role where you do a, b, c or it’s very processed and structured and hasn’t changed in years. They’re typically the types of employees who will struggle most with change. So they become almost change averse because they see change as risk, and brings all that fear so I do think the actual industry the organisation is in and the culture I would think does play a role in how acceptable or successful a change management initiative is.

Interviewer: And what would be your thoughts on the need to maintain momentum, to set milestones, I suppose the need to maintain a sense of urgency and celebrate small wins if there is a change project?

Interviewee: Yeah, I think a lot of the time people think of the end goal. So there are certain projects, I know some of the bigger ones here have been ongoing for anything up to two or three years, and for those it can certainly be quite frustrating because a lot of the time the light at the end of the tunnel is three years out or so. But no I would agree...you see it also depends, if I take now the shift announcement here this week as an example, for that we would have done a lot of background work and analysis that obviously the team weren’t aware of. So the start of that was essentially communicating to the teams but that’s almost the end of our process in some sense in terms of we’ve done the background work and now we’re announcing it so that’s phase one, and then phase two is the communication and focus groups etc. Whereas for the employees phase one for them is when the communication happens but I think depending on what the project is and certainly if they are long term you need to...milestones and recognising that we’re not there yet but this is a long project and we’ve reached this milestone now so let’s accept it before moving on to phase two or phase three or whatever the case may be.

Interviewer: And if there were resistance to change, would the HR department be involved with the managers on that or would that be the manager’s job?
**Interviewee:** Really in that situation what we would do, if it’s communication sessions etc. Essentially the managers own the business unit so it’s their message to deliver but really our role then is to, especially if the managers want us there, to be present at those meetings and for the employees and the managers to see that this is a challenge and we’re working within the business units but we are getting support from wherever the case may be, the overall leader of the organisation or as an example with HR in the room and they’ve gone through this in the past with other business units and they’re here today to provide support and answer any concerns that you may have. So I think ultimately in most cases it’s the role of the leader of that particular organisation or business unit to deliver the message because that’s not HR’s role but as I said earlier that we’re seen as a trusted partner to support them.

**Interviewer:** I think that’s everything, thank you very much for your time.
Appendix 22: Interview Six Transcript

**Interviewer:** Dena Keane (student)

**Interviewee:** Has been part of numerous companies in the IT sector whereby the interviewee has been both the acquirer and the acquired.

**Interview setting:** Telephone interview conducted on the 29th July 2014 at 3p.m.

**Additional notes:** The conversation began with an explanation as to what the research was looking at. Certain parts of the recorded conversation were inaudible due to the use of speakerphone on both ends.

**Interviewee:** I’m certainly not from a HR background, I know very little about it but the company I was involved in, we did acquire a few companies, a good number. But all those we acquired were in the US. I think that one of the issues that arose was the fact that there were issues around trying to harmonise what people were entitled to. So I think there was kind of a disconnection for the people on the ground for a long time. They were working together but they didn’t know each other very well, but after a few trips back in each direction, you know, a few nights out drinking or what not, they got to know each other quite well. And at that stage we started getting problems we didn’t expect to get. For example, that the Americans were getting paid so much more than the Irish guys, but that was somewhat accepted as being look different places, a completely different sort of reality.

But then there were other issues to deal with. Oh hang on, they’re also getting full healthcare provided at all grades but none of our guys are getting that. So there were a lot of issues which were HR issues which were never flagged by HR. They were issues to do with what is our policy and what should be our policy and how do we actually make sure that we’re preparing people so that people don’t say you know, I’m just as senior as that person, I’m contributing just as much and yet I don’t understand that I’m getting paid less because I’m here and they’re there. And you know, there’s someone else in Northern Canada and they’re being paid less than me and this a reality. But how come our entitlements are two very separate, are just so radically different. You know, the Irish people get a couple days over Christmas or something like that. The Americans might say ‘What’s going on there? We don’t get a couple days over Christmas’. So you say ‘Ok, you can have a couple days over
Christmas’ and the Irish go ‘So not only do they get higher salaries but they also get the same vacations’. So it was more of that kind of stuff, the hidden stuff, the stuff you’d never think about. And the HR manager should be thinking about that and pointing out to senior managers ‘Look, you have to put a policy in place; you have to make sure there is... [Inaudible].

**Interviewer:** And would they have had very different ways of working do you think, would that have affected it or do you think it was the personal issues like that?

**Interviewee:** The issue I think with the states was that people tend to come in quite early in the morning. So the time zone problem was somewhat improved by the fact it wasn’t unusual for Americans to be at their desk at half past seven. Well not everyone there but quite a number of people would be in very early, a huge number by eight o’ clock. But by four o’ clock they were gone and they had a very, not nine to five attitude, but it was definitely an attitude of ‘Well, I’ve done my days work, I’m going home’. But yeah, people would organise a meeting at two o’ clock in the afternoon American time. Of course that’s seven o’ clock here. So someone saying ‘I was on one last night, I’m on one again tonight. This is not our day here. Why couldn’t we have had this meeting at eleven o’ clock your time? Or by twelve o’ clock your time? Even twelve o’ clock would be five o’ clock my time and I was in early this morning and it’s time for me to go home’.

So definitely there were issues there, again HR should have tried to set up a culture, persuade managers to set up a culture within each individual department so that people didn’t feel they were being taken advantage of. So the Irish people then experimented running a meeting which would maybe start at ten o’ clock Irish time just for the fun of it and then say to the Americans ‘How come you weren’t on the call?’ ‘Oh but it was five o’ clock in the morning!’ Just to try to turn the tables, to say ‘We can’t be expected to be on call all the time’. Where the call was a customer then that would be different, the customer might say ‘Look the only time I can do a call is four o’ clock’ and that’s nine o’ clock at night in Ireland and you’d say ‘Ok, I’ll suffer that’. But you kind of know what you’re letting yourself in for there. There should have been more respect between people. Again HR would have stepped in at that stage and look at the various different cultural issues and see where problems could arise.

**Interviewer:** And how did you deal with that then?
Interviewee: Just try and educate people. I’m not sure we solved any of those problems fully to be honest and I’m not sure the HR department were particularly influential in terms of saying ‘Look let’s try and get people together here.’ Certainly not with policies... [Inaudible noise]... it’s a technique. It was quite an informal place so setting down global policies is not the way to achieve anything. But gently educating people that there’s other ways of working was probably a good thing to do.

Interviewer: And in your opinion what would you say are the most important things for doing that? Would you say it’s the line managers or senior management or HR...?

Interviewee: I would say the line managers are very influential but I think the job of HR in that situation is the brains. What you wouldn’t call the line managers...so line managers would be people who are going to make this happen, but I think it’s the actual departmental managers that have the responsibility to come together and take some time out, be influenced by HR to take some time out and say ‘Right, there are some issues across the company, none of which by themselves are killer problems, but they do need to be addressed and we need to be careful of the HR issues. Here are the three top ones and we need to spend some time laying out the policies of what we’re going to do. Your job is to go and whatever we decide, make sure that your line managers below you, the people to whom the rest of the workers report, are actually going to treat these with some respect and help build up a culture within the company, or at least so that those things don’t happen as often’. And they might say ‘Well you can’t [Inaudible] in the states without x, y, z because that just doesn’t happen here. We don’t have a tradition for it so we’re not doing it or whatever it is that you have to do so you can really get it across’. The problem is you don’t want people grumping. Well, we never had a grumpy workforce but certainly there were some issues there that needed to be resolved and I thought personally that HR did a great job with that.

Interviewer: Were they involved from an early stage?

Interviewee: No. No that would be half the problem. So when you acquire a company you don’t...yeah you have a chat with the HR department because you need the HR department to step in immediately and give people new contracts. You want people within the target company to view the acquisition very favourably, so you want them to stay and you also want them to leave. So when you acquire a company sometimes you will actually make the decision that you’re going to part company with some of them, with half the people...with three quarters of the people...varying depending on what it is you’re acquiring. And you
might have a policy whereby ‘We’re acquiring but you have to come to work in headquarters. If you don’t then you don’t have a job’. And within a merger you can do all those kinds of stuff and HR tends to be very involved at that stage of getting people, particularly if you want them all to stay. Getting your HR department involved, making sure that people feel catered for, that new contracts are in place straight away, that their positions are aimed at whatever it is you need to do to make sure you keep the people. And then you’ve got...if you want to let them go the HR department is heavily involved in making sure that that happens in a clean way. So I think HR gets involved very much at that level so I would have minor experience. But it does tend to get involved later on in terms of what you need to do to make sure people don’t feel one part is being treated better than the other or that people take into account time differences and cultural differences and all that other stuff that you read about.

In global software development you have that notion that you have a couple of development sides when you’re developing your software. There’s a whole area of research around that and it is HR issues are the primary issue there.

[Mentions a research group to look at regarding this area of global software development].

Interviewer: And you mentioned earlier about Irish and American cultures and trying to bring that together. Was there a more dominant culture in that or was a new culture created?

Interviewee: That’s a really interesting question in the case of a company that was set up in Ireland and became quite large here. It set up its own subsidiaries in the States but then started to acquire some companies. And very much the dominant culture was Ireland but that then changed. Our CEO for example moved to the US and of course that changed everything, so I would say the dominant culture at that stage was US, predominantly so.

Interviewer: And did that case friction do you think?

Interviewee: Yes I think it did. So, people in Ireland who were used to the CEO being around and the software industry is very non-hierarchical. So you could wander into the CEO and have a chat but suddenly he’s visiting rather than being there, meetings are predominantly in the States, senior managers who are in Dublin would say ‘Oh no, I’m not around next week I’m gone to a senior managers meeting in Boston’. Slowly, slowly there becomes a culture change.

Interviewer: So it did change, very slowly?
Interviewee: Oh I think so. It kind of had to. The American culture it’s one that is very hard to resist anyway.

Interviewer: Thank you for your time.
Appendix 23: Summary of Interview Seven

Interviewer: Dena Keane (Student)

Interviewee: Created and built up an Irish company which was later acquired by a larger UK company. Also a former employee of a large multinational pharmaceutical company at the time it merged with another multinational pharmaceutical company.

Interview setting: Telephone call due to the fact the interviewee now lives and works in Madrid. This telephone call was undertaken on the 1st August 2014 at 3p.m.

Additional Notes: The following is a summary of the contents of the interview. The interview was not transcribed due to time constraints.

The interview began with a discussion regarding the interviewee’s own company which he had started himself and which was eventually bought out by a much larger UK company. The interviewee’s own company had approximately 23 employees when it was acquired and there were major problems encountered in integrating the two companies. The acquiring company had a very different way of doing business than the interviewee’s company.

The acquiring company had a very traditional way of operating, “a lot of guys in pinstripe suits, very formal, very traditional English way of operating”. They also acquired another four or five companies in the same two or three years as this company and the interviewee strongly felt they had not put a lot of thought into how they would merge the people. The technical and financial side of things was fine but in terms of how to transition people and their jobs it was very badly managed.

If it happened again the interviewee, who was the GM both before and after the acquisition, felt he would communicate more thoroughly with the appropriate people on his level both in Ireland and with those in the UK. The need to convey to the acquiring company the differences between the two company’s ways of working was something of great importance so that the acquirer could have understood the company it was acquiring. “We had a fairly unusual culture of how people operated and how they behaved”. The other didn’t take that into account but instead decided to “impose their way of doing things that didn’t fit with us”.
The acquiring culture was very dominant. The interviewee remained with the company for five years post-merger due to his contract which was for five years. Once the five years was up the interviewee left the company due to frustration. This was around the time of the recession and so jobs were scarce; thus, a lot of people who would also have left the company had no choice but to remain there due to the crash. The company has since been acquired again in the past year by another company, and according to employees who remained with whom the interviewee would have maintained relationships with, the company has never truly settled with either of the two companies it was acquired by due to the different ways of managing employed.

Additionally, due to the recession a lot of employees who would have sought employment elsewhere due to the problems which arose as a result of the acquisition ended up remaining in the company. This was due to the fact employment was hard to come by as a result of the recession. However, now there is a bigger turnover than there was before due to the recovering economy and the fact the employees have other choices and don’t have to remain there. The main problem lay in the fact that the way each company operated and treated its employees was very different.

Where you are carrying out an acquisition, particularly where it is between different countries, it is so important to understand the different ways of doing things. The acquired company was a small “rather lean company without too much bureaucracy” and they brought in a lot of bureaucracy, so much so that another full time person had to be hired just to deal with the amount of administration.

If the interviewee had a do over, with the benefit of hindsight, they would have discussed the risks from the very beginning. You won’t always know what the risks are or what a company’s culture is like until you really experience it. However, highlighting the potential for these things is something that can be done.

There is a huge failure rate of mergers and acquisitions. Some of the biggest acquisitions in the world have been in the pharmaceutical industry. Some of those have been very disappointing. If you look at Pfizer who bought something like four companies and almost all of them failed to produce what was expected. Even at that level, where you expect a huge amount of effort to making them work. The top guy may say he wants it to go ahead and the underlings then go about making that happen because they are told to do so but perhaps they
fail to really look at what are the consequences. Undoubtedly they do risk analysis but there is a question as to whether they go deeply enough.

The interviewee felt that in his own company’s case he should have sat down in a very serious manner before the acquisition happened. It was something both sides wanted to work. The interviewee did not want to just take the money and go and so they should have sat down and recognised the huge potential for failure. It’s important to never assume things are going to work out.

Regarding the merger the interviewee was involved with as an employee the interviewee felt it was executed much better. Both companies came from the same city and so were close neighbours. The employees had initial fears about what would happen but those fears did not materialise. It resulted in a whole new approach. There was a mixture of a number of industries between the two companies when they merged and so there were many functions and aspects to be considered. To this day they are still selling off pieces of the company that didn’t quite work and so they made the necessary changes to survive.

From the employees’ point of view, although quite peripheral to the merger as a whole, “they did a really great job of creating a new identity...they didn’t rush into things”. They didn’t bring in managers and people from the other company or vice versa “they let everybody get used to the idea and very slowly started mingling the people”. He then spoke of another merger whereby all the senior management were fired, with hundreds of people at the top being let go. It was “a very bloody acquisition”. For the merger whereby he was an employee there was a huge amount of planning that went into it; thus, it was a success.

They put a “huge amount of effort into communicating properly” and “communicating honestly with people so that people trusted what was going on”. With his own company there was a lot of suspicion generated from the beginning. The UK company communicated what they thought his company wanted to hear but there was very little follow up where they didn’t do what they said they were going to do. They mostly at the local level left it alone but they implemented a lot of rules and administration and bureaucracy. There were approximately five different bosses in the space of five years “and so there was no consistency. Once you’ve had three of these bosses you start thinking does somebody really care?”

In implementing the change, it’s a good idea that “local management are persuaded and believe it’s a good idea” and that they then have the responsibility to communicate with the
local people. There were no redundancies in the larger pharma merger in the Irish plant; however, in the city where both merging companies came from there were a number of redundancies due to the fact there were two headquarters there where both had been based. They set up a fund to deal with this between the two merging companies to fund people who were losing their jobs to help them with something like 100 million being put into it to help them. One of the company’s to come out of that was the interviewee’s own company that he set up.

In terms of his own company there was no HR department due to the small size of it. There was a HR department with the UK company; however, it was not involved in bringing the two companies’ together.
Appendix 24: Summary of Interview Eight

Interviewer: Dena Keane (student)

Interviewee: Human Resources director who was involved with the acquisition of one company by a multinational pharmaceutical company in the United States.

Interview Setting: Telephone interview conducted on the 1st of August 2014 at 5:15p.m.
This interview was conducted over the telephone due to the fact the interviewee resides in the United States.

The interviewee was involved in the integration of two corporate cultures where the interviewee worked for a large pharmaceutical company that decided to purchase a smaller company. HR was involved from the very beginning from when the company decided they were going to purchase. The cultures were extremely different. One was located in New Jersey but was an Indian company with Indian employees.

The purchasing company was American and based in Colorado. From the very beginning “they had HR involved in all the meetings and discussing from the beginning how the purchase was going to work, who needed to be involved to go out to New Jersey and work on pulling the two cultures together and spending time working in the group in Colorado just to see who was the best fit for the position”. It was an extremely detailed process taking a number of months to bring it all together, with HR being involved from the start to finish. There was a specific HR person from the company placed in the company that was purchased in New Jersey from the beginning. This person would report back about the culture in the acquired company finding that there were huge differences including the way they did business to the fact there were differences regarding class due to the caste system in India. One senior manager in the Colorado office was Indian but was uncomfortable dealing with the manager in the New Jersey office due to the fact he felt he was a lower class than him. This added even more drama to the situation.

In bringing cultures together with such huge divides there is only a certain amount that can be done. Educating people about the cultures they will be working with is part of it. Regarding the New Jersey office they were extremely isolated in a sense, as if they were still in India
almost and so not accustomed to the US business culture. Their culture had not acclimatised to the US and so it took a long time for them to become accustomed to the US way of doing business. It takes time for these kinds of change.

It’s not about changing the cultures necessarily but getting them to a point where they can work together. There were a lot of problems regarding communication. The problems weren’t all cultural and the cultural problems that were there mellowed over time. People participated more in the Indian culture in terms of their food and holidays for example. It didn’t seem reciprocated necessarily but over time they all worked together so it’s likely greater integration occurred. They remained separate in a lot of ways.

Before the interviewee left, the headquarters were being relocated to Princeton in New Jersey, with the acquired company which was primarily concerned with manufacturing, remaining where it was. The senior manager who was an Indian was asked to work closer with the managers in the acquired company but quit due to the fact he felt he was of a higher class than the manager of the acquired company, relating back to the caste system. Thus, the cultural problems arose due to the smaller company having to integrate into a larger more commercial US company and issues as to how the people within that were used to working and their own traditions.

The fact the acquired company remained in a separate building was something the interviewee felt contributed towards the difficulty in integration due to the physical isolation in a sense of that group of people. This contributed to a sense of disconnection in terms of integrating the two cultures.

Some of the things done to try aid this was that the CEO had meetings with all the leaders whereby once a month for a number of years he would do so until he got the groups to come together. This helped drive down to all the employees what needed to be down. Where there are different teams coming together, be they from different countries or not, there will be subcultures within each team and different leaders within those again. The organisation the interviewee worked for felt management really went out of their way to address this by working together and having goals flow downward through the organisation.

Things change slowly but people hold on to familiarity, beliefs and traditions. Again, the aim is not to change everything but to get people to work together. HR was involved the whole
way through. The VP of HR was in the New Jersey office as much as he was the Colorado office during integration.

Communication was a huge part whereby they had a communication person who was aiding integration. All the right steps were being taken; it was just very slow to change with cultural integration being a difficult obstacle to overcome. Things like meetings and working together, helping people to express how they’re feeling is important. It’s a task that seems daunting in bringing people together.

In terms of HR as a strategic business partner; it’s something you have to be if you’re going to survive in the global environment. In terms of ensuring successful change, senior management at the top are critical. It has to come from the top; it’s not going to be resolved from the bottom.