CHAPTER - IV

CASE STUDIES
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CASE STUDIES

4.1 Introduction

The results of the study are presented under two heads – Chapter IV: Case Studies; and Chapter V: Statistical Study.

Case studies have both academic and practical value. The consumers of case studies include service providers/trainees/researchers/academicians and trainers/management professionals. For management professionals, case studies would facilitate in taking appropriate administrative decisions and to develop policies and programmes in the best interest of the organisations. Though its purpose is diverse and need-based, the limitation of undertaking an exclusive case study is that the results obtained through case studies are not conclusive and they are only suggestive (Murthy and Bhojanna, 2007). In terms of research, case studies would give greater insights into the problem under study.

To strengthen the results of the research study under consideration, both case study approach and statistical method are being adopted. Rizvi (2011) has mentioned that greater insights into the issues can be obtained only when both qualitative and quantitative methods are combined, rather than using only one method exclusively. Further, the author has opined that any deficiency in one method can be countered effectively and a balance brought by adopting the other.

The data for the case study are obtained from the records maintained by the organisation including those of online sources, a questionnaire administered on the HR professional, informal interviews with the HR personnel, and those concerned/involved with the process of M&A.
A format has been prepared, covering different aspects related to HR of the deal and to obtain the details from both primary and secondary sources. This served as a guideline for obtaining the required details.
CASE STUDIES

The details of each of the four firms chosen for the study are given in this part. A questionnaire has been administered on HR professional to know the extent of importance that has been accorded to HR issues in the process of deal implementation. Further, some of the other details have been obtained through informal interview with HR and other professionals, who have either participated directly or indirectly / have knowledge of the process of M&As. The data from other sources like documents, information available on internet have been obtained. Though the Chief of each organisation is assured of confidentiality, which is the most considered ethical issue, the name or any identifiable information of two firms is not furnished.
4.2 Case Study - I

Organisation Culture – Presentation of a Case Study of Acquisition of an Aerospace domain Indian Firm (Entity 2) by a Publicly-listed Aerospace, Defence and Heavy Engineering Firm (Entity 1)

Outline

The study was carried out in a recent acquisition between two India-based Aerospace firms which are specialized in Aerospace, Automotive, Heavy Engineering and Defence Spectrum. The process of acquisition was initiated in the year 2009 and it took 2 years to integrate its business capabilities. The acquisition between the two entities was officially completed in April, 2011. Entity 1 has acquired 51% holding in Entity 2 for a sum of $15 million. The acquisition was finalized and approved in the board meeting held in the month of September, 2009.

Entity 1 is a publicly-listed engineering services and manufacturing firm which has diversified capabilities across aerospace and defence domain. It was established in the year 1987 with its headquarters in Noida.

Entity 2 is one of the best companies known for engineering design services. It serves more than 75 global customers, including major players in the aerospace domain like Boeing, Airbus, Mercedes Benz, Nissan, Caterpillar etc. Established in the year 2002 with its headquarters in Bangalore, it has 11 delivery centers and offices across India, North America, Europe and Asia Pacific region.

The amalgamation of these two firms puts forth a true leader in the global engineering manufacturing space. The employee base of over 500 professionals aims to deliver high-end engineering services based in India from the deal. The unified brand will create differentiator in the market place in providing technology solutions,
addressing the business needs across domains, at every stage of product lifecycle development.

<table>
<thead>
<tr>
<th><strong>Snapshot of the deal</strong></th>
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<tbody>
<tr>
<td><strong>Case Study of Acquisition of an Aerospace domain Indian Firm (Entity 2) by a Publicly listed Aerospace, Defence and Heavy Engineering Firm (Entity 1)</strong></td>
<td></td>
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<tr>
<td><strong>Type of Transaction</strong></td>
<td>Acquisition</td>
</tr>
<tr>
<td><strong>Type of Industry</strong></td>
<td>Manufacturing</td>
</tr>
<tr>
<td><strong>Official Year of Transaction</strong></td>
<td>April, 2011</td>
</tr>
<tr>
<td><strong>Duration of the Deal</strong></td>
<td>Approx. 2 years</td>
</tr>
<tr>
<td><strong>Reason of the Deal</strong></td>
<td>To increase the market share of the engineering products</td>
</tr>
<tr>
<td><strong>Value of the Deal</strong></td>
<td>With 51% holding - $15 Million</td>
</tr>
<tr>
<td><strong>Advisors Involved</strong></td>
<td>Viedea Capital</td>
</tr>
<tr>
<td><strong>Issues accorded prominence</strong></td>
<td>Finance, Human Resources and Marketing</td>
</tr>
<tr>
<td><strong>Involvement of HR Professionals</strong></td>
<td>HR professionals were involved throughout the process of the deal. A special team was formed for the deal including HR representatives from both the entities.</td>
</tr>
<tr>
<td><strong>Cultural Fit</strong></td>
<td>Since the business models and nature of business was similar, cultural gap was not much wider. To bridge the gap, organisation did little restructuring of HR practices to bring in compatibility. Focus was on engagement of workforces from both the entities.</td>
</tr>
<tr>
<td><strong>Potential Gain of the Deal</strong></td>
<td>The best practices of both sides were integrated to provide the best of the deal.</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>There are strong evidences to show that the communication levels and plans with the Middle and the top management was stronger for a success deal.</td>
</tr>
<tr>
<td><strong>Potential Trust Created</strong></td>
<td>Since the attrition rate was very minimal after the deal, this is a clear indication that the trust was created before the deal in the minds of the employees</td>
</tr>
<tr>
<td><strong>Direction</strong></td>
<td>The Mission, Vision and Objectives were re-spelled and the combined entity was able to drive the objectives towards the new Mission, Vision</td>
</tr>
<tr>
<td><strong>Integration</strong></td>
<td>Successful</td>
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</table>
Structural Changes of the Firm

The individual entities, before acquisition, had separate functional departments which were supporting the business. The technical cadre and the support departments were cohesively functioning for a smooth business operation.

With the acquisition, there was duplication of departments and roles along with the leaders in the functional departments. One of the sensitive moves made by the advisor of the deal is to create a specialized function within each functional department to accommodate the staff and also to provide a specialized role to each one of them which was widely appreciated by the members of the firm.

For Eg:- Human Resources Department was divided into – Talent Acquisition, Compensation & Benefits, Human Resources Operations, Human Resources Business Partnering.

Special Assessment Centres were constructed to understand the tastes and preferences of employees and also their fitment to the respective roles. The assessment emphasized on the Interest and Potential of the employees involved.

Pre-deal preparations:

Every Merger or Acquisition should have a concrete ground preparation before executing the deal in a phased manner. To reap the benefit out of the deal, it is always important to keep the ground fertile and ready for the new intended plan to be executed.

A special team was constituted exclusively for the deal which consists of functional representatives from both the entities who looked into the opportunities and threats of the deal. The team also consisted of the directors from the board of both the entities (Entity 1 and Entity 2).
The team was primarily formed to assess the current situation in terms of financial health, marketing capabilities, workforce capabilities, infrastructural requirements so on and so forth. Viedea Capital was engaged as an external partner for the due-diligence process and to provide execution plans for the deal. The team took close to around one year to assess the overall situation of the deal before presenting the blue print to the management of both entities. The primary focus was on the workforce reorganisation, new geographical presence and infrastructure capacity to support the business. Viedea provided assistance based on the market research conducted to assess. At each level, the team conceptualized the plan so that any hindrance was tweaked to meet the requirement.

**Motive of Acquisition**

Entity 1 was primarily a cash-rich firm with sound financial reserves and surplus. Entity 2 on the other hand, had the technical expertise and solid clientele base with good order book. Merging synergies will have potential gains and will strengthen business motives. The combined entity could enter into new geographies and establish itself with a strong position among the global players.

The total manpower strength of Entity 2 was 350 and that of Entity 1 was 800 at the time of acquisition.

**Process of Acquisition**

The acquisition of Entity 2 (acquired) by Entity 1 (acquirer) was performed in a phased manner. The process primarily focused on people issues to be settled followed by other departmental objectives as a part of the deal. The entire duration of the acquisition took over two years.
Third Party Intervention for the Integration Process

Viedea Capital was engaged by both the firms to act as an advisor for the deal. Viedea Capital is a boutique investment bank founded in 2007 and headquartered in Bangalore. Viedea specializes in Mergers & Acquisitions specializing in Aerospace and Defence domain and this deal was the third successful deal by them.

How do the capabilities add up to bring-in synergy to business?

The acquisition gives added expertise and delivery capabilities in the Aerospace and Defence vertical. The combination of both the entities puts forth a true leader in the global aerospace engineering space. The company will be able to leverage established clientele in the US and Europe, and with a sizeable employee base of over 500 professionals will be able to deliver high end design services out of India.

Cultural Integration Initiatives

There were plenty of integration initiatives for the cultural integration. The skill sets/competencies of both the entities were homogenous, and the nature of the business almost being similar, lot of efforts went into combining and integrating the two cultures prevailing in both the entities. One such initiative taken by the combined entity was Experiential Learning which was an outbound programme emphasizing team-building activities and briefing sessions on the deal from the top management team members. The programme was conducted outside Bangalore in an offsite location for a duration of ten days. The offshore development team was completely involved in the programme.
This gave an opportunity for the teams to interact with each other and also ascertain the strengths and weaknesses of each individual. A clear-cut path of the deal was spelled out by top management representatives who gave candid insights about the deal. Various batches were covered in the programme. A batch size of 30 in number consisted of the same grade of employees. At the end of ten days, the teams geared up for the real purpose and also understood the objective of the acquisition.

Also, there was a mega brand launch ceremonies across the offices of the combined entity on a global platform. The launch provided a great opportunity for the combined entity to showcase the technical expertise they possess and presented a new clientele list for a stronger differentiator in the market. The mission and vision of the combined entity was revamped. The objective of the business was respelled and various strategic business units were formed as a part of restructuring.

The integration activity was reviewed to check if there were any grey areas that needed improvisation. There was a 30-60-90 day touch-point programme to evaluate the effectiveness of the integration.

**Assessment of Best Practices**

Entity 1 has been in business for a long time and is a matured organisation in terms of practices and processes. The HR practices, engineering processes, marketing process were well established in this organisation and it made absolute sense for the deal to extract most of the practices from Entity 1. In this effort, Viedea has performed the Value Stream Mapping in both the firms and identified the value-added and non-value-added practices.
The HR Policies & Procedures, practices were adopted from Entity 1 which had the best practices. Some of the policies were later crafted at the time of acquisition to suit the requirement of the combined entity.

**Cultural compatibility Assessment and Integration**

Research indicates that as many as two-thirds of the newly formed entities fail to generate a synergistic value than the sum of the previous entities because of people issues. Firms need to craft strategies and policies which will realize the value of the new relationship. It is important to engage the minds of people from each culture and for this to happen, the people issues should be speculated and strategized well within time. It requires in-depth analysis of each firm’s compensation & benefits plan, hiring methodology, communication strategies, title structures, leadership styles and competencies. All of these issues can be addressed only if the rationale behind the deal is properly propagated and spelled out - “Why are we acquiring this particular company?”

The analysis should also ascertain the outcome of work culture after the deal. Should the culture mirror one of the entity or should there be a newly formed culture? This analysis should flow-in from the employees of both the entities. What they like and dislike should be clearly assessed and necessary steps should be taken in the direction which is liked by the employees.

The combined entity has performed all of these activities in a phased manner to integrate the cultures of both the firms into a single one.
Compensation & Benefits Integration

One of the major issues which usually crop during a merger or acquisition is the compensation & benefits plan. Organisations need to harmonize various practices of HR suitable for both the entities and come up with the best practices, which can sustain the business, keeping in mind the interest of employees’ organisation wide.

An initiative was taken to normalize the remuneration levels for both Entity 1 and Entity 2. Entity 2 had a skewed remuneration across different levels in the organisation since it was evolving in the business process. For certain levels in the organisation, there was a variable pay associated which is a percentage of the fixed pay. With the normalization process, the junior and middle-level cadre (up to Assistant Manager), there was no variable pay and the variable pay which was prevalent before was merged to form a fixed pay. Over and above the Middle – level cadre, the variable pay was introduced which was essentially 10% of the fixed pay structure. This move was significant and all the junior and middle-level management were benefitted with the normalization process. A uniform and unified structure was in place in the restructured organisation.

The policies and procedures which were followed by Entity 1 were retained since the policies and procedures were matured and more structured compared to Entity 2. The combined entity later appointed a Vice-President – Human Resources for the Global Operations.
Review of Pay and Benefits

Both Entity 1 and Entity 2 had different compensation philosophies which were supposed to be merged to give a better compensation & Benefits plan for the combined entity which is a win-win for both the entities.

Entity 1 was a mature organisation in terms of the HR practices and has had fine structured Policies & Procedures in place. On the other hand, Entity 2 was typical of an organisation with evolving hierarchy. Therefore, Policies and Procedures were changing over a period of time with the complexity and scalability of the organisation. Viedea was instrumental in bringing the best practices from both the entities after several deliberations, and bring about the best among the two, which are pro-employee to break the apprehensions and also to create a better workplace keeping in mind the business. The basic premise of adopting the best practices is to ensure that employees of the combined entity do not have any distrust on the new policies.

The Compensation & Benefits philosophy was revamped and restructured across all the positions in the organisation. The grading mechanism and the formal titles were readjusted considering the global operation of the new entity. Every level in the organisation was defined with level descriptors and also the minimum and maximum range of salaries was decided based on numerous of parameters like educational qualification, years of relevant experience, skill-sets, performance over a period of time etc.

The benefits administration was also enhanced with the existing plan across the organisation. For Eg:- Medical insurance was enhanced from one lakh per employee coverage to two lakhs – Comprehensive Family coverage plan was greatly appreciated by the employees.
Performance Management System (PMS)

One of the best practices adopted from Entity 1 was the Performance Management System (PMS) which was robust and objective-based. The organisation had adopted a transparent performance management system which was objectively measured and appraised. The necessary competencies required for all the levels in the organisation were defined and the Key Result Areas (KRAs) are preset for positions across the organisation. Entire exercise of maintaining the documents, form-filling, evaluation, review by the functional head of the department is made online using the Human Resource Management System (HRMS) called ‘HR Connect’

The methodology followed by the combined entity was forced ranking/Bell Curve/Normal distribution. The review cycle for performance management is April – March of every year and the goal-setting exercise is done in the month of April which are assessed in the month of March. The hike in the salary and the promotions are objectively based on the overall ratings and promotion guidelines.

Human Resource Management System (HRMS)

Human Resource Management System is vital for data accuracy and for fact-based decision making. The combined entity post-deal adopted a HRMS called HR Connect which migrated the data and integrated it in to the prescribed format. Some of the activities which were migrated from both the entities are:

- Leave management
- Payroll data
- Employee master data
- Past records of performance records
- Exit data
The task of migration took around 3 months and the process was facilitated by the representative of HR Connect tool.

**Rewards & Recognition**

To increase and retain the motivation levels of the workforce, it is important that the organisation motivates its employees through monetary and non-monetary rewards which sets-in motivation among the employees.

The combined entity crafted a comprehensive R&R programme aiming at improving the overall business performance through individuals. The objective of the R&R programme along with frequency and criteria was defined for each reward for the employees. Employee engagement was the prima facie agenda for the programme. Initiatives were taken to drive the R&R programmes which categorically fall on the core objectives to:

- Improve individual performance
- Working towards the business objectives
- Compelling vision and mission of the organisation
- Team performance in driving the business.

**Corporate Social Responsibility (CSR)**

The combined entity has recently set up its CSR wing in the organisation which is managed by representatives of the organisation who are primarily enthusiast in social work and social cause. The organisation has a tie-up with an NGO, an organisation based in Bangalore and devoted to helping the most vulnerable sections of the society.
A group of volunteers and enthusiasts work together with this NGO to drive programmes for the weaker sections of the society. The CSR wing has been working full-fledged after the new amendment which has made CSR a compulsory activity of the organisation.

Overall, the cultural parameters of both the firms were worked out for healthy integration of the business units and also to ensure that the cultural clashes be minimized to a large extent. The deal was instrumental in bringing the employees of both the firms together for a common purpose and stated goals. Although healthy integration of employees and units was the top enabler of the deal, other issues also received equal prominence like retaining the key talent, measures to integrate the HR systems and processes which resulted in a successful integration.

The HR professional has mentioned that compatibility of culture, retaining the key talent and integrating HR systems and processes have been accorded priority in the deal implementation.
4.3 Case Study - II

Organisation Culture – Presentation of a Case Study of Acquisition of an Indian Firm (Forgings) by an Italian Forge masters

Outline

The Indian firm in the case study is a manufacturing firm which manufactures and supplies forgings to various industrial sectors in India like Automotive, Nuclear Power, Earthmoving, Mining and Defence. The Italian firm which manufactures rolled rings and forgings has agreed to pay Rs.160 crores to acquire a majority stake in Indian-based Forgings firm. The legal and financial advisor for the deal in case of the Italian firm was J Sagar Associates and the Indian firm was represented by AZB & Partners. The organisation was not in the best of the financial health and hence was ready to sell a majority of its stakes to an Italian MNC which was also into the same business. The Italian firm was keen on the opportunity and since the entry to Indian market was long awaited, they took this opportunity to enter into the Indian market. The process of acquisition began in the late 2012 and a complete handover was completed in the month of March 2013. Although, the acquisition saw huge challenges in terms of increasing the capacity of the existing plant and pumping in more investment, there were opportunities to build it further since it was an established business. The Italian firm extended the supply of forgings to a new sector in the business i.e., Oil & Gas and exports were given more prominence since the profit margins are relatively higher in the international market compared to domestic market. In the Post-Acquisition of the Indian firm, several changes were seen in terms of the manufacturing process, safety measures and also the operating plans of the business. A lot of investment from the Italian firm spurred the growth of the business. The company has built sufficient infrastructure to support the manufacturing process.
for the next ten years. New construction, adding new clientele accounts, changing business strategies and increasing the safety requirements were some of the hallmark achievements after the acquisition. The Italian MNC brand name has in fact given a boost to lot of employees since they are global leaders in forgings technology and has best practices in manufacturing process of forgings with sound financial stability. The experience an individual gains with the best practices in forgings is one of the stimulating factors for perceiving the deal in the positive way.
## Snapshot of the deal

| Case Study of Acquisition of an Indian firm (Forgings) by an Italian Forge masters |
|---|---|
| **Type of Transaction** | Acquisition |
| **Type of Industry** | Manufacturing | Forgings |
| **Official year of transaction** | March, 2013 |
| **Duration of the deal** | 9 Months |
| **Reason of the deal** | Indian Firm plunged into losses for consecutive years |
| **Value of the deal** | Rs.160 crores (majority stakes) |
| **Advisors Involved** | Italian Firm - J Sagar Associates | Indian Firm - AZB & Partners |
| **Issues accorded Prominence** | Technology Improvements, Infrastructure development, People Issues, Finance |
| **Involvement of HR Professionals** | HR professionals were involved in the deal to identify the potential pitfalls |
| **Cultural Fit** | Both the organisations were into the same nature of business. In fact Italian firm owned superior forging technology than the Indian firm. The cultural fitment was good since the Italian took over the business in a phased manner. |
| **Potential gain of the deal** | The best practices of the Italian firm was deployed in the Indian firm to produce products for the extended market. |
| **Communication** | Communication about the deal was made clear in the open town halls to the employees. This led to positive mind-set among the employees. |
| **Potential trust created** | New Technology learning, Improved safety measures, better working conditions has created trust among the employees. |
| **Direction** | 5 year business plan with the projected turnover and infrastructural development is the new way forward. |
| **Integration** | Successful |
Pre-deal Preparations

During the process of the transaction of the deal, a team comprising of representatives from various departments was formed to look into the various matters of the deal. All the potential challenges were discussed and debated before the deal. The team was prepared to deal with various production challenges, increasing the size of the capacity of production and most importantly the people issues were also discussed and debated. All the departmental heads were involved in the integration process and the communication plan was rolled out. Although, there were initial apprehensions in the minds of the employees, overall, the deal was convincing as it influenced the business operations in a positive way.

Composition of the HR department

Before the transaction, the HR department consisted of a Head with three subordinates and the composition by and large remained the same after the deal. The Head of HR reports to the CFO of the organisation and has dotted line reporting structure to the CEO of India operations. Day-to-day operations are discussed and decisions are taken in consultation with the CFO. Any strategic decision with financial implication is taken up jointly discussed with the CFO and CEO.

Assessment of Manpower

The manpower strength of the Italian firm soon after the acquisition was 238. The breakup is presented below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Numbers</th>
<th>Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Staff</td>
<td>98</td>
<td>Engineering, B.Com, BBA, MBA, M.Com, MSW</td>
</tr>
<tr>
<td>Workers</td>
<td>140</td>
<td>Diploma, ITI, SSLC</td>
</tr>
<tr>
<td>Contract Staff</td>
<td>275</td>
<td>SSLC, Unskilled</td>
</tr>
<tr>
<td>Total</td>
<td>513</td>
<td></td>
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</tbody>
</table>
Workers union was formed newly after the acquisition to safeguard the interest of the workers’ economic and social conditions in the organisation. The union has its political affiliation to AITUC (All India Trade Union Congress). The management has come to terms on the wage settlement and other terms in the two year contract of the settlement.

**Assessment of Best Practices**

The nature of business is to manufacture finished forging equipment using raw materials; the workers are more prone to accidents due to the nature of work. One of the strong measures, taken by the Italian firm was to ensure that all safety measures are adhered to the local statutory requirement and also to ensure that the safety awareness trainings are frequently imparted to the employees.

**Training & Development**

After the business consolidation, focus was given to the Research & Development area which was considered to be the seed for innovation of the organisation. Various training programmes are aimed at developing the in-house competency level and also the skill sets of the employees towards their international standards. Specific budget has been earmarked for training programmes and all the cadres of the organisation get an opportunity for training.

After the acquisition, the training imparted to update the subject knowledge of managers was given utmost attention since, managers have various roles to play in the firm. Functional managers are sent to various locations to gather necessary technical and managerial expertise which are necessary to manage the business. Workers are
given opportunity to learn about the best practices in forging technology to perform the job better.

Performance Management System

The review cycle is between April – March every year. The Goal-setting exercise is initiated at the start of the review cycle. The Key Performance Indicators (KPIs) are monitored monthly on various parameters like number of rejections, quality, sales, revenue generated etc. Based on the review, suitable incentives are paid like departmental incentives and part production incentives.

ERP System

The organisation uses RAMCO solutions as ERP to manage the manufacturing process and the same is extended to Human Resources Information Systems as well. Business benefits derived from the tool has proven positive and organisation continues to use it. RAMCO Solutions comes with a suite of modules to customize the requirement of the organisation. The data are managed on the HRIS which includes leave management, payroll & benefits management, travel and performance management.

Employee Engagement Practices

Importance was given for employee engagement of the workforce. After the acquisition, separate budget was earmarked for activities ranging from engagement activities to rewards & recognition programme.
Various departmental incentive schemes are designed to reward the good work in the production and other areas. Incentives like departmental performance incentives, part production incentives are introduced based on the target production.

The combined firm has taken up an employee engagement survey before the deal and after the deal and the results indicate that engagement levels have shown significant improvement. Overall, prevalence of good culture was evident from this.

**Core Values**

The core values, mission and vision statement have been re-spelt with new business objectives.

**Compensation & Benefits**

Remuneration packages to different grades in the firm were reconciled based on the market value. The exercise of revamping the salary to the employees was done with the help of a third party agency. Market ranges were objectively looked at based on the experience and the field of work and suitable market corrections were made at the time of performance appraisal.

**Policies and Procedures**

The HR Policies & Procedures have been retained from that of the Indian firm as the Policies & Procedures have been tailor made to local requirement. However, some of the policies like recruitment, training, safety so on and so forth have been modified to the International Standards of the Italian firm.
The HR Professionals involved in the deal opined that the charter of issues which was prepared as a part of the deal had Talent retention as the top most priority. The deal has had several initiatives and changes in the combined entity where the employee engagement levels have increased, which indicates that efforts were put in the positive direction of key talent retention. The other aspects which were equally accorded importance in the deal are – to design fresh HR policies and procedures to suit the new organisation, design new compensation & benefits package. All these identified issues before the deal enabled for a successful integration.
4.4 Case Study - III

Organisation Culture – Presentation of a Case Study of Merger between Sree Meenakshi Mills Limited (SMML) and Gujarat Heavy Chemicals Limited (GHCL)

Outline

Sree Meenakshi Mills Limited (SMML) is a textile manufacturing firm which was established in 1921. The firm produces cotton and blended yarn. Sree Meenakshi Mills Limited (SMML) was originally promoted by Late Karumuthu Thiagarajan Chettiar. SMML has a composite textile mill at Madurai and two spinning units at Paravai and Manaparai, all in Tamil Nadu with an aggregate installed capacity of 88,752 spindles, 384 rotors and 260 looms. Due to unprofitable operation from 1980 onwards and internal dissension amongst the promoters, the working of SMML received a serious setback. It was later referred to the Board for Industrial and Financial Reconstruction (BIFR) in the mid-1990s after it recorded huge financial losses.

Gujarat Heavy Chemicals Limited (GHCL) a joint sector company between Gujarat Industrial Investment Corporation Ltd. and the Dalmia Group engaged in the manufacturing of Soda Ash at its plant located at Sutrapada, Gujarat. The plant was set up in 1988 with an installed capacity of 4.2 lakhs TPA (Tonnes Per Annum) and the capacity was expanded to 4.73 lakhs TPA in 1997-98. It was the second largest producer/manufacturer in Soda Ash industry in India. GHCL was also engaged in the manufacture of 2 lakhs TPA of edible salt at its plant located at Thiruporur, Tamilnadu and at Palghar, Maharashtra.

The Dalmia group merged Sree Meenakshi Mills with Gujarat Heavy Chemicals Limited. The Dalmia group controls around 40% in GHCL, the stakes in
Sree Meenakshi Mills is close to 85%. The valuation of Sree Meenakshi Mills at the time of Merger was low. Overall, the merger increased GHCL’s share capital by only three percent. With the amalgamation, GHCL diversified into three business lines: Soda ash, Textiles and, Information Technology enabled Services.

The Merger of Dalmia group with Sree Meenakshi Mills saw a few advantages:

- accumulated losses in its books which can be used by GHCL for tax advantages,
- its rich asset base which will be a part of the GHCL balance sheet, and;
- positive cash flows of the company.

In October 1982, pursuant to the initiative taken by the promoters group, represented by Dr. K.M. Thiagarajan, Grandson of Late Sri. Karumuthu Thiagarajan Chettiar, the controlling interest of SMML was transferred in favour of Sanjay Dalmia Group (SDG).

After the change of management, institution had debts and modernization scheme of all three units was on the cards. SMML even paid dividend for the year 1994. However, SMML’s working capital deteriorated thereafter apparently due to liquidity constraints caused by alleged diversion of working capital, inability to procure cotton at competitive rates, closure of weaving unit from May 1995 due to unprofitable operations etc. The working for the year ended on 30.09.1995 resulting in a net loss of around Rupees 1000 lakhs. As a result, SMML’s net worth was completely eroded and SMML came under the purview of BIFR (Board for Industrial and Financial Reconstruction). The company was declared as Sick industry in the year 1996. A revival plan of merger with GHCL came into effect from April 1, 2001.

In the meantime, Central Bank of India suspended SMML’s bank account during 1995. Further, Central Bank of India had issued a legal notice to SMML in November
1995 recalling its entire outstanding amount. Central Bank of India had also filed recovery suit against SMML at the Madurai Court which had since been transferred to DRT, Chennai.

GHCL approached BIFR and deposited the entire OTS amount for the banks and institution with them to be appropriated on final approval of the scheme of amalgamation and also paid VRS dues for all its 650 employees, inducted the margin money required for SMML and initiated implementation of modernization / revamp program.

The actual merger date is 01.04.2002.

The salient features of the merger scheme are as under:-

1. The cut-off date for the merger should be 01.04.2002

2. All the shareholders of SMML should be issued equity shares of GHCL as per the Share Exchange Ratio to be approved under the scheme.

3. All the permanent employees of SMML (excepting those opting for VRS) should be retained by GHCL without any break in service.

4. GHCL should deploy funds at least equivalent to the estimated tax benefits towards revival of SMML’s operations/repayment of term loans.

Workers

1. To enter into a long-term wage agreement towards implementation of the revival scheme, including rationalization.

2. To accept new production norms after implementation of rationalization.

3. To accept bonus in accordance with The Payment of Bonus Act provision only.

4. To accept ban on any additional recruitment.
General Terms & Conditions of the Merger

- ICICI is appointed as the Monitoring Agency (MA).
- GHCL should constitute a Management Committee consisting of CEO of the company and Special Director of BIFR and MA. MC would review on a monthly basis the operation of the company in all aspects.
- The MA should appoint a reputed Chartered Accountant’s firm as concurrent auditors with direct reporting relationship to MA.

The study was conducted on the merged entity with a total workforce of 250, out of which 102 are the management staff at the time of deal.

The integrated textile division is situated in Madurai, Tamil Nadu and Vapi, Gujarat. Madurai-based Sree Meenakshi Mills is a spinning unit which manufactures yarn and the home textiles is based out of Vapi, Gujarat. Out of the textile production, 68 percent is exported to US and 18 percent to Canada.
### Snapshot of the deal

| Case Study of Merger between Sree Meenakshi Mills Limited (SMML) and Gujarat Heavy Chemicals Limited (GHCL) |
|--------------------------------------------------|--------------------------------------------------|
| **Type of Transaction** | Merger |
| **Type of Industry** | Manufacturing | Textile |
| **Official year of transaction** | April, 2002 |
| **Duration of the deal** | Revival plan was initiated in April, 2001 | 1 year |
| **Reason of the deal** | Company was declared sick and referred to BIFR |
| **Advisors Involved** | IFCI Ltd. |
| **Issues accorded prominence** | Increasing capacity, Infrastructure building, workforce management |
| **Involvement of HR Professionals** | The HR team from both the entities were involved in the deal right from the beginning to discuss potential threats especially from the politically affiliated trade unions and healthy integration. |
| **Cultural Fit** | With the change in the policies and procedures in the organisation, this created a new wave of trust among the employees. Overall, employees welcomed the change in terms of automation, increased targets and new practices |
| **Potential gain of the deal** | The best practices of GHCL were deployed. This merger is clearly a business strategy to diversify the business of GHCL. |
| **Communication** | The employees were well-informed about the changes in the management and about the new company which would run the business. |
| **Potential trust created** | Employee Engagement levels, New Policies, Wage Revision and Learning opportunity because of automation has created trust among the employees. The attrition level of the textile division is 9 % which is less than the Industry standards. |
| **Direction** | The brand operates with SMML name since it was one of the big market players in the textile yarn business for a long time in the market. The objectives, mission and vision has been created for the new merger. |
| **Integration** | Successful |

**Process of Merger:** The process of merger began in the year 2002.

Prior to the merger, both the firms appointed a task force to look into the potential issues that might crop up during the deal process and also to devise a plan to mitigate the risk. The task force consisted of the HR professionals from both the entities as representatives to discuss about various HR activities that each entity was
following and the means to merge the best activities to ensure that the best culture in the company prevails.

Some of the issues which were present in front of the task force were excessive manpower, which defeats one of the objectives of the merger plan. The merger was planned to redefine business strategies to introduce a separate product line in to the business and also to harness the existing capabilities of Meenakshi Mills.

Considerable time was devoted to devise a communication plan to be conveyed to the employees of the organisation. Structured communication plan was one of the key parameters which defines the success or failure of the deal. In this case, Voluntary Retirement Scheme was announced after meeting with the negotiating trade unions and arrived at the final settlement for the employees who opted for VRS. Many employees who were on the verge of retirement opted for the VRS since they were uncertain about their job security in the merger process as lot of automation was introduced in the merger.

The senior management members of the combined entities were taken for a retreat programme which brought more clarity to the business deal.

**HR Practices**

Majority of the best practices have been borrowed from GHCL as it was a well-established firm and had wide variety of portfolio of business. The HR practices were tried and tested successfully and hence deploying them in to the merger would only increase the effectiveness of the organisation.
**Talent Acquisition**

Talent scouting strategies of the newly merged entity was adopted from the best practices of GHCL. Policies and Procedures were redefined for the selection process making it much more robust and up to date. The primary skills required for the firm was related to the technology on yarn manufacturing and the firm was hiring textile engineering graduates both at fresher level and lateral level. To attract young talent and creating a brand space, GHCL was looking at campus placements as an option to attract the creamy layer of talent.

**HRIS and Online Portal**

GHCL has developed an online portal called ‘GHCL Connect’ which connects all the units of GHCL across the country on a single platform. The portfolio of business in which GHCL is operating are diverse and its units are situated in different locations of India. *GHCL Connect* brings all the employees of the organisation on a single platform for information and knowledge sharing. The portal contains information related to:

- Core values of the organisation
- Executive council
- Management profile
- Online approvals mechanism
- GHCL digest

Employees are continuously engaged through the online portal. One of the best practices is that the birthdays, anniversaries of the employees are displayed on the portals. Newly hired personnel and their details are also furnished in the portal.
Challenges in the Business

At the time of merger, GHCL textile division was managing data in a traditional way. There was no ERP to manage the production process and hence decision-making were based on facts was far from reality. All the data were managed in excel sheets, finances was managed on tally software. This gave rise to several issues in the business like:

- Monthly stocks, quality and Management Information Systems (MIS) preparation was consuming plenty of time.
- There was lot of inventory in warehouse, goods movement between plants and keeping track of it was difficult and the same was blocking revenues.
- Sales revenue and sales dispatch was delayed because of information flow.

Integrated solution within the business to provide real time information was needed to take decision.

GHCL partnered with Zensar solutions to implement SAP 6.0 at GHCL – Textile division. The implementation addressed all the core areas of the business process. Zensar implemented FI, CO, MM, PP, QM, SD and Export Management System.

The program management, scope and design, business process alignment, system data conversion, organisational rollout, communication, training and ongoing application management support was provided by Zensar.

Business benefits

The implementation fully integrated ERP and has allowed centralized information to be entered into system for correct and accurate flow of information
across various departments like Sales, Materials Management, Production Planning and Finance & Costing.

It was able to improve information tracking mechanism right from incoming raw materials to outgoing finished goods with thorough quality approvals.

Raw materials received, quality parameters recorded and vendor-wise date details are available instantaneously by click of a button.

Training & Development

The Training & Development function of SMML was passive till the merger with GHCL happened. Times have changed and today to remain in a competitive market space which is dynamic, one needs to invest in human capital which is the most important resource of a business organisation. In this connection, GHCL extended their best practice of investing in learning and development to the textile division. The employees and the staff are respectively given opportunity to build the skillsets required to perform the job. Some of the programmes initiated by the organisation emphasize on skill acquirement. The employees are sent to various conferences/seminars to get a feel of the latest technology prevalent in textile industry. These conferences/seminars will also act as a forum to project the organisation as a brand in the market where elite market players participate.

Cultural Aspects

The workforce of SMML was mainly consisting of employees with an average age of 42. With the merger there were lot of speculation regarding job security, change in new practices, new management style so on and so forth. GHCL during their pre-deal preparations were aware of these apprehensions of the employees.
Taking this into account the average age and other factors GHCL prepared a ground to slowly drive home changes in the organisation. Although, the prima facie reason of the merger is to turn around the organisation to make profitable venture business, GHCL made all efforts to drive the change slowly.

New technology was borrowed to improve the production efficiencies, to change the infrastructure, to revise remuneration and to provide the best working conditions to the employees. In this effort, there was a healthy attrition rate and the organisation also announced Voluntary Retirement Scheme (VRS) as an ideal method of rightsizing the total workforce. Significant changes related to technology, implementation of SAP, investment on training etc. propelled the organisation towards making profits.

GHCL – Textile Division is still operating under the brand name of SMML since the brand name is widely known in textile business and the product penetration will be easier if it retained the same brand name.

**Compensation Philosophy**

Remuneration of the workforce under SMML were relatively low compared to the prevailing market standards as SMML plunged into losses. As a turnaround strategy GHCL increase the pay levels of the management staff to nearly two fold. The wage levels of the staff were also revised to a competitive rate during the time wage settlement.

The management and staff are happy to receive higher pay packages from the organisation after the restructuring exercise.
Employee Engagement

Facilities and practices which were used by GHCL were extended to textile division as well. SMML being a traditional firm lacked core employee engagement which was supposed to be driven by the HR department in the organisation. With the Merger, the activities related to employee engagement were extended to SMML and one such example is the online web portal called *GHCL Connect* which virtually connects all the units of GHCL. Best practices in terms of publishing the birthdays and anniversaries of the employees have been initiated on this portal. Once the on-boarding of the new hires is completed, the new joiners details are available on the online portal which can be viewed and at the same time online wishes can also be sent from different units. Any recent developments in the organisation are published through news and announcements section which gives dynamic information about the business. The portal also contains knowledge based documents which are ideally some of the best practices in the industry can also be accessed through the online portal. The first line managers are allocated significant budget for arranging team picnics once in a year and there is also a staff committee which will pool in money from all the staff and celebrate few occasions like festivals in a grand way. A sense of belongingness among the employees is seen due to such inter-personal activities, combined with engagement practices such as rewards and recognition. There is a lot of scope to improve the engagement levels of the textile division since the organisation is planning to expand the business by further investment.
Corporate Social Responsibility

GHCL takes up corporate social responsibility for all the business divisions they own. Several activities were taken up in this regard to drive the CSR wing.

The target firm was analysed in terms of overall value of the deal, assets, and legal liabilities before the deal. This includes welfare and provisions as per legal obligations, health insurance schemes, and collective bargaining agreements. The estimation of overall value has enabled both the entities to design a package for employees which will help in restructuring the organisation. Other issues which received importance in the deal are the culture building exercise, downsizing of manpower by excluding the unnecessary layers of positions as a cost-saving measure and developing need-based HR policies and procedures for the combined entity. Overall, the deal was successful.
4.5 Case Study - IV

Organisation Culture – Presentation of a Case Study of Acquisition of Bhoruka Aluminum Limited (BAL) by YKK – AP, Japan

Outline

Bhoruka Aluminum Limited (BAL), established in 1980, has the second largest capacity in India and is one of the most integrated manufacturers of Aluminum Extrusions business. As a part of the company’s internal re-structuring and financial settlement that was negotiated with the lenders and creditors, the company carved out the aluminum extrusion business into a cash free, liability free entity which was acquired by YKK AP Inc., part of the YKK Group of Japan. The YKK Group (US $6 Billion Revenue Company) is a Japan-based group of manufacturing companies, which operates in two main business segments: Zipper/Zip manufacturing and Architectural Products (AP) business. YKK Group is the world’s largest player in Zipper/Zip manufacturing with over 90% of market share. The Architectural Products (AP) business is a part of YKK-AP Inc (a US $ Four Billion revenue division in AP business) which manufactures pre-fabricated doorways, storefronts, curtain wall, window wall, sunshades, windows and sliding doors for office buildings, residential high-rises, schools, stadium, shopping centers and institutional structures. YKK – AP paid Rs.120 crores to buyout the aluminum extrusions business of BAL.

In the month of March, 2013, YKK Holding Asia Pte. Ltd. (Member of YKK group) entered into a formal agreement with Bhoruka Aluminum Limited (BAL) to transfer its aluminum extrusion business through slump sale agreement. The transaction was subsequently completed in the Month of May, 2013 with the entire aluminum business division and employees transferred to form a new entity – Bhoruka Facades Private Limited which is now part of the YKK group.
To provide a better identity of the business line, the name of the organisation has been changed to *Bhoruka Extrusions Private Limited (BEPL)* effective October, 2013.

<table>
<thead>
<tr>
<th><strong>Snapshot of the deal</strong></th>
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<tbody>
<tr>
<td><strong>Case Study of Acquisition of Bhoruka Aluminium Limited (BAL) by YKK – AP</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Type of Transaction</strong></td>
<td>Company Sale (Acquisition)</td>
</tr>
<tr>
<td><strong>Type of Industry</strong></td>
<td>Manufacturing</td>
</tr>
<tr>
<td><strong>Official year of transaction</strong></td>
<td>May, 2013</td>
</tr>
<tr>
<td><strong>Duration of the deal</strong></td>
<td>Started in March, 2011 - 2 years</td>
</tr>
<tr>
<td><strong>Reason of the deal</strong></td>
<td>Problem with working capital</td>
</tr>
<tr>
<td><strong>Value of the deal</strong></td>
<td>Rupees 120 Crores</td>
</tr>
<tr>
<td><strong>Advisors Involved</strong></td>
<td>Singhi Advisors</td>
</tr>
<tr>
<td><strong>Issues accorded importance</strong></td>
<td>Financial issues, Marketability and Infrastructure building</td>
</tr>
<tr>
<td><strong>Involvement of HR Professionals</strong></td>
<td>The HR professionals were involved to estimate the people issues at later point in time.</td>
</tr>
<tr>
<td><strong>Cultural Fit</strong></td>
<td>Some of the welfare and safety measures initiated by YKK-AP was appreciated by BAL employees. Overall, the new arrival of new entity with positive changes was enjoyed by the employees of the organisation</td>
</tr>
<tr>
<td><strong>Potential gain of the deal</strong></td>
<td>One of the main gains from the deal is a complete revamp of the business. Investment spurred into the business gave confidence to its employees. This was a great Entry strategy for YKK-AP into Indian market.</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>The communication at the time of the deal was strong enough. All the related aspects of the deal was well-communicated to bring in transparency in the operations.</td>
</tr>
<tr>
<td><strong>Potential trust created</strong></td>
<td>Very less attrition during the time of the deal speaks of the trust created. All welfare and safety measures in the organisation created a new wave of confidence among the employees.</td>
</tr>
<tr>
<td><strong>Direction</strong></td>
<td>All related changes in the Mission, Vision and Objectives provided a change in business direction</td>
</tr>
<tr>
<td><strong>Integration</strong></td>
<td>Successful</td>
</tr>
</tbody>
</table>
Reason of Acquisition

BAL planned to expand its business since 2007-2008 but was hit by recession and there was a market slump in the business. Due to shortage of working capital, a restructuring exercise was initiated in 2011.

YKK was identified as a potential buyer. YKK is one of the world’s largest manufacturers of aluminum extrusion and architectural products, has been making efforts to enter into Indian market with an eye on the long-term prospects in real estate and automobile industry.

Advisors for Bhoruka Aluminum

Mumbai-based Singhi Advisors, a global investment firm focused on providing merger, acquisition, divestiture and corporate advisory services to domestic and international companies. Singhi Advisors acted as programme managers negotiating with buyers, lenders and creditors to conclude the transaction in a seamless and efficient manner. Singhi Advisors with its expertise in Aluminum Extrusion industry, identified potential buyers for the business who can infuse growth in business and selected YKK AP as the preferred buyer.

Composition of HR in Bhoruka Extrusions Limited

The HR department consisted of four Executives who were managing day-to-day operations in Mysore. The pre-deal preparation started when Singhi Advisors identified YKK-AP as potential buyer. The involvement of Corporate HR, Management team and other senior personnel helped in assessing potential risks, if any, in the acquisition. Deliberations were made to speculate the people issues, financial impact and the marketing capability. The Head of HR, Mysore has a dotted
line reporting structure to the Managing Director and Head of HR in the Headquarters based in Singapore. All the decision related issues are usually flagged to the headquarters.

**Cultural aspects of the deal**

Identification of a potential buyer was on the minds of Bhoruka and Singhi Advisors for a few years, since the parent organisation was not performing well. In various phases of the deal which includes pre-deal, due-diligence and post-integration, the advisors carved a clear road map for the process.

The workforce in BAL is categorized into Workmen and Management staff. The total workforce at Bhoruka Aluminum Limited (BAL) at the time of acquisition was 260 which included 138 workmen and the remainder are management staff. In the process of acquisition, 8-10 employees from YKK-AP, Japan were deployed in new operations to look after the pre-deal and integration process.

The qualification of the workmen primarily is – ITI, SSLC (10th Grade). Management Staff – Technical staff comprising of Engineering graduates, Diploma students and other vocational technical programmes which fits into the business requirement.

BAL created a bridge entity called Bhoruka Facades Limited which was used for slump sale agreement to transfer the liabilities from the previous organisation and a new entity called Bhoruka Extrusions Private Limited which is a wholly subsidiary of YKK-AP, Japan was established.

BAL’s trade union is affiliated to AITUC and is called Bhoruka Employees Workers Union. Post the deal, all the benefits related to service were transferred to the
new entity and the union workers were happy to accept and integrate into the new organisation.

**Talent Acquisition**

The process of talent acquisition has completely changed from the traditional selection procedure to a structured process, which involves assessment by the panel from different departments concerned. The process involves indenting of manpower and suitable approvals from the functional line managers and factory managers with justification. Once the factory manager approves the required manpower, further approval has to be requisitioned from the headquarters situated in Singapore.

**Training & Development**

Training was predominantly in-house and mostly skills based. After the acquisition of Bhoruka Aluminum Limited by YKK-AP, more emphasis is placed on training individuals so as to increase the effectiveness of the organisation.

In the present scenario, training is mostly skill-based and competency-based. Employees are sent to various locations like Indonesia, Japan and Singapore to get hands-on experience in new technology and best practices. Employees are well-acquainted with necessary skills to perform the job.

There are plans to implement new external educational programmes which will enable the employees to take up leadership positions, new challenges in the organisation and also to bring about a positive change in the organisation.
Employee Engagement

Employee engagement practices were almost neglected in the previous entity since the management beliefs and orientation was more towards achieving production targets and very less attention was given on the engagement initiatives.

Practices like get-together with employees to build rapport, birthdays and anniversary celebrations, suggestions scheme and rewards & recognition programme enable employees to perform better at work by establishing good inter relationship with others.

Communication Plan

One of the top priorities of the deal was retention of the workforce with Bhoruka Aluminum Limited (BAL) during the various process of the deal. Although, every deal is viewed with an eye of apprehensions on the how the new leadership would function; how the new practices would be - every employee in the organisation will be skeptical about working under the new management.

Since BAL was not doing well financially, employees were well-informed about the new venture. Hence the communication plan was straightforward and candid. Management of Bhoruka Aluminum Limited (BAL) along with Singhi Advisors made all efforts in communicating formally to the employees on the new plan and assured of better working conditions. This communication plan to a great extent reduced the ambiguity among the employees. The shared vision, mission and objectives of the new entity were clearly spelled out in the plan.
Benefits administration

A lot of changes were brought in with respect to the benefits administration which is more pro-employee.

Before acquisition, canteen facility was available at subsidized rates to the employees and the number of working days was 6 days in a week.

YKK-AP, Japanese organisation believes in the Philosophy of ‘Cycle of Wellness’ and ‘Cycle of Goodness’ – “No one prospers unless he renders benefit to others” which percolates to the personal level of each employee in terms of their well-being.

After acquisition, benefits package offered to employees have changed. For example:

- The subsidy on food was completely waived off and free lunch was made available to the entire workforce.
- Currently, the organisation has declared the 2nd and 4th Saturdays as holidays.
- All the employees in the organisation are included under Personal Accident Insurance policy which is increased to Rupees 3 lakhs from 2 lakhs per employee.
- Festival advances are provided to all the employees.
- Group Medical Insurance with a limit of Rupees 2 lakhs is provided to all employees.
- Death Insurance.

Performance Management System

The growth of the organisation is an indication of synergistic approach of the workforce towards the objectives of the organisation. Performance management is a continuous process and a robust mechanism to monitor the performance.
Organisations fail to realize the stated objectives, if the performance parameters are not monitored from time to time.

YKK-AP strongly believes in managing and monitoring the performance of individuals and thereby the firm as a whole. Before acquisition, there were no formal management system to monitor performance.

After the acquisition, a structured performance management procedure is put in place. The methodology followed is forced ranking on a 5-point scale. This method of performance management has improved the trust on the new management as the efforts of the employees are recognized to a great extent.

**Leave Management**

YKK-AP believes in the ‘Cycle of wellness’ and ‘Cycle of goodness’ concept which is central to its value system. Management encourages employees to avail accumulated leave at the same time keeping in mind the criticality of its business. Employees must balance their family and at the same time be aware of their commitment to the firm.

Although, there is no formal document to propagate this communication, it is widely embraced in the firm. Encashment of leave is limited to a maximum of 45 days which would be encashable during the separation of the employee.

**Compensation Philosophy**

The compensation philosophy has been modified after the deal to infuse new talent in the firm. The remuneration levels have increased two-folds for the Junior Cadre and Flexi-structure of salary is designed and introduced for the senior level employees.
The compensation for the workmen is governed by the union’s agreement which is renewed every 4 years. The management and the union representatives arrive at a settlement on the compensation which will be more than the minimum wages. This new compensation will be fixed for a period of 4 years and mutually agreed by both the parties (management and the negotiating trade union).

**Human Resource Information System (HRIS) –**

The firm widely uses SAP ERP system for managing the personnel data. Although the module of HR is not completely enhanced in terms of adding new functionalities, there seems to be a significant improvement in the way the data gets managed. The firm has plans to implement Performance Management System (PMS) online for the Management Staff cadre.

**Future Plans of the firm**

The firm has plans to increase the capacity of production for Architectural Products business line in Mysore. To this end, they believe in increasing the production infrastructure of the unit and also the capabilities/competencies of the workforce. The firm may announce Voluntary Retirement Scheme (VRS) for its workmen. Recent Employee Satisfaction Survey (ESS) reveals that scores were rated low on benefits and remuneration for the employees. By and large, the acquisition of Bhoruka Aluminum Limited (BAL) by YKK-AP has brought in significant changes in the positive direction of business.

The ability to resolve people issues and its prime concern on the safety of its employees are the hallmark achievements of YKK-AP during their 2 year stint in the new deal.
The HR professionals who were a part of the deal opined that cultural issues received utmost importance. Several initiatives towards this direction are taken to engage the workforce - increase in the remuneration levels of the employees and improvement in the safety measures. Communication about the deal in a timely manner to build a positive vibe in the organisation was also given prominence for successful integration.

**Conclusion of Case Studies**

The case studies have indicated that some of the issues that cannot be explored so intensively through other means of investigation can be understood through an in-depth analysis. All the four organisations, after M&A, are doing well and are in the process of achieving the tangible results.