ABSTRACT

Mergers and acquisitions have become the principal tools for corporate restructuring. There has been a sharp increase in both the number and size of the mergers and acquisitions in the last two decades. An extensive review of literature indicates that M&A related studies are dominated by strategic, financial and operational concerns. Organizational and human issues that influence the processes during and post-merger phase have received less adequate attention. In the Indian context, most of the research is confined to either the study of mergers as an outcome of economic reforms or is seen through the financial, strategic or organizational perspectives.

The dependent variables, HR responses, as a construct on the basis of prior research, have been operationalised in terms of merger induced stress, uncertainty as a response to merger, interorganizational degree of distrust between merging organizations, job satisfaction variation in the merged entity, interorganizational attitudinal orientation in merging process and commitment to the merged entity. Existing literature in the area of study has indicated that the following are the likely determinants of HR responses - cultural differences between merged entities, tolerance for multiculturism of the associating organizations, extent of integration between the organizations, changes in HR systems in the merged entities and degree of HRM interventions.

The main objectives of this study, therefore, is to identify the determinants of human resources responses in the merger context and to examine the effects of determinants of HR responses. Based on the main research objective, five specific hypotheses were developed to examine the relationships for each dependent variable. Measurements developed for each variable were pretested and were checked for validity and reliability.
A multi method approach was adopted for data collection. Respondents for the study were drawn from firms that have undergone mergers and acquisition during the period 1992-2002. The methods employed to generate data towards the purposes of the study were:

a) **Exploratory interviews** conducted with key players in order get a perspective on the merger process.

b) A **Questionnaire Survey** of executives who were part of the firms at the time of the merger – either actively involved or participant observers or affected by the merger process.

c) An intensive **Case Study** of an organization involved in a merger.

Regression analysis indicates that of the five independent variables, two variables - changes in HR systems in the merged entity and degree of HRM interventions in the merged entity - have a significant effect on the HR responses in the merger. Case data also supports the regression analysis.