Chapter-4

Research Methodology
Rationale

Mergers & Acquisitions has been an area of interest for researcher at M.Phil. and the research topic was Human Resource Integration in Mergers and Acquisitions-Study of Aviation Industry in India. While this study, an interest developed in researcher in cultural issues. The cultural difference was also noticed as a key factor in Human Resource Integrations in cases of Mergers and Acquisitions. Therefore researcher decided to study how there is post mergers and acquisitions cultural integration takes place.

There has been a sudden spurt in the number of Mergers and Acquisitions from 1386 between 1990 to 2001 to 12207 as announced deal from 31.3.2001 to 31.3.2011. The increasing cases of Mergers and Acquisitions in India is a key factor to bring the attention towards this area.

The motive of mergers and acquisitions is financial. Firms decide to merge either for growth, come out of woes or to diversify. The decision to merge or acquire itself is not sufficient to achieve synergies. Culture integration plays an important role. However, there are few researches which show that firms make effort to integrate and thus post acquisition cultural integration is a crucial stage. There are studies in the area of 'Post Merger and Acquisition Cultural Integration by Firms'. But are less in context of India. There are many studies that focus on the pre merger stage, the Airways Literature on post merger integration process is limited and it is rarely possible to find a study on the negotiation stage in M&A (Weber, Y et al, 2011). KPMG research also supports that more acquisitions fail because of problems during post acquisition rather than pre integration stage. Thus looking into the gap in research, researcher has opted for working on this area.

Indian companies have been taken to conduct a uniform research. Three companies from three various industries have been taken to get broader perspective. One company from aviation industry, one from media industry and one from healthcare has been taken. Aviation because it is one of the most coming up industries in India and there are three M&A in this industry in 2007.
The M.Phil. Research was also in aviation industry. So, it will contribute to his expertise. Media because there are lesser number of M&A. The number of M&A in print media is three. Healthcare has been taken as one of the companies because there were highest numbers of M&A in pharma and healthcare which is 201 in numbers between the year 1990 to 2001. However, the case which has been taken has taken place in year 2008.

Research Questions

• Whether there is any difference in organizational culture of two firms undergone M&A and what are the nature of differences?
• What are the interventions adopted by firms for post M&A cultural integration?

Objectives

• To understand organizational culture of firms undergone M&A.
• To identify cultural difference among firms undergone M&A.
• To identify nature of difference of organizational culture of firms undergone M&A.
• To identify and understand various interventions used by firms undergone M&A for post M&A cultural integration.

Methodology

The expression research refers to the search of knowledge. Research can also be defined as a scientific and systematic search for to the point information on a particular subject (Kopalle et al., 2009). As described by Covey (2009), research is an activity related to academics and there should be use of this term in a technical sense. Thus research is an original contribution made by the advancement of the existing stock of knowledge. Goldrick (2008) defined research as a systematic approach pertaining to abstraction and the discovering solution for a difficulty posed by certain situation.
This research study is about post merger and acquisitions cultural integration processes of organizations-Cases of Domestic Mergers and Acquisitions. A pilot study with one healthcare Rustidased at Gurgaon, one IT Rustidased at Mumbai for was conducted during Feb 2011 to April 2011 . During pilot study, it was found that the area is interesting and among few findings were the cultural toleranace plays a pivotal role in cultural integration. One of the automobile company which has learning of acquisitions with various domestic and international players used M&A strategies as one of the key areas for enhancing its market share.

Cultural integration is in fact interaction between two organizational cultures which can be understood through understanding people observation and perception as an integral part of process. Therefore, qualitative research methodology has been adopted. The benefit of qualitative research is its ability to allow the investigator to gain depth and detail (Patton, 1990) and to address how and why question. Qualitative research studies participant knowledge and practices. Qualitative research takes into account the viewpoints and practices in the field are different because of the different subjective perspectives and social backgrounds related to them (Flick, 2010).

Three cases one from Healthcare, one from Print Media and one from Aviation have been selected as a result of convenient sampling. The top level/senior level management have been interviewed purposively and with help of them middle level and junior level executives have also interviewed purposively. Hence sampling in this study is of two kinds one convenient and purposive sampling.

Purposive sampling allows us to choose a case because it illustrates some feature or process in which we are interested. However, this does not provide a simple approval to any case we happen to choose. Rather purposive sampling demands that we think critically about the parameters of the population we are interested in and choose your sample case carefully on this basis (Silverman, 2002).
There is variation in the way research is being conducted. This is so because all researchers have different beliefs and perspectives. Though there certain standards and rules by which researchers are being guided are called paradigm.

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<thead>
<tr>
<th>Items</th>
<th>Positivistic Approach</th>
<th>Interpretivist Approach</th>
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<tbody>
<tr>
<td>Purpose</td>
<td>The researcher will test the data collected using statistical tools.</td>
<td>The researcher will analyze the perceptions, experiences and responses shared by various stakeholders.</td>
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<tr>
<td>Belief</td>
<td>One truth with objectivity</td>
<td>Multiple truth with various perceptions.</td>
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<tr>
<td>Research Method</td>
<td>Quantitative</td>
<td>Qualitative</td>
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**Data Collection**

Data collection was done during June 2012 to June 2013. Semi structured interview has been used for data collection. In addition to that secondary sources like due diligence reports, journals, periodicals, newspapers etc have also been accessed to collect data. Culture is symbolic and is described by telling stories about how we feel about organization. A symbol stands for something more than itself and can be many things, but the point is that a symbol is invested with meaning by us and expresses forms of understanding derived from our past collective experiences. The sociological view is that organizations exist in the minds of the members. This is why in-depth interview has been used for this study.
The researcher first of all approached Rustid which has acquired Rinsi. Rustid is a well known healthcare Rusti having its head office in Haryana. Whereas Rinsi is a well known hospital for cardiac ailment. In fact Rinsi is called the mecca of cardiac ailment.

During the process of data collection several challenges were faced like initially the head of Rustid-Rinsi Hospital did not respond and after consistent reminder over mail and phone they responded.

While visiting the Rustid-Rinsi hospital, there were descent support from the HR department for this study whereas some of the senior management from various functions were hesitant to open themselves. Many of them didn’t allow to record their responses. Hence in such cases pen and paper was used for recording their responses.

Initially respondents were not ready to cooperate and they were suspicious about the use of data. Even one of the senior management team member told to go out despite several requests. The Director was by and large not available for the interview for the several months. After long gap the appointment with him was fixed somehow but he told that please mail the questions and I will answer those questions and mail it to you. After that researcher requested to give an appointment for face to face talk.

Researcher requested for an appointment with a well known doctor and who has been witness of all the processes during acquisition of Rinsi by Rustid, but despite all support from HR department, no success in getting appointment was made. However, one aspect of this is also because there was absence of consistent physical follow up by researcher. In fact in one of the cases of contacting personally to meet one senior person, he was completely against audio recording or putting a note on notebook. He was in fact afraid of sting operation as had happened in past when of the media persons met him with hiding his identity and broadcasted the clips further. He was scared because of that situation and was not trusting the researcher as he is doing really academic research.
After one week of this meeting researcher was given appointment with IT Head and he was very comfortable and supportive. He welcomed the questions and responded well and also promised for any further support required in this study.

As regards meeting with Admin Head, initially, he denied meeting and asked that whether researcher has come officially. When researcher confirmed that HR has scheduled the meeting then he told they are babies so what they will do. They don’t have any idea. At last he said a clear no to interact and researcher had no option left but to come back. In this episode HR people were also feeling bad that the time of researcher got wasted. But researcher decided not to give up. The researcher had to travel to Delhi two times and both the times he was disappointed. In first tour he kept contacting the HR department to schedule the interview but the Admin Head was busy in various meetings. In second tour also the Admin Head was busy in some external agency audit. Hence, she could give time for interview in her third visit and that was again after waiting for whole two days in the office.

While meeting Nursing Head, She was very supportive and comfortable. She gave time just after two hours as HR department has processed the matter. Total 21 interviews were conducted in this study.

Data Collection at Airways

Initially it was perceived by the researcher that data collection at Airways which is in mumbai would be easier. But despite writing for several times there was no response and later after few calls and request once again, the appointment was given. It was indeed a foreign experience and could not continue for more than one day. Hence one interview was conducted. The reason for one day activity was the other engagements of researcher also as next morning researcher had got appointment for healthcare top management member interview. Hence he rushed for Delhi by morning flight as 11am was scheduled for interview and he didn’t take risk of travelling by train since that might got him late.
The Airways was one of the cases during MPhil of researcher, hence it was thought it would be easy to have an access to them. But every new study needs new approach. Thus a preconceived notion that there would not be any problem in data collection at Airways did not work. In fact it boomeranged and it was one of the most toughest tasks to get into Airways for conducting interviews.

Airways was not very open to discuss its information but researcher somehow convinced and make them understand that this is only for academic purpose there would be no commercial use of this research. Then only they agreed to go ahead with data collection.

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<tr>
<th>Name &amp; Designation</th>
<th>RINSI Heart Institute</th>
<th>Rustid Healthcare</th>
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<tbody>
<tr>
<td>Manager , Business</td>
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<td>HR Head</td>
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<td>Senior Doctor</td>
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<td>Director</td>
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<td>Yes</td>
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<tr>
<td>Head (Nursing)</td>
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<tr>
<td>Director</td>
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**Data Collection at North Publications Private Limited (NPPL)**

Data collection at NPPL Group may be divided in three rounds, in first round an effort was made by researcher to get permission, whereas in second stage after getting permission, HR people were interviewed in first instance. In second phase because appointment was not given during that time, Sales was interviewed. In third round Media Marketing and IT departments were interviewed. NPPL Group was one of the largest circulated groups in India and being a media industry going to them was beset with lurking fear of their straight no. In fact this happened
several times when researcher tried to contact CEO through mail, no response was given. This process was followed several times and ultimately that resulted into utter disappointment. Later, the researcher called the CEO cell and talked to his secretary telephonically. She suggested again to write a mail. But again after writing the mail no response was received. Thus, the process was dropped then and there only. After some time, the researcher decided to contact again and his experience in HR helped a lot. He somehow arranged the number of HR Head, He called the HR Head and briefed everything.

Data collection at NPPL was the first initiative but got it executed in the last because, could not get any response from Kanpur. Hence in between data collection in Rustid and Airways were completed. At last the corporate office of NPPL Group was contacted and permission was granted from there for data collection.

After writing to DGM (HR), the researcher visited the NPPL corporate office and his response was warm and positive. After one week researcher was communicated that he can undertake his data collection process.

The stay and consistent visit to Delhi for data collection had been expensive and time consuming. At many occasions there were feeling of grave disappointment as appointments were not getting fixed easily. Researcher but later got very positive response from DGM (HR) and Country Head- Editorial HR of the media group. The response of HR team had been warm and positive.

Data collection at NPPL Group may be divided in three rounds, in first round an effort was made by researcher to get permission, whereas in second stage after getting permission, HR people were interviewed in first instance. In second phase because appointment was not given during that time, Sales was interviewed. In third round Media Marketing and IT departments were interviewed.
**Data Collection at Morning Daily**

In second round of data collection Evening Day was approached. Though the permission was separately sought there despite the fact their corporate office had already permitted for this study. I had to again talk to the concerned senior management people in HR at Noida. There had been lot of communication gap.

In last personal request to concerned HR manager at Mumbai was requested to interact directly to corporate office. But no response to this request came. Finally next day of the request, response came that I can go ahead with data collection at Evening -day. The moment I thought of starting the data collection, weather in Mumbai was unfavourable. There was heavy rainfall resulted in delay in data collection for a week.

Thus after two months time was given by AVP Marketing, since he was instrumental in driving the sales mainly the media marketing of Evening day. His views seemed important because he had seen ups and down just after acquisitions. So researcher was eager to listen to him. AVP thus was very responsive and supportive in this study. He was very open to talk and helped across the facilitating other people interview also.

After this few more people were met and interview process at Daily and Evening day got completed indeed.

The absence of people who researcher tried to meet during this study was the main concern. Travelling to distant place for an interview and when it was found that he was not available or a concerned person is out of town for few days was very depressing and expensive also. It has really been extremely difficult to manage the consistent travels financially.

Once, researcher got ready to start the data collection most of the people who were to be interviewed were not available for three days. These are the practical complications which were faced in this study.

**Unit of Analysis**

Post merger and acquisition cultural integration process of Organizations is unit of analysis.
Research Setting

The corporate offices of three companies taken are in Mumbai and Delhi. These two places would be research setting for researcher. Hence the corporate office for two companies are in Delhi (NCR) and of one company that is in Mumbai.

Sampling

Three cases have been selected where Mergers and Acquisitions have taken place. All three cases are from three different industry. The selection of cases for this study has been done conveniently. However, total 21 interviews have been conducted. The selection of respondents are purposive in all three companies. Those employees who could be useful in sharing their experiences have been identified purposefully in this study.

In Case one, initially senior management people who have been involved and are able to contribute into study through their experiences and learning during cultural integration process have been taken as respondents. However, at many occasions all senior people were not open to intercat as respondents thus in such cases only those who were convenient to participate in this study has been involved.

In case two also initially senior people has been interviewed, once the interview of senior people available completed, HR facilitated the interview with other employees who could have been useful for this study. People at junior level were more eager to know about the kind of study this is its usage and how this is going to help them. Researcher made them understood that this is an academic research and the advancement in existing knowledge will contribute to the broad side of industry rather then immediately impacting any individual.

In the same way in case three, initially Vice President level or national Head of particular area were interviewed. However this was based on their availability and readiness to participate in this
study. At few occasions they, some of them were not ready to interact. In such cases those who were ready to talk were interviewed and further other respondents were approached.

8. Data Analysis

The interviews has been recorded or scripted on note book. Thematic analysis have been done to interpret the data. Though proper care has been taken during transcription of data, in case of any confusion researcher revisited the respondents and confirmed the data.

A thematic analysis is a qualitative analytic method for identifying, analyzing and reporting patterns (themes) with in data. It minimally organizes and describes your data set in (rich) detail, however, frequently it goes further then this and interprets various aspects of the research topic (Braun and Clarke, 2006)\(^6\)

The Data collection process may be divided in four parts, one introducing to the organizations, responding to their communications, first round semi structured interview and second round semi structured interview.

Data collected have through audio recording and also through note book have been transcribed and they have been analyzed.

After transcription, the researcher tried to be familiar with the data carefully however, during data collection he has already been exposed to such data but transcribed data helped a lot to get introduced. Once the familiarization stage of data was crossed, initial codes of those data were generated. The coding was done in such a manner that it helps the theme searching. After that searching for various themes got started. Themes were identified based on research

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\(^6\) What is …Thematic Analysis, Sourced from https://www.jyu.fi/ytk/laitokset/ihme/metodifestivaali/ohjelma/torstai/littleton
questions. Themes were basically the data which came during data collection say during semi structured interview process.

Further, themes have been reviewed and thus they have been defined and naming has been made to facilitate the report. This process is exhaustive and takes time. Once the naming and definition phase was crossed, report was produced.

**Research Ethics**

The protection of respondents identity is one of the key characteristics of any research ethics. Also as per research ethics, prior permission must be taken before data collection. Prior permission has been taken as a response to research ethics. The name of the companies which have been taken as case have also not been disclosed. The names of respondents have also not been disclosed. Pseudonyms have been used for hiding the identity of respondents. During data collection, researcher has approached to various organization with a bonafide letter issued by Tata Institute of Social Sciences, Mumbai. It has been clearly mentioned in that letter that the data collected in this study will only be used for academic purpose. Researcher has carefully tried his best not to disclose the identity of respondents. No audio recording has been made at the places where respondents did not like the audio recording. In such cases only responses have been noted down on paper.
Limitations of this Study

The most important limitation in this study is that the findings can not be generalized like quantitative research in which its findings can be generalized to the population from where sample generally being drawn. This is a key concern in any qualitative study that too when the study is about understanding the cultural aspects. Every organization has distinct culture.

Among other limitations are hesitant nature of respondents at times. Thus those who participated in the data collection process willingly and interacted have been involved in this study and their views have been transcribed and analyzed.

The third limitation of this study is that few employees who were key persons in their department had left the organization before or just after the announcement of acquisition of acquiring organization. In such cases their subordinates who were present during data collection have been interviewed as it was presumed that they have experienced the process and their perceptions and narratives may be useful in this study.

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7 The hesitation among employees to speak was because they were apprehensive that some sensitive information may come out and that may be detrimental to both for them and organization also. In such cases they were ensured that this is an academic research not any commercial research. At many occasions respondents confirmed with HR also about permission for this study in their organization.