



<input checked="" type="checkbox"/>	Master's thesis
<input type="checkbox"/>	Licentiate's thesis
<input type="checkbox"/>	Doctor's thesis

Subject	International Business	Date	4.7.2008
Author(s)	Emilia Lujala	Student number	
		Number of pages	143
Title	Human resource management in cross-border acquisitions - Cultural assessment and integration planning		
Supervisor(s)	Ph.D. Niina Nummela, M.Sc. Laura Heinonen		

Abstract

Acquisitions have become an increasingly popular strategic choice for companies seeking to grow, expand and internationalize fast and efficiently. The popularity of cross-border acquisitions in particular, is growing rapidly. Yet, most acquisitions, cross-border and domestic, fail. The recent research on the subject seems to suggest that the reasons behind the high failure rates are human and culture related. Yet, the role of human resources and the influence of culture on acquisitions have rarely been studied in the context of cross-border acquisitions. Accordingly, the purpose of this study was to understand the role of human resource management in cultural integration during cross-border acquisitions. The critical aspects in the national and corporate culture that are considered during the cultural assessment before integrating cultures were examined as well as the role of the HR function in the strategy formation, cultural assessment and precombination planning. Finally, the culture's implications to the integration planning were considered.

A qualitative, multiple-case study was conducted for which two case acquisitions were chosen. The data was collected through eight semi-structure interviews. Additionally, documentation and archival records were used. A case-oriented cross-case analysis was conducted to analyze the results. The study found that the cultural assessment is made of the target company's universal organizational culture. National culture was not considered, but its influence as an underlying factor was recognized. In the organizational culture the structure, systems and processes, the decision making, communication and management, the relationships, style and dress code, as well as the tasks, rewards and people were investigated during the cultural assessment. Regarding the role of the HR function, the study found that the HR is only partially participates to the strategy formation, but is heavily involved in the cultural assessment and precombination planning. However, the cultural planning was found to be inadequate and a common action plan for the management of the cultural integration was missing.

The results of the study indicate that integrating cultures and companies is ultimately about leading change. As change causes similar reactions in all individuals, a global action plan is a viable, if not decisive, key ingredient in successful cultural integrations. Regarding to the role of HR, the study suggests that true proactivity in integrating cultures during acquisitions, is not only investigating the target culture and planning for the integration, it is also about enhancing an organizational culture that is genuinely enthusiastic and expective of change. Furthermore, it could be argued that the role of the HR function during the very first phases of the acquisitions is gaining significance as the need to manage the cultural aspects in acquisition integrations is acknowledged.

Key words	Cross-border acquisitions, cultural assessment, cultural integration, human resource management, organizational culture
Further information	

