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Title	HUMAN RESOURCE MANAGEMENT IN CROSS-BORDER ACQUISITION PROCESS – Viewpoint of HR responsible in acquiring company		
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Abstract

Acquisitions have increased dramatically during the past decades and they have also become part of everyday business life. Even though the financial crisis has slowed down the global M&A activity, it is expected to revive again. Acquisitions affect the lives of all the employees and they bring significant changes that require a great amount of adjustment.

The objective of this study was to *analyze human resource management activities and challenges in different phases of the cross-border acquisition process*. The objective of the study was further divided into three sub-objectives of identifying the HRM activities and challenges, identifying the level of involvement of the HR function in cross-border acquisitions, and analyzing how learning can be enhanced through management of these HRM activities.

The theoretical framework of this study was based on the three stages of the acquisition process, and this qualitative study was conducted by using a single-case design. The empirical data of this study was gathered by interviewing eight HR responsible in the case company. The three preliminary semi-structured interviews were conducted in October 2009. The main five semi-structured theme interviews of local HR responsible were conducted during February-March 2010.

According to the main findings of the study, there proved to be no clear HRM strategy in acquisitions. During the pre-combination stage, the involvement and contribution of the HR function is very limited or non-existent. There is very limited human due diligence done, as the focus is on financial and legal aspects. In combination and post-combination stage, human and task integration both influence the level of integration. The role of the local HR function tends to be more of a supportive one, in both the combination and post-combination stage.

In all the six case acquisitions, previous owners left the company because of the acquisition. The owners turned out to be the biggest obstructers of change; otherwise the feedback from employees after the acquisition has been positive. Also, the company has mainly maintained knowledge and customers after the acquisition. Importance of communication and leadership has been recognized after the deal has taken place. However, the role of the local HR function seems to be operative in acquisitions; where as the business and corporate HR function have a more strategic role. It could be concluded that there is a missing HRM toolbox and a full-scale HRM process in managing acquisitions. This issue was further enhanced by the local HR responsible pointing out need for training and information packages for managing acquisitions in order to enhance learning through previous acquisition experience. It remains an interesting topic to discuss whether the HR structure of the organization is related to the role that the HR function plays during the acquisition process.

Key words	HRM, cross-border acquisitions, HR function, learning
Further information	