

THE PERCEPTIONS OF HUMAN RESOURCE PROFESSIONALS IN  
FIVE THAI BANKS ABOUT THE HUMAN RESOURCE DEVELOPMENT  
COMPETENCIES AND PROGRAMS USED DURING  
THE MERGER AND ACQUISITION PROCESS

DISSERTATION

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## ABSTRACT

The purpose of this study was to investigate the perceptions of human resource professionals in five Thai banks about the HRD competencies and programs used during the merger and acquisition process. Twenty six HR professionals who were currently working in five Thai banks that had undergone mergers and acquisitions in the past five years responded to this study.

Structured phone interviews were administered to obtain qualitative data on the potential contributions of HRD programs in the four stages of the merger and acquisition process, and a questionnaire was administered to obtain quantitative data regarding the level of importance of and the human resource professionals' ability to perform HRD competencies in the four stages of the merger and acquisition process. Descriptive statistics, factor analysis, the hand coding technique, and the Pearson product moment correlation coefficient were used to analyze the relationships among the variables.

There were significant findings regarding the contributions of HRD programs in the four stages of the merger and acquisition process. The emerging two components found in factor analysis, the change management process and competence building encompass the four stages of the merger and acquisition process. Most of the contributions that HRD professionals perceive that they can make happened to be within the change management and competence building. The qualitative data revealed that cultural assessment and awareness training were the

most important of the HRD programs used in the four stages of the merger and acquisition process. Human resource professionals played important roles providing such as training and development and redesign in organization structure and work processes. The contributions of the HRD programs included reducing resistance to change and assisting employees to cope with change during the merger and acquisition process. Other contributions of HRD programs to the success of the mergers and acquisitions included redesign of organization structure and management practices and increased learning about the new cultural values and management practices of the new entity.

There was a significant finding regarding the relative importance of HRD competencies in the four stages of the merger and acquisition process. One significant finding was related to the human resource professionals' ability to perform HRD competencies during the integration and post merger and acquisition stages. A significant relationship was found between the level of importance of and human resource professionals' ability to perform HRD competencies in the four stages of the merger and acquisition process. The implication for human resource development theory is included, along with a recommendation for future research and practice.

This honest hard work is dedicated to my trusted God, who granted me the wisdom and prudence to learn, and to my beloved family.

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## CHAPTER I

### INTRODUCTION

Mergers and acquisitions have become an important business strategy to help improve organizational performance. In fact, mergers and acquisitions have been identified as one of the key strategies to help organizations to compete in the global economy (Cooper & Gregory, 2003; Daniel & Metcalf, 2001; Hitt & Pisano, 2004; Schmidt, 2002). Mergers and acquisitions are key driving mechanisms through which organizations attempt to sustain business growth and to increase their competitive advantage (Pablo & Javidan, 2004).

Mergers and acquisitions differ slightly from each other. Mergers refer to when two organizations willingly agree to collaborate with each other by joining their available assets, liabilities, and cultural values on a relatively equal basis across different businesses and industries. Indeed, “a merger is the joining and integration of two previously discrete entities” (Horwitz, Anderssen, Benzuidenhout, Cohen, Kristen, Mosoeunyane, Smith, Thole, & Heerden, 2002, p.1). In a sense, mergers can be viewed as the consolidation of two separate firms into a new entity (Schraeder & Self, 2003).

In contrast, acquisitions refer to when one organization buys and takes over the operations of another organization. Horwitz et al. (2002) state that an acquisition occurs when one firm acquires sufficient shares to increase the level of control and

gain ownership of another organization. Acquisitions are characterized as the actual takeover of one firm by another where the buyer obtains the ownership and maintains control over the new organization (Schraeder & Self, 2003). Acquisitions can occur in either a friendly or hostile environment, though hostile acquisitions are often reported more frequently in the popular literature.

As stated, mergers and acquisitions are a means by which organizations can better compete in a changing business environment. In fact, mergers and acquisitions are now the prevalent features of the multinational business system as companies attempt to strengthen their competitive advantage (Cooper & Gregory, 2003; Hitt & Pisano, 2004). To maintain market share and effectively compete in the global economy today, organizations need to find ways of becoming more flexible, adaptable, profitable, and efficient (Daniel & Metcalf, 2001; Shuler & Jackson, 2001). It is presumed that these goals can be achieved best through a merger or acquisition.

Organizations have reported many different reasons to merge or to acquire another company. Schmidt (2002) states that the underlying factors affecting the current activity in mergers and acquisitions include the broad themes of globalization, advanced technology, specific market forces, government regulations, and regulation of international world trade. However, the fundamental reason for the increased numbers of mergers and acquisitions is the need for organizations to become more competitive. The global economy has challenged organizations to more effective in terms of acquiring capital, advanced technology, and advanced knowledge (Daniel & Metcalf, 2001; Hitt & Pisano, 2004; Schmidt, 2002; Shimizu, Hitt, Vaidyanath, Pisano, 2004).

Companies engaged in a merger or an acquisition seek to gain a competitive advantage through the efficiencies gained by consolidating assets and resources (Schmidt, 2002). To succeed in the global economy, companies need access to new technology capability and innovation in order to build the effective networked structure between customer and other providers of product and services globally (Daniel & Metcalf, 2001; Schraeder & Self, 2003). The rapid changes of advanced technology will help simplify the business process and improve higher quality of products and services (Horwitz et al., 2002; Schmidt, 2002). In fact, the impact of advance technology has influenced the combined organization to acquire the right knowledge and skills required to perform future jobs. Employees' highly advance knowledge and highly skills are increasingly necessary and valuable to the new entity (Daniel & Metcalf, 2001; Javidan, Pablo, Singh, Hitt, and Jemison, 2004).

Consequently, combining organizations seemingly has more power in these areas than any one organization might have alone. Thus the practical reasons reported by many organizations to engage in mergers and acquisitions can be assigned to such outcomes as increased market positioning, reducing operational costs, and delivering superior performance to customers (Hitt & Pablo, 2004; Schmidt, 2002).

In the current global economy, mergers and acquisitions will likely continue to increase in frequency. Pablo and Javidan (2004) reported that the growth rate of mergers and acquisitions has increased substantially during 1990 to 2000. A ten percent increase was reported in the growth rate in North America, a 13 percent increase in the growth rate in Europe, and a 27 percent increase in the growth rate of Asia (Hitt, Ireland, and Harrison, 2004; Javidan, 2004; Siwower, 1997). Furthermore, research has shown that there were approximately 37,000 merger and acquisition

transactions globally with an increased value \$3.5 trillion (Pablo & Javidan, 2004).

Mergers and acquisitions generally occur along four separate stages, which include:

1. Pre-merger and acquisition,
2. Due diligence,
3. Integration, and
4. Post merger and acquisition (Daniel & Metcalf, 2001; Cooper & Gregory, 2003).

The first stage, pre-merger and acquisition, occurs when the organizations involved have decided that a mergers or acquisitions is the best way to achieve the intended goals. Pre-merger and acquisition stage is used to screen potential candidates for a merger or acquisition (Lafaix, 2002; Schmidt, 2002). In fact, pre-merger and acquisition process may vary based on the different characteristics of businesses and industries (Daniel & Metcalf, 2001; Lafaix, 2002). However, effective pre-merger and acquisition process should look far beyond the financial aspects of the potential target.

The second stage of the merger and acquisition process is known as due diligence. Due diligence is a process of analyzing and validating the deal and establishing the integration philosophy between the two combined organizations (Giffin, 2002). Due diligence places emphasis on the target's ability to maintain its performance after the deal is closed. Horwitz et al. (2002) stated that "due diligence is important to help determine an appropriate organizational structure and need for systemic and structural redesign, whether salient differences in corporate culture can be reconciled, and to identify issues which could place the mergers and acquisitions at

risk”(p.6). Poor due diligence planning will result in a lack of understanding of the differences between organizational cultural values and management practices (Giffin, 2002; Horwitz et al, 2002; Schmidt, 2002)

The third stage of the merger and acquisition process, integration, is the systematic planned change process of combining available resources, core business processes, people, cultural values, and technology for the new entity (Hitt et al., 2004; Giffin, 2002,; Schmidt, 2002). Three issues must be considered during the integration stage, including integration philosophy, available resources to support the integration process, and the integration time frame (Giffin, 2002; Daniel & Metcalf, 2001

The final stage of the merger and acquisition process is known as post merger and acquisition. Post merger and acquisition stage is actually an ongoing process of developing organization productivity, work processes, and individual performance (Hitt et al., 2004; Javidan et al., 2004; Waight, 2004). The primary areas of focus during the post merger and acquisition stage include retaining key employees, monitoring employee performance, implementing compensation plan, and developing employee’s performance (Cinanne, 2002; Leeamornsiri & Jacobs, 2003; Javidan et al, 2004). Daniel and Metcalf (2001) state that the post merger and acquisition stage emphasizes the development of programs that will help stimulate employees understanding toward the new company’s missions, cultural values, and core business strategy.

The relative success of mergers and acquisitions has been mixed. Indeed many mergers and acquisitions have ultimately failed to achieve the intended goals of the merger or acquisition. According to Schmidt (2002), Cisco has increased its revenues

more than 40 percent each year since 1990, mostly through mergers and acquisitions. DiGeorgio (2002) reported that GE has increased its financial success substantially through mergers and acquisitions for over 100 years since the company was established. More recently, GE has been credited as a company that was built through successful mergers and acquisitions (DiGeorgio 2002; Schmidt, 2002). Other high-profile mergers and acquisitions have involved Exxon, which acquired Mobile for \$80 billion, and BP which acquired AMOCO (Pablo & Javidan, 2004; Schmidt, 2002).

However, as stated, many mergers and acquisitions do not succeed. For instance, after the merger of AOL with Time Warner in 2001, the combined company, AOL-Time Warner, reported the loss of \$54 billion and failed to achieve their intended non-financial goals (Rein, Erez, and Maital, 2004). Recently, AOL-Time Warner is facing a shareholders' lawsuit because the firm's shares have fallen more than 70 percent in value (Schraeder & Self, 2003). Pak, Lee, and An (2002) reported that Daewoo-FSO lost \$540 million in 2000 after it acquired companies in Romania and Poland. Daimler-Chrysler has suffered from the merger when its stock price fell to one-half of its original share value, leading to significant employee layoffs (Nguyen & Kleiner, 2003). Research has shown that issues related to cultural incompatibility and differing management practices are among the most common factors for the failure of mergers and acquisitions (Daniel & Metcalf, 2001; Hitt et al., 2004; Schmidt, 2002)

In general, the reasons for the relative success or the failure of mergers and acquisitions have been studied extensively. Some scholars have taken a relatively unfavorable view of mergers and acquisitions, stating that they tend to diminish values of shareholders holdings rather than add more value to them (Pablo & Javidan,

2004; Sirower, 1997, Shimizu et al., 2004). Those authors estimate that the failure rate of mergers and acquisitions may be as high as 80 percent (Shuler & Jackson, 2001).

### Statement of the Problem

During the past few decades, mergers and acquisitions have become global phenomena used to help organizations consolidate and increase their market shares, increase their profitability, and gain a greater competitive advantage over their competitors. Mergers and acquisitions have become an attractive strategy to sustain business growth, to gain shareholders values, and to increase competitive advantage (Pablo & Javidan, 2004). Because of these various perceived benefits, the frequency of mergers and acquisitions among organizations has increased substantially (Javidan, 2004).

Unfortunately, not all mergers and acquisitions have been successful, and the reasons for this result point much not so much to financial factors as to the lack of integration of organizational cultures and other similar human factors (Schmidt, 2002; Eisenback, Watson, and Pillai, 1999). Schmidt (2002) reported that the compatibility of organizational culture was ranked as high as 80 percent as a failure factor in mergers and acquisitions. Buono and Bowditch (1989) reported that people issues and cultural incompatibility were the major causes of failure in the mergers and acquisitions.

A number of authors have proposed that the integration of cultural values, work processes, and management practices in organizations can be achieved through greater attention to the human resource development issues in the organizations

involved (Jeris, Johnson, and Anthony, 2002; McIntyre, 2004; Waight, 2004). In general, human resource development focuses on the organization's ability to learn from and adjust to change (Jacobs, 2003). How to ensure that individuals and groups have the required knowledge and skills to meet new expectations is critical for any organization, but might be even more critical for organizations involved in a merger or an acquisition (Jeris et al., 2002). In fact, several authors have proposed that critical human resource development issues need to be addressed during each of the four stages of the merger and acquisition process (Jeris et al., 2002; Leeamornsiri & Jacobs, 2003; Leeamornsiri & Lee, 2004; McIntyre, 2004; Shin, 2003; Waight, 2004).

It is increasingly evident that when human resource development issues are not addressed, organizations are more likely to suffer from increased cultural clashes, decreased ability to compete, and lessened ability to attract and retain talented employees. Incompatibility of cultures can create mismatches and unnecessary complexity among the organizations' goals, designs, and management (Burke, 2002; Cummings & Worley, 2001; Rummler & Brache, 1995). Cultural values are embedded in organizational structure and policy, which could reflect people's beliefs, norms, and work processes (Noe, 2002; Schmidt, 2002; Shuler & Jackson, 2001). Indeed, the difficulty in combining and modifying an organization's culture with another becomes quite a challenge during the merger and acquisition process ((Daniel & Metcalf, 2001; Schmidt, 2002; Kode, Ford, and Sutherland, 2003). Therefore, the compatibility of organizational culture between the combined organizations becomes a critical issue that influences the success or failure of cultural integration during the merger and acquisition process (Appelbaum, Gandell, Yortis, Proper, and Jobin, 2000; Leeamornsiri & Jacobs, 2003).



Although the implications of financial issues and business strategies in mergers and acquisitions are well documented, research on the potential contributions of human resource development during the mergers and acquisitions remains relatively limited (Jeris et al., 2002; McIntyre, 2004; Waight, 2004). Indeed, human resource development often becomes a critical factor that influences the success in mergers and acquisitions (Daniel & Metcalf, 2001; Jeris et al., 2002). Furthermore, McIntyre (2004) reported that mergers and acquisitions usually fail due to lack of human resource development involvement during the merger and acquisition process.

From the accumulated literature, one can conclude that failures in mergers and acquisitions will continue unless human resource development issues are adequately addressed during the process (Jeris et al., 2001; Leeamornsiri & Jacobs, 2003; Leeamornsiri & Lee, 2004; McIntyre, 2004; Waight, 2004). While there is a growing literature that addresses the relationship between mergers and acquisitions and human resource development, few if any studies have been conducted regarding this relationship among organizations in Asia, even though mergers and acquisitions have occurred in this region as much as any other globally.

If mergers and acquisitions have become a major way for global organizations to increase competitiveness, and if many mergers and acquisitions have often been shown to fail to achieve their intended goals, many of which because human resource development issues have not been addressed adequately during the process, then more needs to be known about the awareness of human resource professionals – especially those in the Asian region – about how they might contribute during a merger or an acquisition. Specifically, more needs to be known about their use of human resource development competencies and programs during the four stages of the mergers and acquisitions process.

The purpose of this study is to investigate the perceptions of human resource professionals in five Thai banks about the human resource development competencies and programs used during the merger and acquisition process.

### Research Questions

The following research questions will be discussed in this study:

1. What are the perceptions of human resource professionals about the potential contributions of human resource development programs during the merger and acquisition processes?
2. What are the most important of the human resource development programs you used as a part of the merger and acquisition process?
3. What is your role in administering and supervising these human resource development programs?
4. What are the usefulness of human resource development programs implementing during the merger and acquisition process.
5. How important have the human resource development programs been for the success of the mergers and acquisitions in your experience?
6. What are the perceptions of human resource professionals about the importance of human resource development competencies during the merger and acquisition processes?
7. What are the perceptions of human resource professionals regarding their ability to perform human resource development competencies during the merger and acquisition processes?

8. What is the relationship between the perceived level of importance and ability to perform human resource development competencies among human resource professionals during the merger and acquisition processes?
9. Is there a relationship between experience in human resource development and the ability to perform human resource development competencies during the merger and acquisition processes?

### Significance of the Study

This study will have implications for both human resource development theory and practice. There are four major implications for human resource development theory. First, human resource development theory is an applied field and multidisciplinary by nature that provides broader perspectives to help explain the phenomenon of the mergers and acquisitions. As multidisciplinary, human resource development theory will be useful to help simplify each of the four stages of the merger and acquisition process. As a result of simplification, the effectiveness of the combination among cultural values, work processes, and management practices between the organizations will be significantly increased.

Second, human resource development theory offers a unique perspective on reality and means to work in complex and simultaneously changing environment in mergers and acquisitions. To succeed in the current global economy, the ability to learn and adapt to change in a competitive changing environment is essential for the combined organization. The implications of human resource development theory will provide a systematic planned change process to support organization's transition toward the change and to reduce resistance to change during the merger and acquisition process.

Third, human resource development theory can be use as the navigator systems that help pinpoint the potential problems more accurately during the merger and acquisition process. Human resource development theory will provide better solutions to deals with the most current issues and unresolved problems of the mergers and acquisitions.

Finally, the study has implications for human resource development theory in terms of generating new knowledge and theory about the relationship between mergers and acquisitions and human resource development. Currently, mergers and acquisitions phenomenon have suffered due to lacking of sufficient knowledge and well developed theoretical frameworks (Cooper & Gregory, 2004; Hitt et al., 2004; Javidan et al., 2004). Therefore, the theory of human resource development can add more values to the mergers and acquisitions when human resource development scholars are engaging in more research in the field of the mergers and acquisitions. As a result, human resource development theory and research will help generate new knowledge, provide sophisticated methodologies, and offer alternative theoretical frameworks that are successfully strengthen the field of the mergers and acquisitions.

There are four implications of the study for human resource development practice. First, this study will increase the awareness of merger and acquisition issues between human resource development practitioners and management. In addition, the increasing awareness of mergers and acquisitions will help identify the appropriate roles of human resource development professionals during the merger and acquisition process. The strategic roles of human resource development professionals during the mergers and acquisitions include strategic partner, change agent, functional aligner, problem solver, and consultant.

Second, human resource development involvement in the four stages of the merger and acquisition process is important to incorporate new cultural values, work processes, and management practices between the two combined organizations. In fact, human resource development competencies during the four stages of the merger and acquisition processes help organizations achieve the intended goals of the mergers and acquisitions. Recognition of the significance of human resource development competencies during the four stages of the merger and acquisition processes is necessary to help the organization bridge the gaps of cultural differences, work processes, and management practice between the two combined organizations.

Third, the implications of human resource development competencies during the four stages of the merger and acquisition processes will enhance the level of competitive advantage and lead to specific outcomes that benefit the financial bottom line of the organization.

Finally, the study has implications for human resource development practice in terms of the adoption and utilization of human resource development programs during the four stages of the merger and acquisition process to strengthen the organization's fundamental values and management practices effectively. The contributions of human resource development programs during the four stages of the mergers and acquisitions will help the combined organization to attract and retain talented employees and increase employee's satisfaction. Positive impact of human resource development programs is a key driving mechanism that highly influences individual performance and organization productivity in the mergers and acquisitions.

## Operational Definition of Terms

The following key terms are operationally defined for use in this study.

### Human Resource Development

Human resource development is a functional process of developing and unleashing organization performance, work processes, and individual performance through human resource development components include training and development, organization development, career development, and performance management. There are three functional components of human resource development include training and development, organization development, and career development ( Jacobs, 1989; Jeris et al., 2002, Swanson & Holton, 2001).

### Merger

Merger refers to the willing incorporation of two organizations to integrate their cultural values, products and services, operations, assets, technology, and key employees on a relatively coequal basis across different businesses and industries. Mergers are commonly characterized as two organizations which willingly agree to collaborate in the incorporation of available assets, liabilities, and cultural values on a relatively equal basis across different businesses and industries.

### Acquisition

Acquisition refers to the corporate buy- out of a controlling interest in another organization or business takeover. Generally, acquisitions can occur in both friendly and hostile environments.

### Merger and Acquisition Processes

Merger and acquisition processes are referred to according to the four stages that occur to achieve the intended goals of mergers and acquisitions. The four stages

of the merger and acquisition processes include pre merger and acquisition, due diligence, integration, and post merger and acquisition.

### Cultural Fit

Organization culture can be defined as a mindset of people's norms, beliefs, values and principles. Thus, an organization's cultural values can be reflected in the business policy, mission statement, organizational structure, and strategic planning. Cultural fit refers to the level of compatibility or fit between two organizations.

### Competencies

Competencies refer to areas of personal capability that enable individual to perform their jobs successfully and achieve desired outcomes. Competency can be viewed as a characteristic which reflects individual knowledge, skills, ability, attitudes, and social roles.

### Limitations of the Study

The researcher recognizes that there are some factors outside of his control which may limit the findings of this study. The researcher has recognized the following limitations as being viable:

1. This study may be limited by the knowledge, experience, and understanding of human resource development programs and competencies during the four stages of the merger and acquisition processes among human resource professionals in five Thai banks that had undergone mergers and acquisitions in the past three years.
2. This study may be limited by the culture and climate in the organization, which may have influenced the perceptions about human resource

development competencies and contributions during the four stages of the merger and acquisition processes.

3. This study may be limited by the small size of the available population of human resource professionals among five Thai banks that had undergone mergers and acquisitions in the past three years. Thus, a longitudinal study with a larger population size needs to be conducted for future study.



## CHAPTER 2

### REVIEW OF THE LITERATURE

This chapter is divided into four sections. The first section reviews the literature on mergers and acquisitions. The second section discusses human resource development theory and practice. The third section discusses the change management process and the significance of the influence of its relationship to the merger and acquisition process, and implications of human resource development on the success of mergers and acquisitions. The final section describes the conceptual framework of the study.

#### Mergers and Acquisitions

This section is divided into three parts. The first part describes the history of mergers and acquisitions. The second part discusses the rationale for mergers and acquisitions. The final part presents the four stages of the merger and acquisition process.

##### History of Mergers and Acquisitions

Mergers and acquisitions constitute one of the most attractive business strategies that are increasingly adopted and utilized among organizations today. Javidan et al. (2004) defined mergers as a process of combination of the assets, cultural values, and management practices of two separate organizations to form a

new entity. In contrast, acquisition, which is widely known as a business takeover, is the process of buying out another business (Daniel & Metcalf, 2001). The core external factors driving the phenomenon of the mergers and acquisitions are global economy, advanced technology, specific market forces, and government regulations (Schmidt, 2002).

The history of mergers and acquisitions consists of six waves, which can be categorized as follows:

1. The first wave of the mergers and acquisitions. The mergers and acquisitions of the first wave, widely known as monopoly mergers and acquisitions, were predominant from 1897 to 1904 (Schmidt, 2002). The core factors underlying the strategy of the predominant monopoly mergers and acquisitions were technological and economic development. These two factors created a market monopoly by a few dominant companies for specific businesses and industries that effectively supported the market demand, for instance, a big project for construction of transcontinental railroads, electricity, and innovations to support production processes (Schmidt, 2002). Overall, a major characteristic of the first wave of mergers and acquisitions was that they could be recognized as horizontal mergers and acquisitions. Indeed, the end of the first wave of the mergers and acquisitions coincided with the great economic recession in 1903, as seen in the following:

- Failure in mergers and acquisitions due to inadequacy of the integration of the two combined organizations,
- The stock market crash in 1904, and
- An anticompetitive merger and acquisition decision by the Supreme Court in 1904 on the Sherman Act that led to a slowdown in the mergers and acquisitions phenomenon.

2. The second wave of mergers and acquisitions. A second wave of the mergers and acquisitions, widely recognized as oligopoly mergers and acquisitions began in 1916 and continued through 1929 (Javidan, 2004; Schmidt, 2004). The emergence of the mergers and acquisitions in the form of the oligopoly was influenced by the post World War I era, especially the beginning of economic boom and technological development (Daniel & Metcalf, 2001). As stated above, the increasing urgency of the demand for world recovery in the post War period was an emerging theme that sustained the continued development of transportation by railroad and other vehicles (Schmidt, 2002). In addition, government encouraged businesses and industries to work collaboratively after World War I, maintaining this policy till 1920. Overall, the characteristics of the second wave of the mergers and acquisitions were the following:

- Most mergers and acquisitions represented vertical mergers and acquisitions among businesses and industries to form oligopolies.
- The primary focus of mergers and acquisitions was the production of metals, petroleum, food products, chemicals, and transportation.
- Increased business investment in the banking system played a major role in strengthening the financial security of business organizations.

The major reasons for the end of the second wave of the mergers and acquisitions were the great depression and the stock market crash of 1929 (Javidan, 2004).

3. The third wave of mergers and acquisitions. The third wave of the mergers and acquisitions began in 1965 and continued until 1969, and was recognized as the formation of the business conglomerate (Schmidt, 2002). Mergers and acquisitions for the conglomerate were primarily influenced by economic development, high

interest rates, increase in stock prices, and advanced scientific development (Hitt et al., 2004; Lees, 2003). Overall, the characteristics of the third wave can be understood as the following:

- The primacy of the business conglomerate form of mergers and acquisitions,
- Advances in scientific development as in the aerospace business made use of mergers and acquisitions increasingly attractive.
- Most management and CEOs in firms were interested in becoming business conglomerates;

The major reasons for the end of the third wave of the mergers and acquisitions were significant change in the law with the William Acts and the Tax Reform Act, and, subsequently, the majority of business conglomerates failed to produce sufficient products and services to meet their production goals (Schmidt, 2002; Javidan, 2004).

4. The forth wave of mergers and acquisitions. The fourth wave of the mergers and acquisitions took place from 1981 to 1989 and was recognized as the mega-merger (Schmidt, 2002). The core underlying factors which led to the mega-merger were economic development, development of technology, the global economy, government deregulation, and innovative financial programs (Hitt et al., 2001; Lees, 2003). As a result of the failure of business conglomerates discussed earlier, the fourth wave of the mergers and acquisitions emphasized investment in the banking system in order to increase the competitive advantage of the innovative financial development programs. Overall, the characteristics of the fourth wave of the mergers and acquisitions included takeover or buyout of foreign businesses and industries and cross border mergers and acquisitions. Cooper and Gregory (2004) stated that the significance of the mergers and acquisitions was greater than it had been in the past.

As could clearly be seen, oil and gas industries were dominant in the early 1980s, while pharmaceuticals were an important phenomenon of the late 1980s.

The major influences which brought about the end of the fourth wave of the mergers and acquisitions were the following:

- New legislation, especially the Financial Institutions Reform and Enforcement Act of 1989;
- An increase in anti-takeover action in 1989 as a result of the new legislation; and
- The outbreak of the Gulf War between the United States of America and Iraq.

5. The fifth wave of mergers and acquisitions. The fifth wave of the mergers and acquisitions dated from 1992 to 2000, and the processes were widely known as strategic restructuring (Daniel & Metcalf, 2001; Schmidt, 2002). The core underlining factors that brought about strategic restructuring were economic development, a rise in stock market prices, technological development, growth in the global economy, and government deregulation (Hitt et al., 2001; Javidan, 2004).

Overall, the predominant characteristic of the fifth wave was emphasis on the ongoing process of organizational development as a long term strategy rather than immediate financial gain. The major reasons for the end of the fifth wave of the mergers and acquisitions were economic recession and the stock market crash of 1997.

6. The sixth wave of mergers and acquisitions. The current trend in mergers and acquisitions is considered the sixth wave. Schmidt (2002) stated that the sixth wave might be known as business retrenchment. Based on their empirical research, Tower Perrin of SHRM (2002) reported that the important reasons for retrenchment were global economy, technological development, specific market forces, and government

regulations. Overall, the characteristics of the sixth wave of the mergers and acquisitions can be seen as the following:

- Emphasis on organizational retrenchment and downsizing strategies to cut costs;
- An increase in mergers and acquisitions in the banking industry, advanced technology, pharmaceuticals, and global energy sources such as natural oil and gas;
- Emphasis on a higher quality of products and services;
- Emphasis on the ability to provide customers with a broader range of products and services;
- Emphasis on a significantly lower cost of production and lowering expenses;
- Emphasis on speed in business competition;
- Emphasis on the control of power generating assets to support high volume power trading operations.

Schmidt (2002) suggested that traditional mergers and acquisitions can be grouped into three categories as follows:

1. Horizontal mergers and acquisitions. The horizontal type of mergers and acquisitions normally occur among competing firms within the same business and industry.
2. Vertical mergers and acquisitions. The vertical type of mergers and acquisitions normally occurs among different businesses and industries.

Vertical mergers and acquisitions include firms of buyers, sellers, client, suppliers, and value chain linkages (Javidan, 2004). Cross border mergers and acquisitions are a good example of the vertical mergers and acquisitions.

3. Conglomerate mergers and acquisitions. Conglomerate mergers and acquisitions normally occur among firms in unrelated businesses and industries, and this category includes cross border mergers and acquisitions (Hitt et al., 2004).

### Rationale for Mergers and Acquisitions

Mergers and acquisitions are a global organizational phenomenon that has been increasingly used to consolidate markets, increase profitability, and gain competitive advantage (Daniel & Metcalf, 2001; Javidan, 2004; Schmidt, 2002). The current trends of mergers and acquisitions are influenced by how businesses are effectively operating and surviving in a changing competitive environment (Hit et al., 2001). The major question to be asked about mergers and acquisitions is why do firms continue to merge and to acquire? The rationale for these practices from theoretical economic and financial perspectives is that firms merge and acquire to increase their competitive advantage, increase the organization's stock values, and reduce production and operational costs (Horwitz et al., 2003). In fact, mergers and acquisitions are a current business phenomenon used by most multinational business systems as a means by which the companies attempt to strengthen their competitive advantage in the global economy (Cooper & Gregory, 2003). To maintain market share and compete effectively in the global economy today, organizations are required to be more flexible, adaptable, profitable and efficient (Daniel & Metcalf, 2001; Shuler & Jackson, 2001).

Therefore, the underlying factors in the current mergers and acquisitions strategy which lead to business retrenchment include globalization, advances in technology, specific market forces, government regulations, and regulations affecting international world trade and the standardization of society (Shuler & Jackson, 2001;

Schmidt, 2002). The rationale for mergers and acquisitions will be discussed in the following section.

First, globalization has increased rapidly through a global process of exchange and transfer of products and services (Cianne, 2002). Currently, the global economy has forced organizations to be more effective in terms of acquiring more capital, use of advanced technology, and perceived of knowledge for innovation through mergers and acquisitions (Daniel & Metcalf, 2001; Schmidt, 2002). The mergers and acquisitions have enabled the new combined organization to gain more power through utilization of the networked structure to preoccupy the market, reduce operational costs, and deliver a superior performance. (Hitt et al., 2004; Schmidt, 2002).

In fact, conglomeration has become predominant among the merger and acquisition phenomena of the past decades (Javidan, 2004). The conglomerate places emphasis on strengthening the financial aspects of the combined entities and occupying a broader range of products and services in the current market. Empirical research has suggested there is significant correlation between the scale of the new combined organization and its maintenance of a high performance standard (Hitt & Pisano, 2004; Salz, 2004). The combined organization will be financially stronger than the separate companies were (Davenport, 2002; Hitt & Pisano, 2004). Javidan (2004) has suggested that the combination of available capital, new technology, and knowledge that brings about innovation has been shown to successfully create a well networked business structure among different businesses and industries globally. Large organizations have the power to utilize their networked structure to occupy more of the market and to deliver a superior performance compared to separate small single entities (Hitt & Pisano, 2004).



Conversely, several empirical research studies have such shown some limitations and significant disadvantages of a very large scale business, so the conglomerate may not be guaranteed a long term competitive advantage (Hitt et al., 2004; Pablo & Javidan, 2004).

If the success of mergers and acquisitions and the effectiveness of the new organization's performance does not depend solely on scale and the size advantage of the new combined organization, then the collaboration among businesses and industries should focus on the effectiveness of business restructuring and retrenchment. Retrenchment or downsizing emphasizes cost reduction, restructuring of the business, and speed in competition (Davenport, 2002; Hitt & Pisano, 2004; Schmidt, 2002). Empirical research by the SHRM showed a high potential failure associated with large scale merger and acquisition activities, such as those of AOL Time Warner and Tyco, which have resulted in decreased shareholder values and less business growth (Schmidt, 2002). Thus, organizations are facing a major challenge in the larger scale resulting from the mergers and acquisitions that have occurred globally in a changing competitive environment.

Second, technological development has produced important tools that provide the linkage for an effective business network among different businesses and industries globally. Technology can be viewed as the vehicle and navigator system that enables the combined organizations to strengthen their business capacity to compete in the global economy (Davenport, 2002; Javidan, 2004). Indeed, the rapid change in the new technology has influenced the organizations' operational costs and their capacity for a networked structure (Hitt & Pisano, 2004). Technological development helps the combined organization increase its ability to provide customers

with a broader range of products and services (Schmidt, 2002). In fact, advances in technology can help the combined organization to simplify its work processes and deliver superior performance in a timely manner (Jacobs, 1990; Rummler & Brache, 1995). In order to strengthen the organization's capability, utilization of advanced technology to generate knowledge innovation is a primary goal. For example, empirical research has shown the remarkable success of Cisco System and its technological development since 1990 when Cisco System acquired other firms that had advanced technology (Schmidt, 2002). As a result of its utilization of advanced technology, Cisco System has strengthened its production and services capabilities so that it can compete effectively in the rapid changing global economy (Hitt & Pisano, 2004; Javidan, 2004). Greenberg & Guinan (2004) reported on the basis of their empirical research that the important technology development industries include electronics, computer software, biotechnology, and pharmaceuticals. These technology development industries have been ranked among the top 10 industries involved in active mergers and acquisitions that have occurred globally since 1995 (Javidan, 2004; Schmidt, 2002). As stated earlier, mergers and acquisitions are an attractive growth strategy because they allow a firm to acquire and quickly integrate advanced technology and knowledge innovation. And technological development enables organizations to successfully preoccupy markets and increase shareholder values (Hitt et al., 2004).

However, according to Schmidt (2002), there is no specific philosophy or formula that will accommodate all merger and acquisition situations. Thus, it is necessary to focus on the right philosophy and strategy to support the specific objectives that need to be achieved from the time and expenditure that management of

the new combined entity is planning to invest during the specific merger and acquisition process. According to the Tower Perrin SHRM (2002), research has shown the relative advantages and disadvantages of business growth through mergers and acquisitions, which are summarized in the following table:

| Pros   | Cons  |
|--|---|
| - Speed of management practices and business strategy implementation | - Cost of acquisition (premiums over market value)                            |
| - Quick access to complementary assets                               | - Dealing with unnecessary costs and business related issues.                 |
| - Removal of potential competitors                                   | - High risk of organization cultural clashes that weaken business performance |
| - Significant increase of corporate resources and market shares.     |   |

Figure 2.1. Mergers and Acquisitions Strategy (Adapted from Tower Perrin Research, 2002).

| Pros  | Cons  |
|---|---|
| - Manageable incremental risk   | - Slow to implement especially large scale investment programs                                      |
| - Compatible with culture and existing management and organization capabilities | - Need for building new resources and employees' competencies<br>- Employees' resistance to changes |
| - Encouraging entrepreneurship and accountability                               | - May add to industry capacity (leading to pricing pressures)                                       |
| - Founded with internal investment  | - Entry cost can be difficult to recoup in case of failure in mergers and acquisitions.             |

Figure 2.2: Internal Growth Strategy in Mergers and Acquisitions (Adapted from Tower Perrin Research, 2002).

Schmidt (2002) suggested that use of an internal growth strategy may not have the expected outcome. Indeed, the negative impact from an internal growth strategy based on mergers and acquisitions may be the generation of greater cost, risk, and inefficiency for the two combined organizations. In fact, internal development through mergers and acquisitions is an ongoing process of improvement that may take longer than improvement without these processes and require more resources.

#### Four Stages of the Merger and Acquisition Process.

Traditionally, the cycles of mergers and acquisitions are comprised of four stages: pre merger and acquisition, due diligence, integration, and post merger and acquisition (Daniel & Metcalf, 2001; Hitt & Pisano, 2004; Jeris et al, 2002). Schmidt (2002) proposed that the merger and acquisition process are comprised of pre-deal, due diligence, integration planning, and implementations.

The four stages of the merger and acquisition process will be discussed in the following section.

1. Pre- merger and acquisition stage. This first stage is known as pre merger and acquisition, and begins with a screening process based on criteria for selection of a potential target organization for merging or acquiring. Schmidt and Lafaix (2002) suggested that an effective screening process for selection of a potential target organization should not focus only on the financial aspects in the pre merger and acquisition stage. In fact, research on mergers and acquisitions has suggested that organization issues and people issues become essential in that they strongly influence the success of mergers and acquisitions (Daniel & Metcalf, 2001). Schmidt (2002) stated that most merger and acquisition processes fail to capture the core issues of

organizational and human aspects that affect the relationships between the two combined organizations due to the inadequacy of the process for scanning the potential target organization during the pre merger and acquisition stage. The failure of mergers and acquisitions can be seen to occur when an organization has selected the wrong organization to merge with or acquire, with resulting incompatibility of cultural values, clashes in management practice, and loss of key talent (Schmidt & Lafaix, 2002). According to Tower Perrin analysis and research conducted by the Society of Human Resource Management (2002), the involvement of HR professionals in the pre merger and acquisition stage is critical to addressing the scanning process successfully and to prevent failure due to the inadequacy of the screening and selection process during the pre merger and acquisition stage. The screening process and criteria for selection of potential target firms are reviewed in the following:

| Screening and selection criteria | Issues  |
|----------------------------------|---|
| <b>Organization issues</b>       | <ul style="list-style-type: none"> <li>• Backgrounds and management style of corporate officers</li> <li>• Formal reporting structure (centralized, decentralized) and use of titles</li> <li>• Cultural values</li> <li>• Organization structures and systems</li> <li>• Shape and type of organization structure (matrix, functional, product/market, etc).</li> <li>• Ratio of line/staff or other measures of staff intensity</li> <li>• Informal reporting structure and integrating mechanisms</li> <li>• Detail or design, resources, capabilities, and effectiveness of specific functions, such as sales and marketing organization</li> </ul> |
| <b>People issues</b>             | <ul style="list-style-type: none"> <li>• Demographics of the workforce, significant trends of the workforce</li> <li>• KSAOs base, education level, skills level, amount of training, development activities and attitudes toward jobs</li> <li>• Reward systems/compensation systems (philosophy, system, and structure)</li> <li>• Accountability measurement and other people processes.</li> <li>• Workforce engagement and commitment level</li> <li>• Employee relations and union status</li> <li>• Areas of current work tension</li> <li>• Legal agreement (e.g., Consent agreement)</li> </ul>  |

Figure 2.3. Screening Process and Selection Criteria (Adapted from Tower Perrin analysis/SHRM research (2002).

Unfortunately, empirical research has shown that human resource development professionals are seldom involved in the pre merger and acquisition stage (Schmidt, 2002; Waight, 2004). Jeris et al. (2001) suggested that the human resource development function of cultural assessment is adequate in addressing the core issues in the process of screening and selection to identify the most compatible of the potential targets during the pre merger and acquisition stage. Moreover, human resource development professionals should assist the pre merger and acquisition team to provide a broader view of organization issues and human aspects relevant to successful mergers and acquisitions.

2. Due diligence stage. Generally, due diligence is the process of planning and validating the agreement between the two organizations to be combined. Giffin (2002) suggested that the due diligence process is comprised of multiple purposes, including the following:

- Planning and verifying to resolve issues in the merger and acquisition deals and to meet the expectations of the two organizations to be combined;
- Analyzing organization issues and people issues between the two organizations to be combined, including employment retention and cultural compatibility;
- Planning change in the management process for the integration stage.

However, the primary focus of the human resource development aspect during the due diligence stage is analyzing and planning for resolution of organization issues and people issues. In fact, the people issues include management practices, the performance management system, training and development programs, reward and compensation programs, and organization cultural values (Jeris et al., 2001; Schmidt,

2002). Indeed, human resource development professionals should carefully analyze and validate issues of compatibility to determine how the new entity's key employees will respond to significant changes during the merger and acquisition process (Javidan, 2004).

Daniel and Metcalf (2001) suggested that employee selection processes become a critical issue in mergers and acquisitions because organizations are human made entities and organization goals can be achieved through employees' competencies. The key employees are those who have the competencies necessary for the jobs which currently contribute the most value to the organizations and those who are difficult to replace. Preparing the human capital of the new organization to move in the direction desired in the future involves identifying and positioning employees with the right competencies. Daniel and Metcalf (2001) stated that careful screening of employees to select people who were compatible with the new combined organization would increase the success of mergers and acquisitions.

3. Integration stage. The integration stage can be viewed as a systematic process of planned change and development toward further change during the merger and acquisition processes. The integration stage is focused on change and integration in the organization's system, structure and management practices. In addition, the integration stage includes redesigning work processes to assign new roles and authority to employees (Cianni, 2002; Hitt et al., 2004). Empirical studies have shown that the speed of integration can become a critical factor determining the success of mergers and acquisitions (Daniel and Metcalf, 2001; Schmidt, 2002). Delay in the integration process can create unnecessary ambiguity, employee anxiety, and uncertainty throughout the organization (Appenlbaum et al., 2000; Daniel &



Metcalf, 2001; Horwitz et al., 2002). Moreover, Davenport (2002) stated that the integration stage has been recognized among human resource scholars and practitioners to be the most important stage among the four stages of the merger and acquisition processes because the different cultural values, management practices, organization policies and work processes of the two companies need to be integrated and combined to achieve the merger and acquisition goals. Cianni (2002) suggested that the integration process should focus on the following issues:

- Organization structure: The organization structure can be either decentralized or centralized. The new design of the organization structure should focus on how the newly combined organization systems and structure can be designed to support the organization's goals, missions, strategies, and management practices.
- Processes: Obviously, the integration process is focused on the process of systematic planned change and development required during the mergers and acquisitions. The core management processes can be seen in the relationships among work related behaviors, standards governing the work process, benchmarks of the work process, and process goals (Rummler & Brache, 1995).
- People: The job performance level is focused on how the employee corresponds to work process goals and standards so that his or her performance and work related behaviors are aligned consistently with the goals of the organization as a whole (Jacobs, 1989; Rummler & Brache, 1995; Schmidt, 2002). At this integration stage, human resource development professionals should focus on the development of appropriate job roles and authority for employees, and on the duties, tasks, and steps that will allow

them to perform their jobs successfully. In addition, integration plans should focus on the performance management system and compensation programs, including performance appraisals, executive compensation, benefits, retirement, a health and welfare plan, and bonuses and other incentives (Daniel & Metcalf, 2001; Schmidt, 2002). Human resource development programs in training and development are particularly important for improving employee performance and ensuring that employees will have the competencies required for future jobs (Jacobs, 1989; Swanson & Holton, 2001).

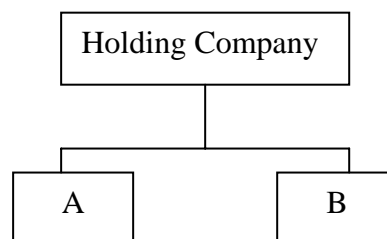
- Culture: Organization culture can be defined as a predisposition of beliefs, philosophy, values, and norms. The cultural values of each organization involved in mergers and acquisitions may differ depending on the uniqueness of the organizations' culture, climate, and management practices (Cianni, 2002). An organization's culture is shaped by its management practices, which determine how employees are promoted and rewarded and what work-related behaviors are required and valued (Hitt et al., 2004). Furthermore, human resource development professionals should help the organization to determine what cultural values and management practices will be the most successful for the two combined organizations.
- Technology development: Empirical research has shown that among the necessary changes the management process related to technological development, it requires the greatest effort and a long time to implement and that they may lead to excessive implementation costs if human resource development professionals do not adequately address the need for training and development programs during the integration process (Schmidt, 2002).

However, failure to redesign and implement an advanced technology integration plan could seriously affect work processes, cause a decrease in the quality of products and services, and lead to higher operational costs.

Moreover, Cianne (2002) suggested that the organizational issues should focus on the processes of integration of human capital and change management during the merger and acquisition process. In fact, the change management process involves a new design for the entire combined entity and focuses on organization structures, organization systems, and management practice and policy (Burke, 2001; Cumming and Worley, 2001; Rummler and Brache, 1995; Swanson and Holton, 2001). The process of change at the level of the business unit involves developing and benchmarking work processes in each business unit to enable employees to perform their jobs in the most efficient way (Cianne, 2002; Rummler and Brache, 1995).

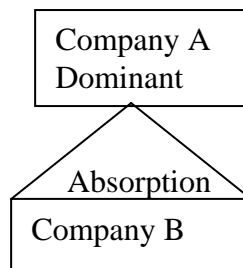
Theoretically, integration in the mergers and acquisitions falls into four types, which are distinguished by their distinctive characteristics: limited integration, dominant company, mutual best of both, and transformation to a new entity (Schmidt, 2002).

The characteristics of the four types of integration during the merger and acquisition process will be discussed in the following:

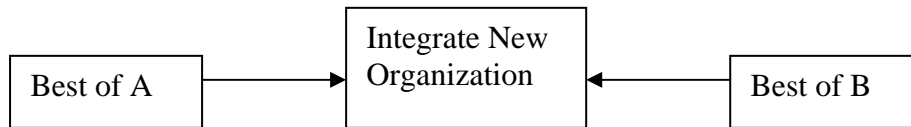


1. Limited integration. In mergers and acquisitions characterized by limited integration, the two companies will be seen as one existing company.

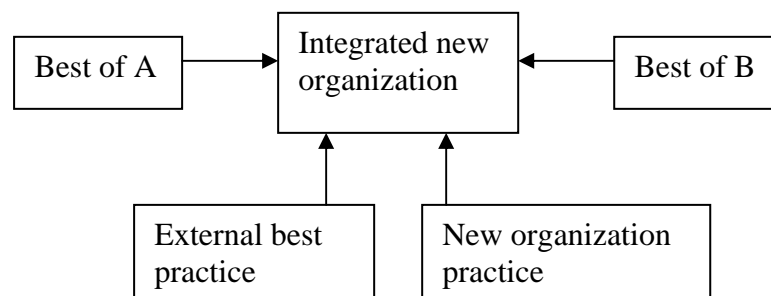
Generally, limited integration occurs when the merging and acquiring organizations maintain the core principles of their organization structure, system, management practices and work processes. The rationale for limited integration is that it is possible to increase the diversity of businesses and industries through such an alliance. Schmidt (2002) stated that forming strategic alliances is one of the types of integration business strategies that Cisco System has utilized this type of integration to analyze and to select potential organizations during the pre merger and acquisition stage.



2. Dominant company. A single dominant company normally acquires the balance of ownership of the combined entity. The dominant company views this kind of integration as a form of absorption strategy, which means one organization conforms to the practices of the other firm during the merger and acquisition processes. Generally, the dominant company emerges when one organization completely dominates in the combined entity in terms of the organization structure, business processes, management practices, cultural values and philosophy, and policy (Cianni, 2002). The rationales for one dominant company include cost saving, increased competitive advantage, and efficiency in building a larger organization (Schmidt, 2002).



3. Mutual best of both. The form of integration characterized as mutual best of both can be viewed as a combination of two separate organizations to form a new entity. Generally, mutual best of both occurs when the two combining organizations join together and change their identity to become one new entity (Daniel & Metcalf, 2001; Schmidt, 2002). The integration process as a process of constructing a new entity entails setting new objectives, developing a new organization structure and system, implementing new management practices and new work processes, and putting new technology to use. The rationales for mutual best of both are that, by combining, the two organization can strengthen the organization's financial capacity, improve market positioning and gain a greater competitive advantage (Schmidt, 2002).



4. Transformation to become a new company. The integration described as transformation to a new company is characterized by an ultimate change of identity for the combined organizations along with adoption of the external best practices and implementation of new organization practices during the process of

merger or acquisition (Cianni, 2002). During the integration stage, the combined organizations attempt to integrate a new business model, to redesign the benchmarking for work processes and implement new technology, and to apply new management practices (Javidan, 2004). The rationales for such a transformation to a new company are that competitive advantage can be enhanced, advanced technology can be utilized, and a broader scope and better quality of products and services can be provided (Schmidt, 2002).

4. Post merger and acquisition stage. The post merger and acquisition stage involves the ongoing processes of developing the new organization staffing, retaining key employees, monitoring employee performance, implementing a compensation plan, and developing employees' competencies (Cianne, 2002; Denial & Metcalf, 2001). The developing and redesigning of the new organization is influenced by the components of the new organization systems, structures, cultures, and management practice as described in more detail in the following:

1. **People:** The people issues are focused on identifying the competencies required for performance of current and future jobs. Employee competencies that enable employees to perform their jobs in the most efficient way are essential.
2. **Culture:** The organization's cultural values are embedded in employees' beliefs, norms, and individual preferences. Organization culture is normally shaped by the management practices, which define the desired work environment.
3. **Process:** The work process can be seen as specific work related procedures that employees are required to follow to achieve a specific outcome (Rummler and Brache, 1995). An employee's job roles, authority, and responsibilities

related to major activities in the core work processes are major driving mechanisms of the outcome.

In fact, Cianne (2002) suggested that employee involvement can be used to develop employee attitudes and work related behaviors. Human resource development professionals should encourage employees to be more involved in the development of new management practices and decision making during the merger and acquisition processes by:

1. Increasing employee awareness and understanding about why change is necessary;
2. Motivating employees by making them aware that their knowledge, skills, and abilities are important and of value to the new entity;
3. Creating a positive work environment by challenging employees in ways that can enhance their job satisfaction;
4. Developing a retention program to retain high performers and key talented employees;
5. Improving the quality of decision making by incorporating employee decision making with larger organization goals.

### Human Resource Development Theory and Practice

This section will provide an introduction to human resource development and a discussion of human resource development programs and human resource development competencies.

#### Introduction to Human Resource Development

Human resource development is the process of developing and unleashing human expertise and organization performance, essentially through three functional

components: training and development, organization development and career development (Swanson & Holton, 2001). Jeris et al (2002) defined “human resource development as organized learning activities that are arranged within an organization in order to improve performance and personal growth for the purpose of improving the job, individual, and organization” (Jeris et al., 2002, p.3).

Swanson and Holton (2001) stated that the field of research and practice of human resource development are based on three core tenets as follows:

- Swanson (2001) proposed that organizations are human created entities that depend on human competencies, including knowledge, skills, and abilities, to achieve the intended organization goals.
- Human competencies can be developed and maximized through human resource development processes, which should be systematic and planned and implemented for the long term and short term benefits that are directly related to both organization and the individual work effort, resources, and time (Swanson, 2001).
- Integrity is essential for continued growth supported by human resource development. Human resource development professionals should be advocates of integrity in individual/group work processes and of organizational integrity (Swanson, 2001).

Human resource development is recognized as an area of professional practice which is guided by an emerging area of interdisciplinary academic study. Jacobs (1989) suggested that human resource development constitutes a unique body of knowledge and research derived from more than one fundamental discipline, and includes five major bodies of knowledge: education, system theory, economic theory, psychology theory, and organizational behaviors theory. A summary of the bodies of



knowledge that contribute to human resource development is presented in the chart that follows.

| <b>Bodies of knowledge</b> | <b>Education</b>  | <b>System theory</b>   | <b>Economic theory</b>   | <b>Psychology theory</b>  | <b>Organizational behaviors</b>                               |
|----------------------------|---|--|--|---|---|
| Contributions              | 1.Adult learning theory<br>2.Methods and media<br>3.World of work orientation | 1.System analysis<br>2.Things as systems<br>3.Systems management & control | 1.Macro economic level<br>2.Micro economic level<br>3.Mega economic level  | 1.Goals, incentives, feedback, reinforcement<br>2.Career counseling<br>3.Person environment interaction<br>4.Individual differences | 1.Structure<br>2.Climate<br>3.Culture<br>4.Group dynamics     |
| Relevant theory            | Adult learning theory   | General system theory<br>Chaos theory<br>Features theory                   | Human capital theory<br>Scare resource theory<br>Sustained resource theory | Gestalt theory<br>Behavioral theory<br>Cognitive theory   | Compensation theory<br>Motivation theory<br>Leadership theory |

Figures 2.4. Interdisciplinary Bodies of Knowledge of Human Resource Development (Jacobs, 1989).

Human resource development is an applied field that requires collaboration between scholars and practice to help strengthen the field (Jacobs, 1989). Research in human resource development has been the basis of advances in practice especially when professionals in the field have adopted and utilized research findings and theory as core principles for the development of employee performance and organization productivity (Jacobs, 1989). Swanson and Lynham (2002) stated that as an applied discipline, human resource development requires sound theory to be backed by systematic theory building as well as confirmation in practice. In an applied discipline, theory, research, and expertise are ultimately obligated to and

interdependent with each other. Swanson (2003) suggested that the idea of expertise is fundamental to human resource development as an applied discipline and a professional in the field is encouraged to focus on how employees are functioning in the organization. Indeed, human resource development cannot be satisfied by theory and knowledge alone. The gap between knowing human resource development theory and practicing human resource development can be very great and this is one distinguishing characteristic of human resource development today (Swanson, 2001).

Human resource development is a process within the larger organizational system and one of the interacting subsystems in a competitive changing environment (Jacobs, 1989; Swanson, 2001). The systems approach can be represented in the following framework:

#### The Human Resource Development Process

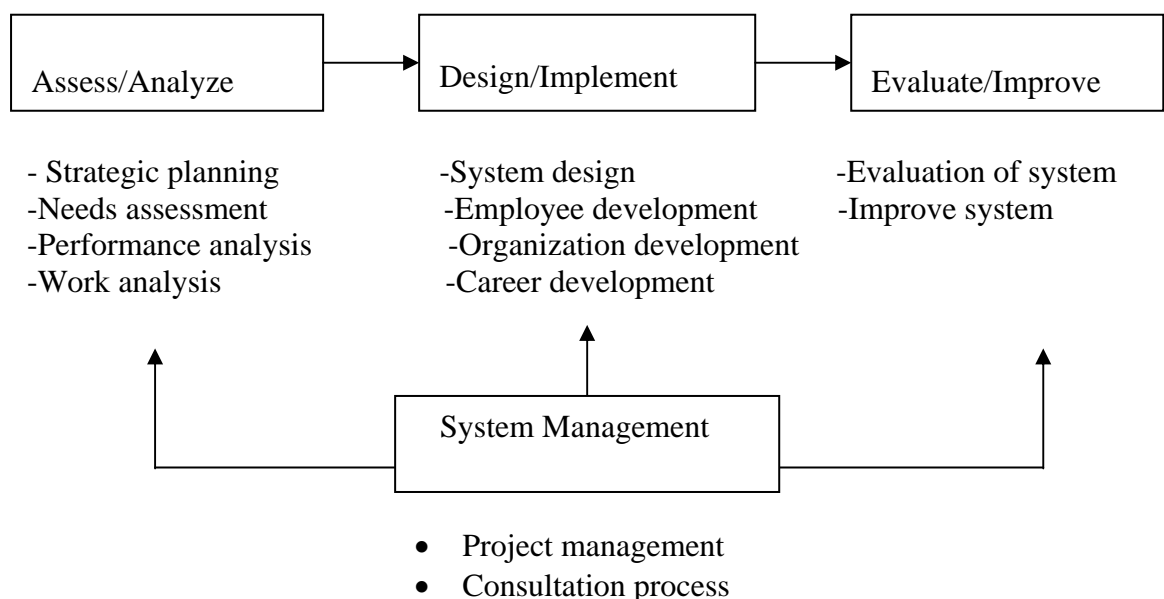


Figure 2.5. The System Theory in Human Resource Development (Jacobs, 1999).

As mentioned above, human resource development is relatively young, a recently emerging field of theory and practice. It is critical that there should be a theoretical foundation to back up the professional practice. Swanson and Holton

(2001) proposed that the theoretical foundation that supports the discipline of human resource development and helps scholars and practitioners understand, explain, and carry out its processes and roles depends upon theory from three core areas of study.

- Psychology theory “captures the core human aspects of developing human resources as well as the socio technical interplay of human and systems”(Swanson, 2001, p.1).
- Economic theory “captures the core issues of the efficient and effective utilization of resources to meet productive goals in a competitive environment” (Swanson, 2001, p.1).
- System theory “captures the complex and dynamic interactions of environments, organizations, work processes and group/individual variables operating at any point in time and over time” (Swanson, 2001, p.1).

System theory is an essential component that provides a conceptual means to view the employee’s competence, materials, work processes, events, resources, and tools, which is necessary to achieve the capacity for setting individual and organizational goals in work settings. Jacobs (1989) stated that systems consist of many interacting subsystems that are distinguished by boundaries and, in turn, monitor and control the flow of resources, strategic planning, goals, and technology inputs from the environment to the system and the output from the system to the environment. System theory offers a unique perspective on working reality that enables us to view how employees are functioning in the organization as a system and interrelated subsystems. The systems perspective provides the means to work with complex and simultaneously changing environments by viewing entities as systems. Systems function independently; subsystems carry on interdependent exchanges of information with other systems across boundaries (Jacobs, 1989).

Furthermore, Jacobs (1989) suggested that system theory successfully links all related fields and disciplines together through the use of common principles in problem solving methods. In fact, systems theory suggests that although problems may differ in their specific content, they essentially share the same basic structure (Jacobs, 1989). The systems approach assumes that problems are not isolated, but are the result of a set of antecedent conditions that can be accurately predicted and well controlled (Jacobs, 1989).

Overall, general systems theory is relevant to human resource development professionals for two reasons:

- Systems theory serves as a general orientation for viewing problems knowing about systems thinking and how to use it to solve problems is of value in any situation;
- Systems theory provides the framework for development of the specific practices utilized by most human resource development practitioners who are practicing in human resource development programs in the field.

Jacobs (1989) stated that general systems theory is the most appropriate meta-theory for human resource development because it brings together many of the related theories and disciplines into a single organized entity. The assumptions derived from systems theory can be summarized as follows:

- System theory suggests that organizations are themselves a system, and that all systems are comprised of different entities and subsystems that enable us to see how employees are functioning in the larger organization system (Jacobs, 1989).
- “All systems in organizations have goals, and their contributions to the goals of the larger system determine their value” (Jacobs, 1989, p.68).

- The system in a business organization must be effectively managed intentionally to meet the productive goals in a competitive changing environment.
- Groups, individuals, and work processes should respond to the conditions in a system with some degree of reliability and consistently contribute to attainment of the goals of the larger organization (Jacobs, 1989).

### Human Resource Development Programs

Human resource development is a functional process of developing and unleashing organization performance, work processes, and individual performance through human resource development programs. Human resource development programs include training and development, organization development, career development, and performance management. There are three functional components of human resource development programs training and development, organization development, and career development (Jacobs, 1989; Jeris et al., 2002; Swanson & Holton, 2001).

- Training and Development: training and educational programs that provide the competencies to meet current work expectations;
- Organization Development: systematic planning for change in human and structural processes to facilitate change among individuals, groups, and organizations;
- Career Development: educational and experiential programs to meet the needs of organizations and appeal to the interests of individuals.

Figure 2.6 is a descriptive listing of the kinds of training and educational programs and other components that might be offered in human resource development programs.

| <b>Employee Development</b>  | <b>Organization Development</b>   | <b>Career Development</b>  |
|--|---|--|
| <u>Types of Training</u><br>Awareness<br>Managerial<br>Technical<br><br><u>Training Locations</u><br>Off-the-job<br>On-the-job<br><br><u>Training Approaches</u><br>Self-study<br>Small groups<br>One-on-one<br>Group<br><br><u>Training Methods</u><br>Discovery<br>Presentation<br>Discussion<br>Role play<br>Simulation<br><br><u>Training Media</u><br>Live trainer<br>Video<br>Printed materials<br>Web | <u>Human Relations/Self Awareness</u><br>Team building<br>Diversity<br>Conflict resolution<br>Stress management<br>Rope climbing<br>Canoeing<br>Myers-Briggs Type<br>Inventory<br>Climate, culture surveys<br><br><u>Individual/Group Change</u><br>Goal setting<br>Performance appraisal<br>Job descriptions<br>Selection polices<br>Leadership training<br>Consequence systems<br>Total quality management<br>Organization commitment<br>Cascade training<br>Problem-solving groups<br><br><u>Structural Redesign</u><br>Task redesign<br>Job redesign<br>Workflow redesign<br>Information technology<br>Ergonomics | <u>Career Planning</u><br>Employee development systems<br>Job postings<br>Job search programs<br>Vocational preference inventories<br>Career counseling<br>Job rotation<br>Temporary assignments<br>Management by objectives<br>Tuition assistance programs<br>Mentoring<br><br><u>Career Management</u><br>Workforce forecasting<br>Employee development systems<br>Tuition assistance programs<br>Job rotation<br>Temporary assignments<br>Mentoring<br>Coaching<br>Performance appraisals<br>Management by objectives |

Figure 2.6. Human Resource Development Programs (Jacobs, 2003).

1. Training and development. An employee's competence includes knowledge, skills, and abilities that can be developed through human resource development programs. There is a slight difference between training and development. Training refers to systematic planned activity through which an employee can learn job related competencies and improve job performance (Jacobs, 1989; Noe, 2005; Swanson and Holton, 2001). Development, on the other hand, refers to formal education and experience through which employee gains a new capability in preparation for a job he or she may hold in the future (Jacobs, 1989; Swanson and Holton, 2001).

Some significant differences between training and development can be seen in Figure 2.7.

|                               | <b>Training</b>              | <b>Development</b>      |
|-------------------------------|------------------------------|-------------------------|
| <b>Focus</b>                  | Current                      | Future                  |
| <b>Use of work experience</b> | Low                          | High                    |
| <b>Goal</b>                   | Preparation for current jobs | Preparation for changes |
| <b>Participation</b>          | Required                     | Voluntary               |

Figure 2.7. A Comparison of Training and Development (Noe, 2002).

Today, organizations use training and development as a pathway to achievement of superior performance goals that will benefit the financial bottom lines of operational cost and organization productivity (Jacobs, 2001; Rummler & Brache, 1995). Training and development also make it possible for organizations to face competitive challenge in the current global economy. Rapid change due to new

technology and an expanding global economy has brought about change in employee and employer perspectives toward training and development (Waight, 2004).

Interestingly, both employers and employees are focusing on development of skills and managing careers so that career development is congruent with the goals of the individual and the organization (Noe, 2003). As a result of rapid change and the highly competitive business environment, most organizations are tending not to provide job security to employees. Obviously, organizations are careful to acquire only highly motivated and productive individual for the workforce. Employees need to be able to quickly acquire new work related knowledge and skills to perform successfully in their current jobs. Noe (2002) suggested that training and development are luxury activities but have become a source of competitive advantage and a benefit to the financial bottom line of the organization.

Jacobs (2001) proposed an interesting taxonomy of employee development that demonstrates how effective training and development made available through human resource development programs can improve an employee's competence level from novice to master in a timely manner.

Jacobs' taxonomy of employee development is summarized in the following:



| <b>Taxonomy</b>           | <b>Description</b>   |
|---------------------------|--|
| 1. Novice                 | Literally, one who is new to a particular work situation. There is often some, but minimal exposure to the task beforehand. The individual lacks knowledge and skills necessary to meet the standards that determine adequate performance of the task.   |
| 2. Specialist             | One who can reliably perform specific tasks unsupervised. But the range of tasks is limited to the most routine ones. Often it is necessary to coach individuals at this level to encourage them to use the most appropriate behaviors.  |
| 3. Experienced Specialist | One who can perform specific tasks and who has performed those tasks many times. The individual can perform the tasks with ease and skill. It is possible to remain at this level for an extended period of time.  |
| 4. Expert                 | One who has the knowledge and experience to meet and often exceed the requirements of the tasks. The individual is distinguished and highly regarded by peers because of his or her consummate skills, expertise. The individual can use this ability to deal with routine and non routine cases, with an economy of effort. |
| 5. Master                 | One who is regarded as “the” expert among experts or the “real” expert compared to other employees. He or she is among the elite group whose judgments set the standard and ideals for others  |

Figure 2.8. Taxonomy of Human Expertise (Adapted from Jacobs, 2001).

2. Organization development. Organization development is a systematic planned process of change involving human expertise, organization structures, and work processes. The change process can be used to facilitate change among individuals, groups, and organizations. Swanson (2001) stated that an organization is a human created entity the members of which share a common set of organization cultural values, goals, and management practices. Overall, organization development is focused on planning and implementing change in the organization structure and systems, redesign of work processes, diagnosis of performance gaps, and action planning. According to Gilley et al. (2002), organization development can be viewed as human and structural change processes that facilitate the ability to change among individuals, work processes, and organizations as follows:

1. Developing and maintaining congruence among organization systems, structures, work processes, cultural values and management practices.
2. Developing programs for continuous learning in the organization to increase competitive advantage.

Today the structure of most organizations has become flatter and more centralized so that the organization can gain competitive advantage (Burke, 2002; Cumming & Worley, 2001; Noe, 2002). Organizations have developed the same standards for different countries and increased cultural diversity in order to be more flexible and more effective in response to business needs (Gilley et al., 2002).

In fact, flattening the hierarchy of organization structure encourages employees to act more like leaders and to become more involved in decision making activities. Team building encourages employees to work as teams, which results in fewer conflicts among recruits, and eliminates gaps in terms of communication and organization goals (Burke, 2002; Cumming & Worley, 2001). Team building also encourages employees to support each other when they are faced with difficult tasks and helps them effectively and easily adapt to any change in circumstances (Jacobs, 2003; Swanson & Holton, 2001). Overall, structural redesign of the organization at the job performance level has significantly reduced redundancy among job roles and work processes (Rummler & Brache, 1995). Consequently, redesign of jobs and tasks leads to improvement in the benchmarking process, which is significant in enabling the organization to undergo a secure transition and adapt to change faster (Burke, 2002; Gilley et al., 2002; Rummler & Brache, 1995).

3. Career development. Career Development can be seen as educational and experiential programs that meet the needs of an organization and respond to the interests of individuals (Jacobs, 1989). Noe (2005) stated that “career development

is a process by which employees progress through a series of stages, each characterized by a different set of developmental tasks, activities, and relationships” (p.365). Gilley et al. (2002) stated that “career development can be defined as an organized, planned effort comprised of structured activities or processes that result in a mutual career plotting effort between employees and the organization” (p.59). In fact, career development programs may differ in terms of purpose, values, organization culture, philosophy, and management practices (Gilley et al., 2002).

Noe (2005) proposed a model of career development that incorporates life cycle, organization-based, and directional pattern models that are successfully linked for a better understanding of the relationship between organizations and employees. There are four career development stages in this model: exploration, establishment, maintenance, and disengagement (Noe, 2005). Each career stage, in turn, is characterized by developmental tasks, activities, and relationships.

The four career development stages can be reviewed in the following table:

| Career Stages                    | Exploration   | Establishment                                       | Maintenance                               | Disengagement   |
|----------------------------------|---|---|---|---|
| Developmental Tasks              | Identify interests, skills, fit between self and work | Advancement, growth, security, developing lifestyle | Hold on to accomplishments, update skills | Retirement planning, change balance between work and non-work |
| Activities                       | Helping learning following directions                 | Making independent contributions                    | Training, sponsoring, policy making       | Phasing out of work   |
| Relationships to other employees | Apprentice  | Colleague   | Mentor                                    | Sponsor   |
| Age category                     | Less than 30  | 30-45   | 45-60                                     | 61+   |
| Years on Job                     | Less than 2 years                                     | 2-10 years  | More than 10 years                        | More than 10 years  |

Figure 2.9. The Four Stages of Career Development (Noe, 2005).

During the exploration stage, employees attempt to identify their work preferences, interests, values, and beliefs. The second stage is referred to as establishment; in this stage, employees have successfully occupied a work place in which that they have a high potential to make major contributions to the organizations, assume greater responsibility and realize increased financial outcomes (Noe, 2005). In the third stage, entitled the maintenance stage, employees focus on how to maintain their knowledge, skills and abilities at the current level and to achieve recognition by colleagues and supervisor that their work related competencies contributing to the success of the organization (Noe, 2005). The final stage is known

as disengagement; in this stage, employees are preparing for the changes in the balance between work and non-work that will lead to retirement (Noe, 2005, p.358).

Overall, career development is an ongoing process that requires organizations and individuals to be involved in building a long term partnership and engaged in realization of the employee's career plans to achieve career goals. The employee's career prospects can be improved through a system of formal educational and training and development programs (Jacobs, 2001; Swanson & Holton, 2001). In the current global economy, employees need to work continuously to improve and update their work related competencies in terms of knowledge, skills, abilities and attitudes so that they will be qualify for future jobs (Jacobs, 2001; Lynham, 2004).

#### Human Resource Development Competencies

The roles played by human resource development professionals are expected to improve overall performance and to develop management practices for the combined organization during the mergers and acquisitions. In fact, the roles of human resource development professionals can differ based on the organization's management practices and the individual's professional competencies. Marquardt (2003) stated that human resource development competencies have been increasingly adopted as strategic partners that contribute to success in the global economy. Miller (2003) suggested that human resource development competencies can facilitate employees' readiness for change.

The American Society for Training and Development (ASTD) has provided definitions of several human resource development competencies and models of the human resource development practice. Based on the ASTD studies, competency studies have identified the core knowledge, skills, and abilities required for employees

to effectively perform their jobs to meet productive goals in the competitive changing environment (Swanson & Holton, 2001). McLagan (1989) developed a model for human resource development practice that includes human resource development definitions, roles of human resource development professionals, and the core competencies required to perform each role successfully. According to the ASTD model of excellence study (1989), the roles of training and development are essential to help improve individual performance (McLagan & Suhadolnik, 1989). The major training and development functions were reported in this study as follows:

1. Evaluator: the role of specifying the extent of a program, services, and products;
2. Group facilitator: this role focuses on managing group discussions and group processes that help the individual learn and adapt to the group;
3. Individual development counselor: this role focuses on helping the individual assess personal competencies, values, goals and planning for future career development;
4. Instructional writer: the role of preparing learning materials;
5. Instructor: the role of presenting information and directing structured learning for employees;
6. Manager of training and development: this role involves planning, organizing, staffing, controlling training and development operations and linking training and development operations with other organization units;
7. Marketer: role of promoting training and development programs including learning packages and services;
8. Needs analyst: the role of identifying gaps between ideal and actual performance and specifying the cause of the gaps;

9. Strategist: the role of developing long range plans concerning what training and development structure, organization, direction, policies, programs, services, and practices will be in order to accomplish the training and development mission;
10. Task analyst: the role of identifying the activities, tasks, steps, and human resource and support requirements necessary to accomplish specific results in jobs;
11. Theoretician: the role of researching, developing, and testing theories of learning, training and development;
12. Transfer agent: the role of helping the individual apply training contents and learning experiences to his or her current job, and
13. HRD manager: the role of supporting and leading work processes and linking the work processes to groups and individuals (McLagan & Suhadolnik, 1989).

In addition, the ASTD model for Workplace Learning and Performance (WLP) presented the core human resource development competencies associated with business competencies and interpersonal competencies. According to the model, the following business competencies are critical for human resource development professionals to support the organization by improving the effectiveness of workplace learning and improve performance.

1. Ability to see the big picture: capacity for identifying trends and patterns that are outside the normal paradigm of the organization;
2. Business knowledge: awareness of business functions and how business decisions affect financial and non-financial issues;

3. Cost and benefit analysis: assessment of the relative value of performance improvement intervention programs;
4. Evaluation of results against organization goals: assessing how well organization performance, learning strategies, and results match organization goals;
5. Identification of critical business issues: determination of key business issues and forces for change and application of that knowledge to performance improvement strategies;
6. Industry awareness: understanding the current and future climate of the industry and formulating strategies that effectively respond to that climate;
7. Knowledge capital: measurement of knowledge capital and determination of its value to the organization;
8. Negotiating and contracting: organizing, preparing, monitoring, and evaluating the performance of related work performed by an outside consultant;
9. Outsourcing management: the ability to identify and select specialized resources outside the organization;
10. Project management: developing, organizing, and monitoring overall organization master plans, strategies, and management practices;
- 11 Quality implications: identifying the relationship between the quality of intervention programs and performance improvement and implications of the findings (ASTD, 2003)



| Disciplines in HRD Wheel | Primary HRD Disciplines   | Secondary HRD Disciplines  | Non HRD disciplines  |
|--------------------------|---|--|--|
| Areas of disciplines     | <ul style="list-style-type: none"> <li>-Training and Development</li> <li>-Organizational Development</li> <li>-Career Development</li> </ul> | <ul style="list-style-type: none"> <li>-Selection and Staffing</li> <li>-Human resource planning</li> <li>-Performance management system.</li> <li>-Organization and job design</li> </ul> | <ul style="list-style-type: none"> <li>- Human resource research information systems.</li> <li>-Union and labor relations</li> </ul> |

| Disciplines in WLP Wheel | Primary WLP Disciplines  | Secondary WLP Disciplines   | Non WLP Disciplines   |
|--------------------------|--|---|---|
| Areas of disciplines     | <ul style="list-style-type: none"> <li>-Training and Development</li> <li>-Organizational Development</li> <li>-Career Development</li> <li>-Knowledge Management</li> </ul> | <ul style="list-style-type: none"> <li>-Selection and Staffing</li> <li>-Motivation</li> <li>-Work environment</li> <li>-Organization alignment systems</li> <li>-Information system</li> </ul> | <ul style="list-style-type: none"> <li>-Operations and production</li> <li>-Finance</li> <li>-Administrative services</li> <li>-Sales and marketing</li> <li>-Management</li> <li>-Engineering</li> </ul> |

Figure 2.10. Comparison of the HRD Wheel and the WLP Wheel (Adapted from the ASTD Model of Workplace Learning and Performance, (Adapted from Chen, 2003, p. 22; Rothwell et al., 1999, p.7& p.17).

| Years                       | 1978  | 1983   | 1989  | 1996   | 1999   |
|-----------------------------|---|--|---|--|--|
| ASTD Scholars & Researchers | Printo & Walker   | McLagan  | McLagan & Suhadolnik  | Rothwell   | Rothwell, Sander, & Soper                        |
| Title of Research & Report. | A study of professional training & development roles & competencies | Models for excellence & HRD practice   | Model for HRD practice  | ASTD models for human performance improvement  | ASTD models for workplace learning & performance |
| Disciplines                 | Training & Development  | Training & Development   | Human Resource Development  | Human Performance Improvement  | Workplace Learning & Performance                 |
| Study Findings & Results    | - 91 activities in 14 categories                                    | - 31 Competencies<br>- 102 Outputs<br>- 15 Roles<br>- 9 Human Resource areas | -35 Competencies<br>- 74 Outputs<br>- 11 Roles<br>- 13 Ethical issues<br>- Quality requirements | - 38 Competencies<br>- 4 Roles<br>- 15 Ethical issues<br>- 27 Future forces Competencies | - 52 Competencies<br>- 6 Groups<br>- 7 Roles     |

Figure 2.11. The Summary of ASTD, HRD, and WLP Competencies Studies (Adapt from Chen, 2003, p.32)

In addition, ASTD competency studies suggested that there are four core human resource development competencies that are relevant to this study, including the following:

1. Technical competencies. These competencies include the functional knowledge and skills required to perform technical tasks;
2. Business competencies. These competencies have a strong management, economic, and administrative base so that they become the core competencies for supervisor and manager during organization development and the change management process.
3. Interpersonal competencies. These competencies have a strong element of communication, which helps improve individuals' recognition and understanding of personal needs, gaps, values, problems, alternatives, and goals;
4. Intellectual competencies. These competencies are knowledge, skills, and abilities related to individual thinking and processing of information (McLagan, 1987, McLagan & Suhadolnik, 1989).

Cultural assessment should support both combining organizations in scanning for the value of philosophies and cultures regarding the policy of management and leadership style, which includes teamwork, individual performance, rewards, compensation, and promotion. Cultural assessment could create a learning environment that supports the employee's training programs through successful transfer of knowledge and skills to jobs (Burke, 2002; Jacobs, 1989; Rummler & Brache, 1995).

## Human Resource Development During Organization Change

This section will describe the change management process, human resource research on change in the mergers and acquisitions, and implications of human resource development for mergers and acquisitions.

### Change Management Process

Study of organization change is the primary focus in the systematic planned change process. Often, organizational change which is unplanned occurs, which potentially leads to unproductive results (Burke, 2002). In the twentieth century, empirical research and the change theory on scientific management by Frederick W. Taylor have been widely recognized among human resource scholars and practitioners (Burke, 2002). Taylor, known as the father of scientific management, published his scholarly masterpiece in scientific management in 1911. Taylor proposed the theory of scientific management, which successfully demonstrated the importance of cooperation between management and employees for a division of labor that results in reduced cost and increased profit. Burke (2002) stated “Taylor was probably the first industrial engineering consultant and as an organization change agent, he believed deeply that taking a rational scientific approach would provide the best opportunity for change” (p.22). In fact, Taylor’s approach has an impact on organizational change today, including reengineering, six sigma, ISO 9000, and total quality management (TQM) (Burke, 2002; Cummings & Worley, 2001; Noe, 2002).

Organization development is systematic planned change of organization structure and system and work processes, and for the employee as a job performer. The organization development process can be used to facilitate change among individuals, groups, and organization levels (Jacobs, 1990; Swanson & Holton, 2001;

Rummler & Brache, 1995). In fact, the organization development perspective has an impact on organization change and is based on the field of applied behavioral science and applied social psychology (Burke, 2002; Swanson & Holton, 2001).

Interestingly, Burke (2002) stated, “The methodology model for organization development is action research because data on the nature of certain problems are systematically collected and the action is taken as a function of what the analyzed data indicate” (p.36).

The primary focus on change is to consider more systematic planned change desirable, which means some aspects of the system and sub-systems have been carefully designed for structural change. Jacobs (1989) stated that the relationship of the systems approach and organizational change means that when some aspect or unit of the system is changed, other interdependent aspects potentially will be affected and changed accordingly.

Empirical research based on Levin’s theory demonstrated the relationships among commitment, norms, and the change management process (Burke, 2002; Cummings & Worley, 2001). In 1947, Kurt Lewin proposed the three steps of the change process model. In the model, the three steps of the change process were described as unfreezing, moving and refreezing. The first step, known as unfreezing represents different levels of behavior that need to be specifically designed for a particular situation. Burke (2002) suggested that the unfreezing step should present sizeable performance gaps between current actual performance and future performance goals, what members of the organization want to accomplish. The second step, called moving, involves a process of changing and adapting work related behaviors and performance that is an effective response to the new desired outcome.

In fact, the moving process can be viewed as a form of training and development to improve individual performance for future jobs and implement action plans to help improve the effectiveness of benchmarking work processes and work redesign (Burke, 2002; Cumming & Worley, 2001). The last step, known as refreezing, emphasizes a particular strategy for maintaining work processes, work related behaviors, and performance level set against the organization standard but simultaneously changing environment (Cumming & Worley, 2001).

In fact, the human resource development programs that could be used to support refreezing steps include training and development, organization development, and career development.

In 1958, Lippitt, Watson, and Westley expanded Lewin's three steps to five phases that successfully eliminate the overlaps across the original Lewin three step model. The five phases can be understood as follows:

1. Development of a need for change. The first phase helps develop a better understanding among employees about why change is necessary (Unfreezing);
2. "Establishment of a change relationship between the change agent (consultant, usually external to the organization or perhaps an internal organizational member who is championing and leading the change effort" (Burke, 2002, p.153);
3. Working toward change. This phase involves a systematic planned change process (Moving);

4. Standardization and stabilization of change. This phase places emphasis on the particular strategy for maintaining work processes, work related behaviors, and performance level against a simultaneously changing environment (Refreezing); and
5. This phase involves the achievement of bridging and closing the sizeable gaps being bridged and closed through the change process (Burke, 2002).

In 1980, William Bridges developed the three phases of transition toward change. Bridges's three phases include endings, neutral zone, and beginning. Bridges called the first phase endings; this phase emphasized the process of letting go of the past, especially, changing the previous ways of how to get the work done. Bridges' second phase is known as the neutral zone; this phase places emphasis on the amount of time that employees may spend to adapt to change from the past environment to the current designed environment. The amount of time spent to adapt to change may vary among employees and in the different environments of the organization (Burke, 2002). The final phase is known as new beginnings; employees started learning new ways of performing their jobs and how to get the jobs done in order to meet the new organization goals.

In fact, the systems approach provides a broader perspective for understanding the change process and cycle. Cummings and Worley (2001) stated that organizations are open systems that exist in environmental contexts, and they must establish and maintain effectiveness relative to the continuously changing environment. An open systems conceptual framework suggests that both scholars and

practitioners should view organizational structures as system entities. Each entity has its own unique system, subsystems, and processes, and functions to accomplish a set of tasks. Jacobs (1989) stated that each system consists of various interacting subsystems that specify the boundaries and functions across the organization. Each subsystem should respond to the larger organization goals. Moreover, each system functions independently; the subsystems are interdependent and share resources and exchange information across organization boundaries (Jacobs, 1989). Rummler and Brache (1995) proposed three levels of organization change that represent the systems approach. The three levels of organization change can be defined as follows:

| <b>Organization</b>  | <b>Goals</b>                                      | <b>Design</b>                     | <b>Management</b>                       |
|----------------------|---|-----------------------------------|---|
| <b>Organization</b>  | Mission<br>Goals<br>Strategy                      | System<br>Technology<br>Hierarchy | Cultural values<br>Policy<br>Leadership |
| <b>Processes</b>     | Goals<br>Standard<br>Requirements<br>Benchmarking | Processes<br>Procedures           | Work behavior<br>Teamwork               |
| <b>Job/Performer</b> | Requirements<br>Benchmarking                      | Job description<br>Roles          | Duties<br>Tasks<br>Steps                |

Figure 2.12. The Nine Performance Variables (Rummler and Brache, 1995).

Rummler and Brache (1995) developed a conceptual model for viewing the organization as a system. They divided the organization into three levels, the organization level, the processes level, and job the performer level. Each level is comprised of their goals, design, and management. “First, at the organization level, the organization’s goals, processes and job performers are required to establish a standards that respond to customer’s expectations for products and services, quality, timeliness, and cost” (Rummler & Brache, 1995, p.19). The second level focus on the



process level and design column. At the process level, “organization structure, work processes, and job performer are cross functional, that is specifically designed in a way that enables the goals to be efficiently met in the competitive changing environment” (Rummler & Brache, 1995, p.20). The final level can be viewed as the job performer level and management practices. Management practices involve particular work processes and steps for getting jobs done to meet the production goals in the most effective and efficient ways (Burke, 2002; Cumming & Worley, 2001; Jacobs, 1990; Rummler & Brache, 1995).

Viewing the organization as a system by using this model makes the organization structure and the interactions of subsystem, business processes, and employee’s job roles very clear. There are interrelationships among the subsystems, which function interdependently, and the continuous process is dynamic and flexible during organizational change (Burke, 2002). The systems-based conceptual framework suggests how the interrelationships of organization system, subsystems, structure, and cultural dimension function.

#### Human Resource Development Research and Change through Mergers and Acquisitions

Organizational change occurring within an organization may be planned or unplanned change. Planned change occurs when the organization has consciously determined to improve organization performance by redesigning the organization’s structure, management practices and work processes (Burke, 2002; Jacobs, 2003). Conversely, unplanned change occurs when the organization is forced to respond to unanticipated external factors. Unplanned change may affect business core values and management practices (Burke, 2002; Jacobs, 2003). Cummings and Worley, (2001) suggested that Institutionalization presents a framework within which the

characteristics of the organization and the process can be specified. Intervention characteristics and the institutionalization process affect the degree to which change programs are institutionalized. Institutionalizing organizational change is an attempt to describe and explain the relative perseverance of a planned change effort (Osman-Gani & Jacobs, 2004, Cumming & Worley, 2001).

The institutionalizing of change has been influenced by change theory, which emphasizes understanding of the roots of organizational success and failure. The institutionalization framework represents two key antecedents: organization characteristics and intervention characteristics (Cumming & Worley, 2001). The first antecedent involves congruence among the organization's cultural values, management practices, and technology. The second antecedent involves congruence among the organization's goals, specificity, intervention programs, level of change, internal development to support change, and sponsorship, which affect different institutionalization processes in organizations (Cumming & Worley, 2001; Osman-Gani & Jacobs, 2004). The human resource development intervention process involves change management, goal setting, redesign of work processes, training and development, performance appraisal systems, employee involvement, team building programs, and communication (Cumming & Worley, 2001). These processes affect various indicators of institutionalization such as knowledge, performance, preferences, normative consensus, and value consensus. A graphic model of the institutionalization framework follows:

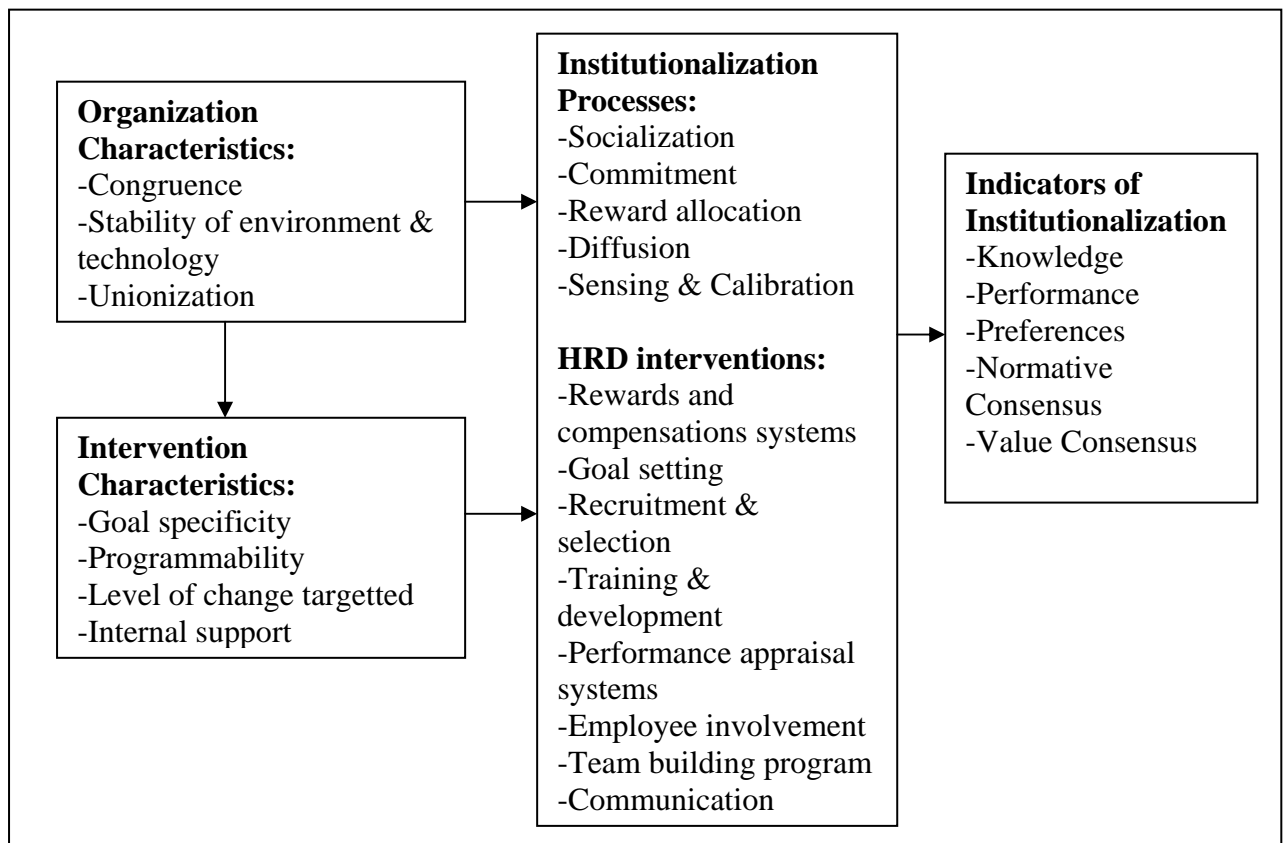


Figure 2.13. Institutionalization Framework (Cumming & Worley, 2001).

Management and employees of firms involved in mergers and acquisitions have to understand that change is inevitable and that it requires openness to new ideas and a willingness to surrender old ways of doing things. Cianni (2002) stated that managing change during the mergers and acquisition processes is necessary to ensure that the available assets, cultural values, and management practices have been successfully integrated.

Empirical research has shown that companies involved in mergers and acquisitions tend to underestimate the difficulty of integration of cultural values, management practices, and technology and to overestimate of the capabilities of work processes and technology in terms of performance, networking structures and usefulness to the employees of the two combined organizations (Ransby & Burns, 2002). Consequently, the combined organizations suffer from cultural clashes due to

lack or inadequacy of integration strategy and involvement of human resource development professionals in the merger and acquisition process (Jeris et al., 2001; Leeamornsiri and Jacobs, 2003; Waight, 2004).

An increasing number of businesses and industries involved in mergers and acquisitions can be seen at both local and multinational levels. Research indicates that only a limited number of organizations have been successful in the merger and acquisition process (Javidan, 2004; Schmidt, 2002). Theoretically and strategically, the question of what potential factors lead to success in mergers and acquisitions needs to be addressed. Potential factors that cause merger and acquisition failure include unrealistic expectations, failure to integrate the cultural values of the two organizations, poor communication, ineffective planning and failure to implement human resource development competencies during the merger and acquisition processes (Shuler & Jackson, 2001). Failure to address these potential factors previously can lead to failure to attract and retain talented employees. There is increasing evidence that cultural incompatibility has been the most influential among these factors in the failure of mergers and acquisitions (Grotenhuis & Weggeman, 2002).

The outcome of change in management in the post acquisition stage is a critical indicator of success in mergers and acquisitions (Jeris et al., 2002). The success of mergers and acquisitions depends on how the combined organization adapts to the change and integrates new cultural values and management practices. Resistance to change can originate from different levels, including cultural clashes, communication collapses, and negative rumors (Larsson et al., 2001). Most mergers and acquisitions fail to achieve their business objectives because of ineffective

integration and communication strategies during the merger and acquisition process (O’Rielly & Pfeffer, 2000). Resistance to change among employees may increase if human resource development programs are inadequate during the merger and acquisition processes (Jeris et al, 2001; Waight, 2004).

In fact, the two combined organizations often struggle in the effort to integrate cultural values, organizational systems, management styles, policies, and products. Empirical research has shown that acquirers make the same mistakes repeatedly because they put too much emphasis on financial deals and ignore the softer issues of communication, cultural values, human resource issues and cultural fit issues during integration (Hubbard, 2001). Cultural differences can potentially influence employee performance, resulting in decreased organization productivity (Grotenhuis & Weggeman, 2002). Hussey cautions that care must be taken that the strategic thinking in mergers and acquisitions is not mistaken in planning and implementation (Hussey, 1999). The author added that even the best manager cannot correct mistakes later. Schuler and Jackson (2001) stated that effective intervention programs are crucial to retain talented employees and to ensure that the values of the two cultures are successfully integrated. Therefore, scanning for cultural and strategic fit is crucial to success for long term employment as well as training and development during the merger and acquisition processes (Cianni, 2004).

Researchers have reported over the years that the factor that has led to tremendous success in mergers and acquisitions is the significant involvement of human resource development in culture integration and training programs (Jeris et al., 2001; Waight, 2004). Cultural fit issues and human resource development competencies have become the most influential among factors that predict

organizations' success and failure in mergers and acquisitions. The success criteria for cultural audits are understanding management strengths and weaknesses, measuring the opportunity for growth, redesigning organization structure, and reviewing human resource practices and systems (Horwitz et al., 2002). For example, the Cisco System strategy has been an attempt to maximize the success of mergers and acquisitions by empowering teams and programs to increase the speed of assimilation (Schmidt, 2002). Critical success factors that influence successful mergers and acquisitions include developing a shared vision, creating the right match of cultural compatibility, and careful integration of management styles, cultural values, business policy, and technology (Horwitz et al., 2002).

The cultural fit issue is considered a soft issue in mergers and acquisitions, but has become the most influential determinant of success and failure in the merger and acquisition process (Horwitz et al., 2002; Schmidt, 2002). Over the years, substantial research has shown that further research on cultural factors and human resource development issues needs to systematically address a variety of human resource issues, business strategies and theories that potentially support organizational success in mergers and acquisitions (Javidan et al., 2004). Success in mergers and acquisitions results in substantially strengthening an organization's capability in terms of its level of competitiveness and increase in productivity and profit. Success of the integration of cultural values, management practices and work processes effectively keeps the talented employees with the new combined organization (Daniel & Metcalf, 2001; Schmidt, 2002).

In the world of global economy, the rapid change in technology and globalization has forced employees to change simultaneously. Today organizations

attempt to develop their employees' competencies through intervention programs. Resistance to change will decrease organizational productivity, which can result in failure of the mergers and acquisitions. Reducing resistance to change is necessary to ensure an employee's readiness for training and development (Burke, 2002; Cumming & Worley, 2001). However, the success factors in mergers and acquisitions have indicated a significant relationship between human resource development involved in cultural integration and training and the tremendous success of mergers and acquisitions (Jeris et al., 2001, Leeamornsiri & Jacobs, 2003, Waight, 2004).

#### Implications of Human Resource Development for Mergers and Acquisitions

In the twentieth first century, technology and globalization have led to a rapid increase in merger and acquisition activities (Schmidt, 2002). In fact, mergers and acquisitions have become attractive business strategies widely adopted and utilized among the global businesses and industries today (Daniel and Metcalf, 2001; Schmidt, 2002). Substantial research has shown that only a small percentage of mergers and acquisitions are actually considered successful (Hitt et al., 2004; Schmidt, 2002). However, the involvement of human resource development professionals creates a high potential for the success of mergers and acquisitions (Daniel & Metcalf, 2001; Jeris et al., 2001). Daniel and Metcalf (2001) stated that human resource development involvement and human resource strategies for managing people and their cultures are critical. The involvement of human resource development professionals in mergers and acquisitions is essential for integration of cultural values, management practices, and work processes between two combined organizations (Jeris et al., 2001).

Therefore, new perspectives based on human resource development competencies are required, to help organizations assess their respective values and successfully integrate cultural values and management practices. Of research findings on mergers and acquisitions imply that human resource development programs such as organizational development, career development, and training and development should all be used during the four stages of the merger and acquisition processes (Jeris et al., 2001; Waight, 2004).

In fact, human resource development programs such as organizational development, career development, and training and development can be used to create a transition that helps both organizations bridge the gaps and successfully integrate with the new culture (Waight, 2004). Schuler and Jackson (2001) stated that human resource development professionals in the role of change agent and strategic partner are essential to help the organization develop a new structure and culture. They suggested that human resource development professionals should be involved in the merger and acquisition process in conducting needs assessment, identifying key jobs, and redesigning the work process. The authors also proposed that employees' competencies can be improved through human resource development training and development programs and knowledge management.

Training and development programs serve as human resource development programs in managing the learning processes (Noe, 2003). The learning processes begin with setting up career plans using training programs to stimulate the employee's learning and development processes during the merger and acquisition process. Predictably, the employee's competency can be increased substantially through training and development activities (Jacobs, 2001; Swanson & Holton, 2001).



Ahmad and Schroeder (2003) stated that the combined organization should emphasize employment security to attract and retain talented employees during the merger and acquisition process. They explained that training and development programs can strategically evaluate employees' performance and organizational productivity. The cost of training and development programs should be considered an investment in human capital (Fitz-ent, 2000). In addition, Kitchen and Daly (2002) mentioned that the employees' competency is one of the organization's best assets and that the quality of human capital is known through organizational productivity. The involvement of human resource development in the four investigative stages of the merger and acquisition process is important as well (Waight, 2004).

Human resource development professionals should be more thoroughly involved in the four stages of the merger and acquisition processes because it is important to incorporate the cultural values of the two organizations (Jeris et al., 2001; Waight, 2004). The human resource development professional's role of strategic partner can help organizations to improve the ability to integrate the new cultural values, enhance the level of competitiveness, and to retain talented employees, which will uniquely differentiate the company from its competitor (Marquardt, 2003; Miller, 2003). In fact, the implementation of human resource development programs, including organization development, career development, training and development, and performance management, should be emphasized during the four stages of the merger and acquisition process (Jeris et al., 2001; Leeamornsiri & Jacobs, 2003; Shin, 2003).

The principles of human resource development establish mechanisms by which employee competencies are improved through training and development

programs (Lynham, 2004). Ahmad and Schroeder (2003) explained the importance of the human capital theory which recognizes the employee's competencies as a great asset that can create the environment for favorable economic and business transactions. The theory of human capital evaluates human resources based on increase in the level of productivity (Noe, 2003). The impact of human resource development practices can be seen in organization performance, which is evaluated through such performance measures as cost analysis, productivity, flexibility, and quality of product and service (Ahmad & Schroeder, 2003).

Human resource development competencies effectively strengthen the organization's fundamental value in ways that competitors are unable to imitate. Schmidt (2002) suggested that attracting and retaining key employees is the most powerful factor determining the level of success in mergers and acquisitions.

#### Conceptual Framework.

Figure 2.14 presents the conceptual framework of this study. The conceptual framework of the study has three sets of independent variables, including human resource development programs, human resource development competencies, and the four stages of the merger and acquisition process.

Human resource development programs. Human resource development is a functional process of developing and unleashing organization performance, work processes, and employee performance through human resource development programs including training and development, organization development, career development, and performance management. There are three functional components of human resource development programs, training and development, organization

development, and career development (Jacobs, 1989; Jeris et al., 2002; Swanson & Holton, 2001).

Human resource development competencies. According to the ASTD studies, most human resource development competency studies have identified the core knowledge, skills, and abilities required for human resource development professionals to effectively perform their work to meet the productive goals in the changing competitive environment (Swanson & Holton, 2001).

Merger and acquisition process. According to theory concerning the merger and acquisition process, the four stages of the merger and acquisition process have been based on the literature on the merger and acquisition processes. They are pre merger and acquisition, due diligence, integration, and post merger and acquisition (Daniel & Metcalf, 2001; Hitt et al., 2004; Jeris et al., 2001; Schmidt, 2002).

Figure 2.14 presents one moderating variable related to years of experience on the job.

Years of experience. An increased number of years of experience on the jobs may provide a better opportunity for an individual to gain deeper knowledge and skills in their current jobs. This valuable experience will increase with the number of years that individual spends on his or her jobs.

According to Figure 2.14, the conceptual framework of the study includes three set of dependent variables, contributions of human resource development programs, the relative level of importance of human resource development competencies, and the ability to perform human resource development competencies during the four stages of the merger and acquisition process.

The contributions of human resource development programs. This study will focus on the perceptions of Thai human resource professionals concerning the potential contributions of human resource development programs during the four stages of merger and acquisition processes. The three components of human resource development programs mentioned above will be considered as the key driving mechanisms during organizational change in mergers and acquisitions. In fact, human resource professional roles and experiences become major contributors to the success of the four stages of the merger and acquisition process. Daniel and Metcalf (2001) observed that human resource development involvement has high potential for contributing to the success of mergers and acquisitions. The author added that human resource development involvement and human resource development issues are critical in the management of people and their cultures. Having human resource development professionals involved in mergers and acquisitions is essential for the integration of the cultural values of two organizations (Jeris et al., 2001).

The importance of human resource development competencies. According to the ASTD, the model of excellence has been well researched for a number of years. Competency studies have shown the significance of using human resource development competencies to improve organization productivity and individual performance (ASTD, 2004; McLagan, 1987; McLagan & Suhadolnik, 1989). In fact, the ASTD model of excellence has been increasingly adopted and utilized among human resource development scholars and practices in training and development (ASTD, 2004; McLagan, 1989).

The ability to perform human resource development competencies. The model of excellence developed from human resource development competency studies shows a significant relationship between the core competencies and individual

performance. Human resource development competencies involve the core knowledge, skills, and abilities required for human resource professionals to effectively perform their jobs to meet the productive goals in the changing competitive environment (Swanson & Holton, 2001). According to ASTD competencies studies, the organization's and the individual's ability to adapt to change depends on the level of business competencies and intellectual competencies achieved (ASTD, 2004; McLagan, 1987, McLagan & Suhadolnik, 1989).

The conceptual framework represents the relevant areas of the literature that support the study.

As previously stated, human resource development programs and competencies effectively strengthen an organization's fundamental values and the management practices that help increase the success of cultural integration in the combined entity in mergers and acquisitions. According to the accumulated literature, most scholars and practitioners have concluded that failures in mergers and acquisitions will continue unless human resource development issues are adequately addressed during the four stages of the merger and acquisition process (Jeris et al., 2001; Leeamornsiri & Jacobs, 2003; Leeamornsiri & Lee, 2004; McIntyre, 2004). Specifically, Waight (2004) suggested that significant human resource development involvement is needed to help both organizations bridge the potential gaps and develop employee competency through training and development programs. The principle of human resource development is to establish mechanisms by which employees' competencies are improved through training and development programs (Lynham, 2004).

The success factors for mergers and acquisitions reported in research findings over the years include the finding that there is a significant relationship between

human resource development professionals' involvement in culture integration and the change management process and the success of mergers and acquisitions (Jeris et al., 2001; Waight, 2004).

Therefore, new perspectives are required, based on human resource development programs and human resource development competencies, to help the organizations which are combining assess their respective values and successfully integrate with new cultural values and management practices during the merger and acquisition process.

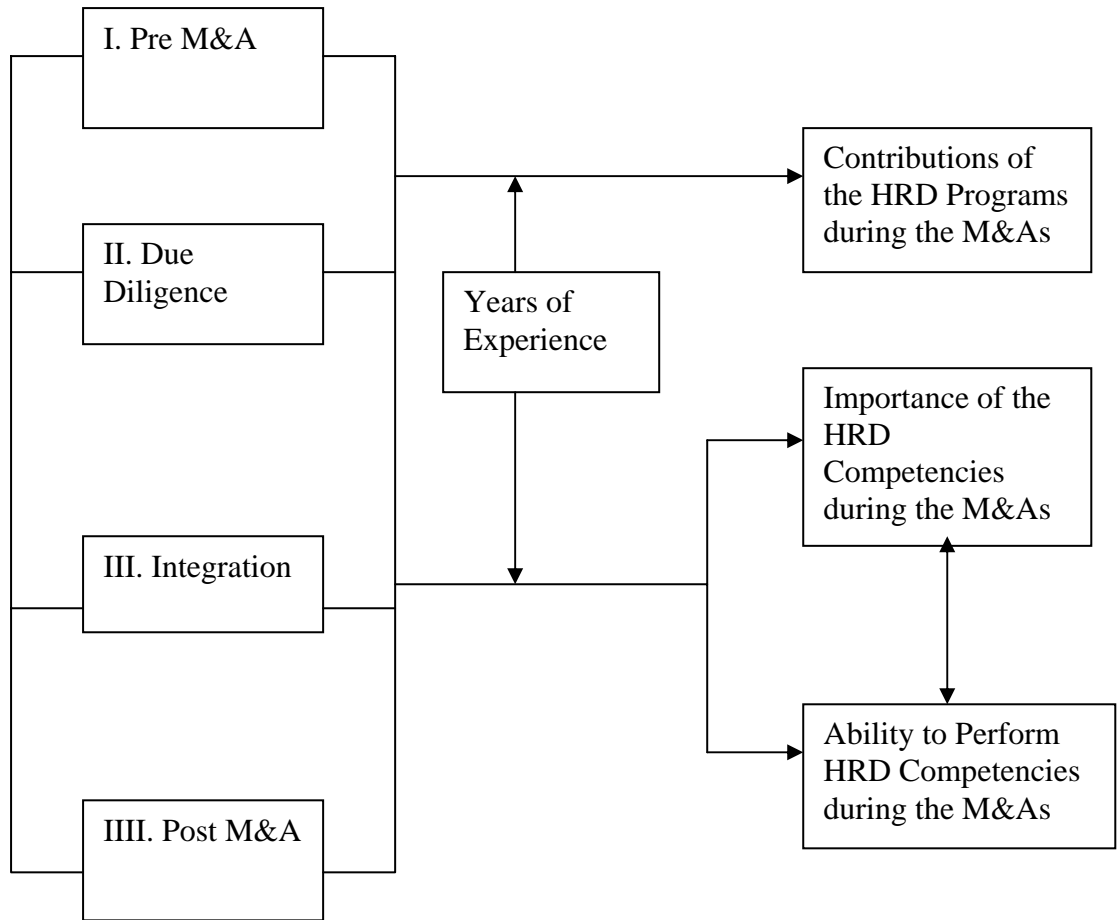


Figure 2.14. Conceptual Framework of the Study

## CHAPTER 3

### METHODS

This chapter describes the research methodology. It is divided into seven sections. The first section discusses the research design. The second section presents the research setting. The third section describes the respondents. The fourth section describes the operationalization of the variables. The fifth section presents the instrument development process. The sixth section describes the data collection process. The final section discusses the data analysis procedures.

#### Research Design

A descriptive survey research was used in this study. The main purpose of using the aforementioned research design as the research design was to describe and explain the phenomenon and how it works (Ary, Jacobs, and Razavieh, 2002). Descriptive research focuses on gathering data from the respondents to identify the characteristics of a specific group (Fraenkel and Wallen, 2000). In other words, it elicits answers as to what the phenomenon is and how it works. Therefore, the inclusion of both questionnaires and interviews enables the researcher to gain a more thorough understanding of the issue of interest. Furthermore, the quantitative data obtained from the administration of questionnaires and the qualitative data yielded by the interviews can be triangulated against one another.



In addition, mixed methods, particularly the sequential mixed method design, were used in this study. The sequential mixed method design allows researchers to conduct a study by using both a qualitative phase of the study and a separate quantitative phase of the study (Tashakkori & Teddlie, 1998). Creswell (1995) suggested that “because the two phases are clearly distinct, this allows the researcher to present thoroughly the paradigm assumptions behind each phase” (p.177).

This study used questionnaires and structured interviews. The questionnaire was administered to gather quantitative data, whereas the structured interview was used to collect qualitative data. The advantages of qualitative data are the focus on naturally occurring events that provide a greater depth and richness of information (Miles & Huberman, 1994). Furthermore, the qualitative approaches useful when the researcher intends to supplement, validate, explain, and reinterpret the qualitative data obtained from the study (Miles & Huberman, 1994).

This study used the available population of human resource professionals in five Thai banks that had undergone mergers and acquisitions in the past five years.

To explore the perspectives of Thai human resource professionals regarding the human resource development competencies and contributions to human resource development programs during the merger and acquisition process, the descriptive survey research conducted through the administration of questionnaires was taken. The four stages of the merger and acquisition were the pre-merger and acquisition, due diligence, integration, and post-merger and acquisition stages. Following the survey research, structured interviews were conducted to increase understanding about the potential contributions of human resource professionals to human resource development programs during the four stages of the merger and acquisition process.

## Research Setting

The settings for this research were five Thai banks that had undergone mergers and acquisitions in the past five years. There were three criteria for the inclusion of the respondents in the research settings. First, the respondents had to be human resource professionals and human resource development professionals. Second, those human resource professionals must have worked at the banks for the past five years and experienced merger and acquisition processes. Third, the selected banks must have experienced mergers and acquisitions in the past five years. The five banks selected for the present study met all of these criteria, as presented below.

The first bank selected was Thai Military Bank Public Company Limited (TMB). To mobilize and manage the non-budgetary funds of various military units, Thai Military Bank was established by Field Marshal Saridi Dhanarajata in October, 1956 with the initial registered capital of 10 million baht. Thai Military Bank provides financial services for the convenience of military units and supports additional welfare benefits for members of the military and their families. In 2004, the Thai Military Bank merged with DBS Thai Danu Bank Public Company Limited, becoming the fifth largest bank among the commercial banking systems in Thailand. It has the total assets of 700 billion baht and over 450 branches countrywide.

The second bank selected was Krung Thai Bank Public Company Limited. The Krung Thai Bank was established in 1966 through a merger between the Agricultural Bank Limited and the Provincial Bank Limited, with the Ministry of Finance as its major shareholder. The bank was named the Krung Thai Bank Limited because of its juristic person status as a state enterprise attached to the Ministry of Finance logo known as the Wayupak Bird. In 1982, the Krung Thai bank had 4,442.2 million baht in deposits, 4,582.1 million baht worth in assets, and 105 million

baht in registered capital, and had 81 branches and 1,247 personnel across Thailand. In 1995, the Krung Thai bank was granted the status of a Group 1 State Enterprise that was aiming for quality services to its customers comparable to those of other leading commercial banks in Thailand. In 2003, Krung Thai merged with the Mahanakorn Bank. This was a one dominant company type of merger. Today, the Krung Thai bank is operating through 511 domestic and 12 foreign branches and representative offices around the globe. In 2004, Krung Thai employed more than 15,000 employees. The Krung Thai's key policies are focusing on valued services to the clients, quality credit extension, efficient budget.

The third bank selected was Bank Thai Limited Company, which merged with Saha Bank Public Company Limited and 12 other financial institutions in 1997 because of the economic crisis in Asia. Bank Thai Public Company Limited was founded in 1998 by the Financial Institutions Development Fund (FIDF) with the assistance of the largest shareholder. Currently, Bank Thai provides complete banking services to corporate and individual customers, including commercial banking and capital market, securities business, non-life insurance, and business and investment consulting services. Bank Thai has experienced consistent growth as shown by its present registered capital of 52,002.5 million baht with the total assets of 231,474 million baht. Today, Bank Thai is comprised of 99 branches nationwide.

Siam City Bank Public Company Limited (SCIB), the fourth bank, was established during World War II around 1941 by the government and members of the royal family with the initial registered capital of 1 million baht. In 1994, Siam City Bank entered the Stock Exchange of Thailand (SET), and its shares were traded for the first time. In 2002, Siam City Bank became the fifth largest commercial bank in Thailand after it was merged with Bangkok Metropolitan Bank. In 2004, however,

Siam City Bank successfully capitalized a market worth of 47,961 million baht and was ranked the sixth largest banking sector in Thailand. Today, Siam City Bank provides comprehensive banking service systems to both individual and corporate customers. Presently, Siam City Bank has the registered capital of 465,139 million baht, employs 6,281 employees, and is comprised of 363 branches countywide.

Standard Chartered Bank was the fifth bank included in this study. The name ‘Standard Chartered’ was used after two banks—the Standard Bank of British South Africa and the Chartered Bank of India, Australia and China—merged in 1969. In fact, the Chartered Bank established in 1853 was the oldest bank, following the grant of a Royal Charter from Queen Victoria. In 2000, the Standard Chartered Bank acquired Nakornthon Bank, formerly known as Wanglee Bank, and became the Standard Chartered Nakornthon Bank. Today, the Standard Chartered Nakornthon Bank provides full banking services to corporate and individual clients, including trade finance, cash management, lending, custody, foreign exchange, debt capital markets and corporate finance. Furthermore, it is one of the world's leading banks, employing 30,000 people in over 500 offices in more than 50 countries, primarily countries in the Asia Pacific Region, South Asia, the Middle East, Africa and the America.

## Respondents

This section describes the respondents of the study

### Respondents

The respondents in this study were Thai human resource professionals in five banks which had undergone mergers and acquisitions. Respondents consisted of a total of 26 Thai human resource professionals. Of these 26 Thai human resource

professionals, there were nine vice presidents of human resources, four directors of human resources, twelve human resource managers, and one human resource supervisor. Generally, the selected human resource professionals were responsible for planning and implementing human resource issues including recruitment and selection, compensation, and performance evaluation. Training managers were also included in this study because their job roles were similar to those of human resource development managers.

The researcher carefully selected respondents who had sufficient knowledge about mergers and acquisitions and experience with mergers and acquisitions in the past five years. The researcher particularly selected these five Thai banks because they differed in terms of organization characteristics, cultural values, organization structures, and core business strategies. Structured interviews via telephone and mailed questionnaires were used to gather qualitative and quantitative data.

To ensure the generalizability of the study, potential threats should be considered and controlled in order that statistical errors can be minimized. These potential errors include:

1. Frame error. Frame refers to the discrepancy between the target population and the actual population from which the researcher wants to draw a sample (Gliem, 2001; McCracken, 2001). In this study, the frame error was controlled by selecting human resource managers and human resource development managers currently working in five Thai banks.

2. Non-response error occurs when respondents fail to answer, do not return the questionnaire, or refuse to participate in the structured interview. Ary et al. (1996) proposed that non-response error can be controlled by use of a questionnaire with an appropriate length and a cover letter. In addition, the questionnaire should be

attractive, and some incentives need to be offered as part of the administration of the questionnaire. Finally, non-respondents should be followed up.

To control non-response in this study, the researcher followed up on late respondents by sending a reminder postcard one week after the first mailing. A second set of questionnaires including a new cover letter, and stamped envelopes were sent to respondents who had not responded two weeks after the first mailing. Specifically, in the new cover letter, the researcher emphasized how important it was for respondents to respond to the study and asked if they might not have received the questionnaire or might have misplaced it. Gay and Airasian (2000) suggested that the new letter should emphasize that the respondent had meant to respond but the respondents might have misplaced the questionnaire or might not have received it. Finally, the researcher made a telephone call to non-respondents three weeks after the first mailing.

### Operationalization of Variables

This study designated three independent variables, one moderating variable, and three dependent variables.

#### Independent Variables

The following were the independent variables of the study.

Merger and acquisition process. The merger and acquisition process was designed to help the two combined organizations achieve the intended goals of the mergers and acquisitions. The merger and acquisition process generally occurs in four separate stages, which include:

1. Pre –merger and acquisition,
2. Due diligence,

3. Integration, and
4. Post-merger and acquisition.

Human resource development programs. Human resource development is a process of developing organization performance, work processes, and individual performance through human resource development programs, including training and development, organization development, career development, and performance management. There are three functional components of human resource development programs, as follows:

1. Training and Development,
2. Organization Development, and
3. Career Development.

Human resource development competencies. According to the ASTD competencies study, human resource development competencies are a functional process of developing individual capability, work processes, and organization performance. Human resource development competencies enable an employees to perform multiple tasks to meet the production goals successfully. Human resource development competencies can be viewed as knowledge, skills, attitudes, values, and personal characteristics.

Years of experience. The number of years of experience on the job may differ among the selected human resource professionals who were currently working in five Thai banks that had undergone mergers and acquisitions in the past five years. In fact, human resource professionals may perceive the four stages of the merger and acquisition process differently depending on the number of years of experience they have had in their current jobs.

### Dependent Variables

The following were the dependent variables in the study.

Contributions of human resource development programs. This variable was operationalized through a 12 item questionnaire that was developed by the researcher. The twelve items on the questionnaire were separated according to the four stages of the merger and acquisition process. Three items were assigned to each of the four stages. The items derived from the list of human resource development programs as identified by Jacobs (2002) and Swanson and Holton (2001). The items for each of the four stages are presented in Table 3.1.



|                                   |  |
|-----------------------------------|--|
| Pre Merger and Acquisition        | <ol style="list-style-type: none"> <li>1. Human resource development programs can be used to identify the knowledge, skills, and abilities required for future jobs of the new organization.</li> <li>2. Human resource development programs can be used to identify cultural compatibility issues during the pre merger and acquisition stage.</li> <li>3. Human resource development programs can be used to develop selection criteria for potential targets in the pre merger and acquisition stage.</li> </ol>        |
| Due Diligence Stage               | <ol style="list-style-type: none"> <li>1. Human resource development programs can be used to help identify the mission and strategy of the new organization.</li> <li>2. Human resource development programs can be used to promote new cultural values and management practices in the new organization.</li> <li>3. Human resource development programs can be used to increase employees' understanding about why change is necessary.</li> </ol>   |
| Integration Stage                 | <ol style="list-style-type: none"> <li>1. Human resource development programs can facilitate the success of cultural integration of the two combined organizations.</li> <li>2. Human resource development programs should be used to reduce operational costs associated with mergers and acquisitions.</li> <li>3. Human resource development programs can be used to reduce employee resistance to change during the merger and acquisition process.</li> </ol>   |
| Post Merger and Acquisition Stage | <ol style="list-style-type: none"> <li>1. Human resource development programs can be used to increase the financial benefit of the organization during the merger and acquisition process.</li> <li>2. Human resource development programs can be used to improve product and service quality during the merger and acquisition process.</li> <li>3. Human resource development programs can be used to help employees perform their jobs in the most efficient ways during the merger and acquisition process.</li> </ol> |

Figure 3.1: The Twelve Items of Human Resource Development Programs

A structured interview protocol was used to obtain quantitative data and qualitative data on the experiences and contributions of the Thai human resource professionals in terms of human resource development programs during the four stages of the merger and acquisition process.

Respondents were asked to rate each item based on a four-point summated rating scale ranging from 1-4, in which 1 meant “strongly disagree” and 4 meant “strongly agree”. Based on this, the researcher determined what stage the human resource professionals strongly agreed human resource development programs made the most important contributions in the four stages of the merger and acquisition process.

For the qualitative data, respondents were asked to describe their experiences and contributions in using human resource development programs during the four stages of the merger and acquisition process. Based on this, the researcher determined how human resource professionals perceived the potential contributions of human resource development programs during the four stages of the merger and acquisition process.

Importance of human resource development competencies. This variable was operationalized through a 30 item questionnaire that was developed by the researcher. The items on the questionnaire were separated according to the four stages of the merger and acquisition process. Thirty items were assigned among the four stages. The items were derived from the list of human resource development competencies as identified by the ASTD (Bassi, 1997; McLagan, 1989; Marquardt, 2003; Miller, 2003; Jacobs, 1990) and the literature on the merger and acquisition process (Daniel & Metcalf, 2001; Gregory & Cooper, 2003; Pablo & Javidan, 2004; Schmidt, 2002). The items for each of the four stages are presented in Figure 3.2.

|                                  |  |
|----------------------------------|--|
| Pre Merger and Acquisition Stage | <ol style="list-style-type: none"> <li>1. Conduct needs assessment to identify the knowledge, skills, and abilities required for future jobs.</li> <li>2. Evaluate all the related potential risk factors and success factors to select potential targets.</li> <li>3. Examine business opportunities to determine what strategic planning is needed to support due diligence plans.</li> <li>4. Estimate the cost, time, and effort required to communicate the new company's mission and strategy.</li> <li>5. Conduct cultural assessments to identify cultural compatibility issues between the two combined organizations</li> <li>6. Define the roles of managers during the merger and acquisition process.</li> </ol>  |
| Due Diligence Stage              | <ol style="list-style-type: none"> <li>1. Set realistic goals and expectations to reduce conflicts between the combined organization.</li> <li>2. Outline organization goals and principles which are consistently aligned with employee goals.</li> <li>3. Develop a new organizational structure to assign authority for decision making.</li> <li>4. Align cultural values and management practices between the two organizations to form a new organization.</li> <li>5. Identify the new organization's mission and strategy to increase agreement among shareholders, management, and employees.</li> <li>6. Promote new cultural values and management practices in the new organization.</li> <li>7. Develop guidelines to carry out future integration plans</li> <li>8. Provide managerial training to support the team's involvement in due diligence.</li> </ol>   |
| Integration Stage                | <ol style="list-style-type: none"> <li>1. Develop a performance evaluation system to ensure that employees' performance has been recognized and rewarded.</li> <li>2. Facilitate employee transition during changes.</li> <li>3. Provide counseling services to line managers and employees during the integration process in order to reduce resistance to change.</li> <li>4. Redesign work processes to reduce redundancy among jobs between the combined organization.</li> <li>5. Develop benchmarking work processes to improve employee performance.</li> <li>6. Develop employee communication skills to increase the effectiveness of communication between management and employees during the integration process.</li> <li>7. Implement intervention programs to facilitate employees' and management's efforts to cope with changes.</li> <li>8. Conduct awareness training for employees to increase their understanding about why change is necessary.</li> </ol> |

|                                    |  |
|------------------------------------|--|
| Post Merger and Acquisition Stage. | <ol style="list-style-type: none"> <li>1. Create a positive working environment to enhance employee satisfaction.</li> <li>2. Develop employee retention programs to ensure that talented employees remain with the organization.</li> <li>3. Conduct employee involvement programs to ensure that employees at all levels are involved in developing performance appraisal systems and compensation programs.</li> <li>4. Enhance procedural justice and distributive justice in compensation systems.</li> <li>5. Motivate employees by ensuring that their ideas and opinion are important and valued.</li> <li>6. Provide cascade training for management and employees to enhance institutionalization change.</li> <li>7. Provide succession plans to develop employee performance and team performance.</li> <li>8. Provide leadership development training programs for employees to increase employees' leadership capacity to contribute effective decision making.</li> </ol> |
|------------------------------------|--|

Figure 3.2: The 30 items of Human Resource Development Competencies.

The questionnaire was used to obtain quantitative data on the perception of human resource professionals about the relative levels of importance of human resource development competencies during the four stages of the merger and acquisition process.

Respondents were asked to rate each item based on a four-point summated rating scale ranging from 1- 4, in which 1 meant “extremely not important” and 4 meant “extremely important”. Based on this the researcher determined what the perception’ of human resource professionals were about the relative levels of importance of human resource development competencies during the four stages of the merger and acquisition process.

Ability to perform human resource development competencies. This variable was operationalized through a 30 item questionnaire that was developed by the researcher. The items on the questionnaire were separated according to the four

stages of the merger and acquisition process. Thirty items were assigned among the four stages. The items were derived from the list of human resource development competencies as identified by the ASTD (Bassi, 1997; McLagan, 1989; Marquardt, 2003; Miller, 2003; Jacobs, 1990) and the literature on the merger and acquisition process (Daniel & Metcalf, 2001; Gregory & Cooper, 2003; Pablo & Javidan, 2004; Schmidt, 2002). The items for each of the four stages are presented in Table 3.2 above.

The questionnaire was used to obtain quantitative data on the perceptions of the human resource professionals about their ability to perform human resource development competencies during the four stages of the merger and acquisition process. Respondents were asked to rate each item based on a four-point summated rating scale ranging from 1-4, in which 1 meant “extremely low ability” and 4 meant “extremely high ability”. Based on this, the researcher determined what was the perception of the human resource professionals were about their ability to perform human resource development competencies during the four stages of the merger and acquisition process.

### Instrument Development Process

This section describes the instrument development used in the study. The research instruments used in this study were structured interviews and survey questionnaires as follows:

The structured interview protocol consisted of questions related to human resource development programs implemented during the merger and acquisition process and the demographic information of the respondents.

The following were the instrument development procedures:

1. The instrument used in this research was developed by the researcher based on the theoretical perspectives of literature on the merger and acquisition process and human resource development literature.
2. The researcher developed 12 items describing the contributions of human resource development programs in the four stages of the merger and acquisition process.
3. To measure the importance of the contributions, the researcher used a summative rating scale known as the Likert scale in the four stages of the merger and acquisition process. The first set of questions utilized a four-point summative rating scale ranging from 1 to 4, in which 1 meant “strongly disagree” and 4 meant “strongly agree”. This was used to determine the degree of agreement about the contributions of the human resource development programs used during the four stages of the merger and acquisition process.
4. In addition, a structured interview protocol was used to obtain qualitative data to explore the perceptions of the Thai human resource professionals about their experience and the potential contributions of human resource development programs during the four stages of the merger and acquisition process.
5. Finally, the researcher validated the instrument to ensure that construct validity, content validity, face validity and reliability were addressed.

The second instrument was a survey questionnaire which included questions designed to explore the perceptions of Thai human resource professionals about the relative importance of and their ability to perform human resource development competencies during the four stages of the merger and acquisition process.

The following were the instrument development procedures:

1. The instrument used in this research was developed by the researcher based on the theoretical perspectives of the literature of the merger and acquisition process and human resource development competencies.
2. The researcher developed a questionnaire of 30 items related to human resource development competencies used during the four stages of the merger and acquisition process. In this study, the researcher developed questions to explore the affective domain of the respondents in two dimensions, the level of importance of and their ability to perform human resource development competencies. These questions were administered on the Thai human resource professionals to measure their perceptions about the two dimensions as stated above.
3. This set of questions was in the form of a four-point summative rating scale ranging from 1 to 4, in which 1 meant “Extremely not important” and 4 meant “Extremely important”. A similar four-point summative rating scale ranging from 1 to 4, in which 1 meant “extremely low ability” and 4 meant “extremely high ability”, were also used in the set. This set of questions was used to determine the perceptions of the Thai human resource professionals about the relative level of importance of and their perceived ability to perform human resource development competencies during the four stages of the merger and acquisition process.
4. Finally, the researcher validated the instrument to ensure that construct validity, content validity, and face validity and reliability were addressed.

## Validity

The construct validity, content validity, and face validity of these survey instruments was examined by using the factor analysis technique and expert reviews. The procedures are described in the following.

In order to test construct validity and face validity, the researcher validated the initial hypothesis about the four stages of the merger and acquisition process including the 12 items representing the contributions of human resource development programs used in the survey and the 30 items in the questionnaire related to the relative importance of and the ability of human resource professionals to perform human resource development competencies during the four stages of the merger and acquisition process. Factor analysis was used to analyze and determine which ones should be singled out in a particular stage. These were then analyzed to determine relative importance of the human resource development programs and the human resource development competencies as well as their potential contributions during the four stages of the merger and acquisition process.

The content and face validity of the survey instruments was tested on a selected number of the sample. They made suggestions on how the researcher could improve the items on the questionnaire and what changes he might make in the instrument's format, the appropriateness of language, the clarity of printing, the clarity of directions, and the general appearance (Fraenkel & Wallen, 2000).

Moreover, a panel of experts consisting of two professors in the field of human resource development programs at NIDA, Thailand, two human resource development professionals at the LG company, U.S.A., and two doctoral candidates from Workforce Development and Education at the Ohio State University made suggestions and recommended changes regarding the previously mentioned issues.



Since the questionnaire was written in English, the researcher translated it into Thai for the participants. Therefore, in addition to the experts listed above, the researcher established a panel of Thai experts consisting of two professors in human resource development at NIDA, Thailand, two Thai bank managers at Siam Commercial Bank (Thai Panit Bank), two Thai doctoral candidates in human resource development at the University of Minnesota, one professor in the Linguistic Program at NIDA, Thailand. Each panel member was given both the Thai and the English versions of the questionnaire for revision and validation of the items regarding the appropriateness of the language, clarity of format, and clarity of content. Their feedback was used to revise the questionnaire and reword unclear questionnaire items.

### Reliability

Reliability refers to the degree to which a test consistently measures whatever it is supposed to measure (Fraenkel & Wallen, 2000; Gay & Airasian, 2000). A pilot test was conducted with 8 selected human resource professionals of True Corporation Public Company Limited, which had undergone mergers and acquisitions in the past. In 2003, True company and Telecom Asia Orange company a cellular service provider merged with an other small business which had been successfully conglomerated by the Charoen Pokaphand Group. After the mergers in 2003, True Corporation Public Company Limited became one of the leading providers of technology, including high speed internet broadband service, cellular, Asia multimedia, Asia Information network and cable TV network United Broadcasting Corporation. Structured interviews and questionnaires were used to investigate the perceptions of the human resource professionals about human resource development

competencies and the potential contributions of human resource development programs during the merger and acquisition process.

Then the researcher used Cronbach's alpha to measure the internal reliability and to ensure the consistency of the items in the instrument. Internal consistency refers to how accurately a test measures a single construct (Fraenkel & Wallen, 2000; Gay & Airasian, 2000; Myers & Well, 2003). Cronbach's alpha, a number indicating the degree of internal reliability, can be viewed as a function of the number of test items and the average inter-correlation among them (Gay & Airasian, 2000; Myers & Well, 2003).

In terms of reliability, the internal consistency of the pilot test form was assessed based on the responses of eight pilot human resource professionals from the True Corporation Public Company. Cronbach's alpha was calculated for the human resource development programs in each of the four stages of the merger and acquisition process. Cronbach' alpha was also calculated for level of importance of and the human resource professionals' ability to perform human resource development competencies in each of the four stages of the merger and acquisition process. The Cronbach's alpha coefficient scores of .70 or higher indicated the high reliability of the study (Yogt, 1999). The Cronbach's alpha for the reliability coefficients for this scale are shown in the following Figures.

| M&A stages    | Cronbach's Alpha | Number of items |
|---------------|------------------|-----------------|
| Pre M&A       | .58              | 3               |
| Due diligence | .90              | 3               |
| Integration   | .70              | 3               |
| Post M&A      | .56              | 3               |
| Overall       | .90              | 12              |

N = 8

Figure 3.3: Cronbach's alpha for the reliability coefficient of HRD programs in the four stages of the merger and acquisition process.

As presented in Figure 3.3, the results showed that the alpha value was .90 for the due diligence stage and .70 in the integration stage. These values implied that the survey achieved acceptable measures of internal consistency in this instrument (Yogt, 1999). The results also showed that the alpha values were .58 in the pre merger and acquisition stage and .56 in the post merger and acquisition stage. These values implied that the survey did not achieve acceptable measures of internal consistency for the instrument since the alpha level was lower than .70 (Yogt, 1999). One possible explanation may be lack of theoretical support for the relationship between the human resource development programs used in the four stages of the merger and acquisition process. Another possible explanation may be that the number of respondents in the pilot study was small so that one answer could strongly influence the results. Finally, there were small items of human resource development measured in each of the four stages of the merger and acquisition process. Nevertheless, the

overall alpha value was .90, which implied that the survey instrument achieved an acceptable level of internal consistency (Yogt, 1999).

|                        |                 | <u>Cronbach's Alpha</u> |                     |                   |                |                    |
|------------------------|-----------------|-------------------------|---------------------|-------------------|----------------|--------------------|
|                        |                 | Important               |                     |                   |                | Ability            |
| HRD competencies tasks | Number of items | Pre M&A stage           | Due diligence stage | Integration stage | Post M&A stage | Ability to perform |
| Pre M&A tasks          | 6               | .37                     | .36                 | .70               | .83            | .45                |
| Due diligence tasks    | 7               | .86                     | .85                 | .76               | .83            | .72                |
| Integration tasks      | 9               | .94                     | .80                 | .70               | .86            | .86                |
| Post M&A tasks         | 8               | .94                     | .90                 | .90               | .83            | .83                |

N = 8

Figure 3.4: Cronbach's alpha for the reliability coefficient of HRD competencies in the four stages of the merger and acquisition process.

As presented in Figure 3.4, the alpha value for the level of importance of and the human resource professionals' ability to perform human resource development competencies are discussed in the following section.

Pre merger and acquisition stage. The results in Figure 3.4 show that the alpha value for the importance of human resource development competencies were .37 for the in pre merger and acquisition stage and .36 for the due diligence stage, and the alpha value for the ability to perform was .45. These values implied that the survey did not achieve acceptable measure of internal consistency in this instrument (Yogt, 1999). A possible explanation is the lack of theoretical support for the relationship

between human resource development competencies and the four stages of the merger and acquisition process. Another possible explanation is that the number of respondents used in the pilot study was small so that one answer could strongly influence the results. The results showed alpha values of .70 for the integration stage and .83 for the post merger and acquisition stage. These values implied that the survey achieved acceptable measures of internal consistency for this part of the instrument (Yogt, 1999).

Due diligence stage. The results in Figure 3.4 show that the alpha values for the importance of human resource development competencies were .86 for the pre merger and acquisition stage .85 for the due diligence stage, .76 for the integration stage, and .83 for the post merger and acquisition stage, and that the alpha value for the ability to perform was .72. These values implied that the survey achieved an acceptable measure of internal consistency in this part of the instrument (Yogt, 1999).

Integration stage. The results in Figure 3.4 show that the alpha values for the importance of human resource development competencies were .94 for the pre merger and acquisition stage, .80 for the due diligence stage, .70 for the integration stage, and .86 for the post merger and acquisition stage, and the alpha value for the ability to perform was .86. These values implied that the survey achieved acceptable measure of internal consistency for this part of the instrument (Yogt, 1999).

Post merger and acquisition stage. The results in Figure 3.4 show that the alpha values for the importance of human resource development competencies were .94 for the pre merger and acquisition stage, .90 for the due diligence stage, .90 for the integration stage, and .83 for the post merger and acquisition stage, and the alpha value for the ability to perform was .83. These values implied that the survey

achieved acceptable measure of internal consistency in this part of the instrument (Yogt, 1999).

#### Data Collection Process

Data collection was conducted in Thailand, using structured interviews and survey questionnaires. The questionnaire was administered during the structured interviews. The researcher followed structured interview procedures and emphasized that confidentiality would be maintained. The survey was a four page questionnaire with the logo of the Ohio State University printed on the cover page. A code was assigned to each questionnaire for the purpose of following up non-respondents.

The researcher followed the data collection process as follows:

1. The researcher arranged for the document to be mailed locally to twenty six human resource professionals from five Thai banks that had undergone mergers and acquisitions in the past five years who had been previously contacted.
2. One week from the mailing date, the researcher arranged for reminder postcards to be mailed locally to non-respondents.
3. Two weeks from the first mailing date, the researcher arranged for a second set of questionnaires, a new cover letter, and stamped envelopes to be mailed locally to non respondents.
4. Three weeks from the first mailing date, telephone call was made to follow up with non-respondents.
5. Finally, the researcher did not include and process data that come in later than five weeks after the final follow-up.

## Data Analysis

This section discusses the statistical methods used to address each research question and describes how the analyses were undertaken. In this study, the statistical Package for the Social Sciences (SPSS) was used for all descriptive statistics including mean, frequency, and standard deviation. The techniques were used to analyze, organize, and summarize the data, including the demographic data of the respondents. Moreover, the Pearson product-moment correlation coefficient, an inferential statistic, was used to examine the correlation between the perceived level of importance and ability to perform human resource development competencies among human resource professionals during the merger and acquisition process.

Research Question 1: What are the perceptions of human resource development professionals about their potential contributions of human resource development programs during the merger and acquisition process?

For research question 1, the researcher first validated the hypothesis about the four stages and the 12 HRD items used in the merger and acquisition process. Factor analysis was used to reduce the 12 items to four stages. At the outset of the process, all 12 items were assigned to the same factor. Then they were analyzed to determine which ones should be singled out from a particular stage. The eigenvalues were interpreted for clustering of the items.

Using the theoretical perspectives on the merger and acquisition process, the researcher reduced the 12 items to four stages. Means were calculated for each of the 12 items of the four stages to analyze the level of agreement with human resource development programs. From this, the researcher was able to determine which stages the human resource professionals agreed strongly about in their evaluating

contributions of HRD programs to the merger and acquisition process. Descriptive statistics including frequency, percentage, cumulative percentage, mean, and standard deviation were used to summarize the data about human resource development programs.

In addition, the main applications of factor analysis techniques were intended to reduce the number of variables and to detect the structure in the relationships among variables, that is, to classify the variables. Therefore, factor analysis was a useful tool when applied as a data reduction technique or a simple structure detection method (Gay & Airasian, 2000; Myers & Well, 2003). The researcher interpreted the eigenvalues and noted which items were clustered together. The eigenvalue, or latent root, is used in the factor analysis technique. The variances extracted by the factors are called the eigenvalues. The sum of the eigenvalues is equal to the number of variables. It can be used for a decision about the number of factors to retain; factors with eigenvalues greater than 1.00 were retained on the test (Gay & Airasian, 2000; Myers & Well, 2003). Principal component analysis is used as a method for transformation of a large set of correlated variables into a small group of uncorrelated variables. Based on this method, the researcher analyzed the data and grouped the variables into more manageable units, eliminating problems of multicollinearity. Vogt (1999) stated that principle component analysis is similar to the factor analysis technique, but it is an independent technique that is often used as the first step in factor analysis. Factor loadings were used to determine the correlations between each variable and each factor in the factor analysis. Afifi and Clark (1990) and Vogt (1999) suggested that the higher the loading, the closer the association of the item with the group of items that make up the factor, and that loadings of less than .3 or .4 are generally not considered meaningful.



Research Question 2: What are the most important of the human resource development programs you used as part of the merger and acquisition process?

To answer research question 2, the researcher coded the qualitative data according to the emerging theme that appeared most frequently, which was used to describe and summarize the names of the most important of the human resource programs used as part of the merger and acquisition process. These data were coded by hand to develop the emerging theme of the level of the human resource professionals' experience pertaining to human resource development programs. The induction coding technique was used to create codes based on the frequency of appearance of the emerging themes, as discussed earlier. The researcher created provisional start lists of codes based on the induction coding technique. The induction coding technique is a process of data gathering, with data written up and reviewed line by line to see how it functions and nests in its context and to determine how it clusters together (Miles & Huberman, 1994). This list came from the key variables of the human resource development programs and the theoretical framework of the four stages of the merger and acquisition process. In this part of the analysis, the researcher differentiated and combined the qualitative data that had been retrieved. In order to retrieve and organize the chunks of qualitative data, the researcher used an entailed system for categorizing the various chunks. Based on this, the researcher clustered the segments relating a particular emerging theme.

Research Question 3: What is your role in administering and supervising these human resource development programs?

To answer research question 3, the researcher coded the qualitative data according to the emerging themes that appeared most frequently, which were used to

describe and summarize the human resource professionals' roles in administering and supervising the human resource development programs. These data were coded by hand to develop the emerging theme of the level of their experience pertaining to human resource development programs. The induction coding technique was used to create codes based on the frequency of appearance of the emerging themes, as discussed earlier. The researcher created provisional start lists of codes based on the induction coding technique. The induction coding technique is a process of data gathering, with data written up and reviewed line by line to see how it functions and nests in its context and determine how it clusters together (Miles & Huberman, 1994). This list came from the key variables of human resource development programs and the theoretical framework of the four stages of the merger and acquisition process. In this part of the analysis, the researcher differentiated and combined the qualitative data that had been retrieved. In order to retrieve and organize the chunks of qualitative data, the researcher used an entailed system for categorizing the various chunks. Based on this the researcher clustered the segments relating to a particular emerging theme.

Research Question 4: What are the usefulness of human resource development programs implementing during the merger and acquisition process?

To answer research question 4, the researcher coded the qualitative data according to the emerging themes that appeared most frequently, which were used to describe and summarize the usefulness of the human resource development programs implemented during the merger and acquisition process. These data were coded by hand to develop the emerging theme of the level of the human resource professionals' experience pertaining to human resource development programs. The induction

coding technique was used to create codes based on the frequency of appearance of the emerging themes as discussed earlier. The researcher created provisional start lists of codes based on the induction coding technique. The induction coding technique is a process of data gathering, with data written up and reviewed line by line to see how it functions and nests in its context and to determine how it clusters together (Miles & Huberman, 1994). This list came from the key variables of human resource development programs and the theoretical framework of the four stages of the merger and acquisition process. In this part of the analysis, the researcher differentiated and combined the qualitative data that had been retrieved. In order to retrieve and organize the chunks of qualitative data, the researcher used an entailed system for categorizing the various chunks. Based on this, the researcher clustered the segments relating to a particular emerging theme.

Research Question 5: How important have human resource development programs been for the success of the mergers and acquisitions in your experience?

To answer research question 5, the researcher coded the qualitative data according to the emerging theme that appeared most frequently, which were used to describe and summarize how important the human resource development programs had been to the success of the mergers and acquisitions in the human resource professionals' experience. These data were coded by hand to develop the emerging theme of the level of their experience pertaining to human resource development programs. The induction coding technique was used to create codes based on the frequency of appearance of the emerging theme, as discussed earlier. The researcher created provisional start lists of codes based on the induction coding technique. The induction coding technique is a process of data gathering, with data written up and

reviewed line by line to see how it functions and nests in its context and to determine how it clusters together (Miles & Huberman, 1994). This list came from the key variables of human resource development programs and the theoretical framework of the four stages of the merger and acquisition process. In this part of the analysis, the researcher differentiated and combined the qualitative data that had been retrieved. In order to retrieve and organize the chunks of qualitative data, the researcher used an entailed system for categorizing the various chunks. Based on this, the researcher clustered the segments relating to a particular emerging theme.

Research Question 6: What are the perceptions of human resource professionals about the importance of human resource development competencies during the merger and acquisition process?

For research question 6, the researcher described the perceptions of the human resource professionals about the relative importance of human resource development competencies in the four different stages of the merger and acquisition process. These four stages contain 30 items that reflected critical human resource competencies. Means were calculated for each of the items on the scale for the level of importance, and this enabled the researcher to determine the relative importance of the human resource development competencies on which the human resource professionals agree strongly. Analysis of the variance (ANOVA) was used to examine the differences regarding the level of importance among group of human resource development in the four stages of the merger and acquisition process. Descriptive statistics, including frequency, percentage, cumulative percentage, and standard deviation were used to summarize the data.

Research Question 7: What are the perceptions of human resource professionals regarding their ability to perform human resource development competencies during the merger and acquisition process?

To answer research question 7, the researcher described the perceptions of human resource professionals regarding their level of ability to perform human resource development competencies in the four stages of the merger and acquisition process. These four stages consisted of 30 items that reflected critical human resource competencies. Means were calculated for each of the 30 items to determine the level of ability of human resource professionals to perform human resource development competencies during the merger and acquisition process. As stated above, factor analysis was then used to analyze the data, group similar data, and to determine which human resource development competency factors contributed most to the four stages of the merger and acquisition process. Descriptive statistics including frequency, percentage, cumulative percentage, and standard deviation were used to summarize the data.

Research Question 8: What is the relationship between the perceived level of importance and ability to perform human resource development competencies among the human resource professionals during the merger and acquisition process?

To answer research question 8, the Pearson product-moment correlation, an inferential statistics, was used to test the relationship between two variables, the relative level of importance of human resource development competencies and the

ability to perform human resource development competencies during the merger and acquisition process.

Research Question 9: Is there a relationship between experience in human resource development and the ability to perform human resource development competencies during the merger and acquisition process?

To answer research question 9, the Pearson product-moment correlation, an inferential statistic, was used to investigate the relationship between the two variables which were experience in human resource development and the ability to perform human resource development during the merger and acquisition process.

## CHAPTER 4

### RESULTS

This chapter is divided into two sections. The first section describes the demographic information obtained from the respondents. The second section presents the results for each of the research question.

#### Demographic Information

This section is divided into two parts. The first part describes the respondents' characteristics.

The research data was obtained from selected human resource professionals from the Human Resource Departments of five Thai banks that had undergone mergers and acquisitions during the past five years. The respondents included the Vice President of Human Resources, Director of Human Resources, Human Resource Manager, and Human Resource Supervisor. The researcher contacted respondents to schedule structured phone interviews regarding potential contributions and uses of human resource development programs during the merger and acquisition process. Before conducting the structured phone interviews, the researcher provided two documents regarding human resource development programs and the four stages of the merger and acquisition process. In addition, the researcher arranged for a

second instrument regarding human resource development competencies to be mailed locally.

Of the 26 respondents from these five Thai banks, there were nine Vice Presidents of Human Resources, four Directors of Human Resources, twelve Human Resource Managers, and one Human Resource Supervisor. The total number of respondents was 26 human resource professionals from five Thai banks that had undergone the mergers and acquisitions in the past five years. Thus, the overall response rate in this study was 100%. All 26 respondents completed both a structured interview by phone on the potential contributions and uses of human resource development programs and a questionnaire on the importance of and their ability to perform human resource development competencies during the merger and acquisition process, data from both sources were used for the data analysis.

Table 4.1 shows descriptive statistics related to the respondents' current positions and job roles, experience, and level of education.



|  | N  | Percent |
|--|----|---------|
| Respondent's organization              |    |         |
| • StandardChartered & Nakornthon Bank  | 15 | 57.7    |
| • Bank Thai                            | 1  | 3.8     |
| • Siam City Bank                       | 4  | 15.4    |
| • Thai Military Bank & Thai Dhanu Bank | 1  | 3.8     |
| • Krungthai Bank                       | 5  | 15.4    |
| Current position:                      |    |         |
| • Vice President of HR                 | 9  | 34.6    |
| • Director of Human Resources          | 4  | 15.4    |
| • Human Resource Manager               | 12 | 46.2    |
| • Human Resource Supervisor            | 1  | 3.8     |
| Number of years at current position    |    |         |
| • 0 - 5 years                          | 12 | 46.2    |
| • 6 -10 years                          | 9  | 34.6    |
| • 11 - 15 years                        | 3  | 11.5    |
| • 16 - 20 years                        | 1  | 3.8     |
| • Over 21 years                        | 1  | 3.8     |
| Number of years in the organization    |    |         |
| • 0 - 5 years                          | 10 | 38.5    |
| • 6 - 10 years                         | 8  | 30.8    |
| • 11 - 15 years                        | 4  | 15.4    |
| • 16 - 20 years                        | 1  | 3.8     |
| • Over 21 years                        | 3  | 11.5    |
| Level of education:                    |    |         |
| • Bachelors degree, 4 years            | 2  | 7.7     |
| • Masters degree                       | 20 | 76.9    |
| • Doctorate degree                     | 4  | 15.4    |

Table 4.1: Demographic information on survey respondents (n=26)

## Results

This section reports the results from each of the research questions of the study.

### Research Question 1: What are the potential contributions of human resource development programs during the merger and acquisition process?

As presented in Table 4.2, the results showed that the majority of the human resource professionals agreed that human resource development programs can be used to promote new cultural values and management practices in the new organization (Mean = 3.77, SD = .430) and that human resource development programs can be used to increase employees' understanding about why change is necessary (Mean = 3.77, SD = .514). In addition, Table 4.2 also shows that the majority of the human resource professionals were less in agreement on whether human resource development programs can be used to increase the financial benefits to the organization during the merger and acquisition process (Mean = 3.00, SD = .748) and whether human resource development programs can be used to improve product and service quality during the merger and acquisition process (Mean = 3.08, SD = .744).

| HRD programs   | Mean | SD   | N  |
|--|------|------|----|
| 1. HRD programs.<br>Human resource development programs can be used to identify the knowledge, skills, and abilities required for future jobs in the new organization. | 3.69 | .471 | 26 |
| 2. HRD programs.<br>Human resource development programs can be used to identify cultural compatibility issues during the pre merger and acquisition stage.             | 3.42 | .578 | 26 |
| 3. HRD programs.<br>Human resource development programs can be used to develop selection criteria for potential targets in the pre merger and acquisition stage.       | 3.12 | .766 | 26 |
| 4. HRD programs.<br>Human resource development programs can be used to help identify the mission strategy of the new organization.                                     | 3.58 | .643 | 26 |
| 5. HRD programs.<br>Human resource development programs can be used to promote new cultural values and management practices in the new organization.                   | 3.77 | .430 | 26 |
| 6. HRD programs.<br>Human resource development programs can be used to increase employees' understanding about why change is necessary                                 | 3.77 | .514 | 26 |

Continued

Table 4.2: Means and Standard deviations of HRD programs in the merger and acquisition process

Table 4.2: continued

|     |  |      |      |    |
|-----|--|------|------|----|
| 116 | 7. HRD programs.<br>Human resource development programs can facilitate the success of cultural integration of the two combined organizations.                                  | 3.69 | .471 | 26 |
|     | 8. HRD programs.<br>Human resource development programs should be used to reduce operational costs associated with the mergers and acquisitions.                               | 3.15 | .925 | 26 |
|     | 9. HRD programs.<br>Human resource development programs can be used to reduce employee resistance to change during the merger and acquisition process.                         | 3.31 | .618 | 26 |
|     | 10. HRD programs.<br>Human resource development programs can be used to increase the financial benefit of the organization during the merger and acquisition process.          | 3.00 | .748 | 26 |
|     | 11. HRD programs.<br>Human resource development programs can be used to improve product and service quality during the merger and acquisition process.                         | 3.08 | .744 | 26 |
|     | 12. HRD programs.<br>Human resource development programs can be used to help employees perform their jobs in the most efficient way during the merger and acquisition process. | 3.50 | .707 | 26 |

As presented in Table 4.3, the results of factor analysis showed that these 12 items broadly represent the domain of human resource development programs used in the four stages of the merger and acquisition process. However, there was a substantial theoretical and empirical overlap among these items, and the researcher desired to adopt the relationship between the theory of human resource development programs and the four stages of the merger and acquisition process. Therefore, factor analysis was conducted on each item's standard score, using principal component extraction with varimax rotation. An orthogonal rotation was first performed, followed by an oblique rotation. The methods yielded different results, requiring interpretation of the oblique rotation results (Gliem, 2003; Steven, 1996). The results of factor analyses were used to validate the initial hypothesis about the theory of the four stages and the 12 items of the merger and acquisition process. Table 4.3 shows that the initial Eigenvalues of component 1 (4.435), component 2 (1.760), and component 3 (1.377) were loaded onto three components. The three components together explained 63.104 % of the total variance.

Rotated factor

| Component | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|----------|
|           | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % | Total    |
| 1.        | 4.435               | 36.959        | 36.959       | 4.435                               | 36.959        | 36.959       | 3.513    |
| 2.        | 1.760               | 14.668        | 51.627       | 1.760                               | 14.668        | 51.627       | 3.340    |
| 3.        | 1.377               | 11.477        | 63.104       | 1.377                               | 11.477        | 63.104       | 1.972    |
| 4.        | .945                | 7.875         | 70.980       |                                     |               |              |          |
| 5.        | .864                | 7.202         | 78.182       |                                     |               |              |          |
| 6.        | .673                | 5.612         | 83.794       |                                     |               |              |          |
| 7.        | .596                | 4.966         | 88.760       |                                     |               |              |          |
| 8.        | .431                | 3.589         | 92.349       |                                     |               |              |          |
| 9.        | .311                | 2.593         | 94.942       |                                     |               |              |          |
| 10.       | .301                | 2.561         | 97.503       |                                     |               |              |          |
| 11.       | .167                | 1.394         | 98.896       |                                     |               |              |          |
| 12.       | .132                | 1.104         | 100.000      |                                     |               |              |          |

Extraction Method: Principal Component Analysis

- a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance

Table 4.3: Total variance explained of the rotated factors of the HRD programs in the merger and acquisition process.

Based on the oblique rotation of factor analysis, Table 4.4 shows that the loadings among the three components were the same before the oblique rotation. Therefore, Table 4.5 shows that three components emerged from these analyses and the researcher constructed a scale for each by averaging the item loadings unambiguously at .40 or greater on a single factor. The researcher named component 1 the “change management process”. This component includes a broad range of practices intended to enhance human resource development programs in the change management process during the integration and post merger and acquisition stages. The results in Table 4.5 indicate that component 1 (change management process) includes human resource development program item 8 (.913), human resource development should be used to reduce operational costs associated with mergers and acquisitions, and human resource development program item 9 (.588), human resource development programs can be used to reduce employee resistance to change during the merger and acquisition process. Overall, the pattern matrix of component 1 (the change management process) includes human resource development programs items 8, 9, 10 11, and 12, which were structured into the integration and post merger and acquisition stages.

Table 4.5 shows that there were no loadings on component 2. According to the criterion for retaining factor loadings, the loading score should be .40 or higher on a single factor (Gilem, 2003). Table 4.6 shows that there were no factor loadings of or more .40 on a single factor. Therefore, component 2 has no loading on the single factor.

As presented in Table 4.5, the results showed that component 3 had two factor loadings, human resource development program item 1, human resource development programs can be used to identify the knowledge, skills, and abilities required for future jobs of the new organization (.756), and human resource development program item 2, human resource development programs can be used to identify cultural compatibility issues during the pre merger and acquisition stage (.867). These results showed that human resource program item 1 and human resource development program item 2 were loadings on competence building during the pre merger and acquisition stage, which confirms the initial theory of the merger and acquisition process and its relationship to human resource development programs. Indeed, these two factors in component 3 have a strong relationship to the employee competencies required to perform for future jobs and differences in the cultural values of the new combined organization.



| Human resource development programs  | 1     | Component |       |
|--|-------|-----------|-------|
|  |       | 2         | 3     |
| 1. HRD programs.<br>Human resource development programs can be used to identify the knowledge, skills, and abilities required for future jobs of the new organization. | .008  | -.157     | .756  |
| 2. HRD programs.<br>Human resource development programs can be used to identify cultural compatibility issues during the pre merger and acquisition stage.             | -.068 | .242      | .867  |
| 3. HRD programs.<br>Human resource development programs can be used to develop selection criteria for potential target in the pre merger and acquisition stage.        | .392  | -.178     | .281  |
| 4. HRD programs.<br>Human resource development programs can be used to help identify the mission strategy of the new organization.                                     | .167  | -.675     | .179  |
| 5. HRD programs.<br>Human resource development programs can be used to promote new cultural values and management practices in the new organization.                   | .129  | -.527     | .305  |
| 6. HRD programs.<br>Human resource development programs can be used to increase employee's understanding about why change is necessary                                 | -.219 | -.921     | -.088 |

Continued

Table 4.4: Pattern Matrix of HRD programs in the merger and acquisition process.

Table 4.4: continued

| Human resource development programs   | 1    | 2     | 3     |
|---|------|-------|-------|
| 7. HRD programs.<br>Human resource development programs can facilitate the success of cultural integration of the two combined organization.                                    | .027 | -.785 | -.129 |
| 8. HRD programs.<br>Human resource development programs should be used to reduce operational costs associated with the mergers and acquisitions.                                | .913 | .282  | -.049 |
| 9. HRD programs.<br>Human resource development programs can be used to reduce employee resistance to change during the merger and acquisition process.                          | .588 | -.095 | .157  |
| 10. HRD programs.<br>Human resource development programs can be used to increase the financial benefit of the organization during the merger and acquisition process.           | .924 | -.017 | -.156 |
| 11. HRD programs.<br>Human resource development programs can be used to improve product and service quality during the merger and acquisition process.                          | .409 | -.554 | -.042 |
| 12. HRD programs.<br>Human resource development programs can be used to help employees perform their jobs in the most efficient ways during the merger and acquisition process. | .604 | .314  | .095  |

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization, a. Rotation converged in 10 iterations.

According to Steven (1996) item loadings  $\geq .40$  will be considered in a single factor; thus component 1 (change management process) consists of human resource development program item 8, human resource development programs should be used to reduce operational costs associated with mergers and acquisitions; item 9, human resource development programs can be used to reduce employee resistance to change during the merger and acquisition process; item 10, human resource development programs can be used to increase the financial benefit of the organization during the merger and acquisition process; item 11, human resource development programs can be used to improve product and service quality during the merger and acquisition process; and item 12, human resource development programs can be used to help employees perform their jobs in the most efficient way during the merger and acquisition process. The loading scores of these items were  $\geq .40$ . Table 4.5 shows that item 8 accounted for 3.5% of the variance, item 9 and item 10 each accounted for 2.5% of the variance, item 11 accounted for 1.4% of the variance, and item 12 accounted for 1.1% of the variance. Overall, component 1 accounted for 44% of the variance.

According to the initial hypothesis about the theory of the four stages of the merger and acquisition process and their relationship to human resource development programs item 8, human resource development programs should be used to reduce operational costs associated with mergers and acquisitions, and item 9, human resource development programs can be used to reduce resistance to change during the merger and acquisition process, were loaded onto the integration stage of the merger and acquisition process.

Table 4.5 shows data related to item 8, human resource development programs should be used to reduce operational costs associated with the mergers and acquisitions and item 9, human resource development programs can be used to reduce employee resistance to change during the merger and acquisition process.

As presented in Table 4.5, the results showed that items 10, 11, and 12 were loaded on the change management process during the post merger and acquisition stage: item 10 is human resource development programs can be used to increase the financial benefit of the organization during the merger and acquisition process item 11, human resource development programs can be used to improve product and service quality during the merger and acquisition process and item 12, human resource development programs can be used to help employees perform their jobs in the most efficient ways during the merger and acquisition process.

Table 4.5 shows that component 3 (competence building) is comprised of item 1 and item 2. The results for HRD program1 accounted for 37% of the variance, and item 2 accounted for 15% of the variance. Steven (1996) suggested that item loadings  $\geq .40$  should be considered in a single factor; item 1 and item 2 loading scores were  $\geq .40$ . Therefore, all were included in component 3 (competence building), which confirmed the initial theory of the four stages of the merger and acquisition process and its relationship to human resource development programs. Table 4.5 shows that item 1, human resource development programs can be used to identify the knowledge, skills and abilities required for future jobs in the new organization and item 2, human resource development programs can be used to identify cultural compatibility issues during the pre merger and acquisition stage, were loaded on competence building. However, HRD programs item 3, item 4, item 5, and item 6

were not loaded on the due diligence stage as in the initial theory of the merger and acquisition process and its relationship to human resource development programs, and item 7 was not loaded on the integration stage as in the initial theory of the merger and acquisition process and their relationship to human resource development programs.

These two factors will develop theoretically of the four stages of the merger and acquisition process, and this is confirmatory of the theoretical of human resource development programs used in the four stages of the merger and acquisition process. However, it was not labeled as it is in the 12 items of the survey questions. The results from the rotated factors showed that there were two components clustered, change management process and competence buildings.

Component 1, the change management process, is important in the integration and post merger and acquisition stages. As stated, change management is an important process in addressing reduction of employees' resistance to change and in assisting employees to cope with changes during the integration and post merger and acquisition stages. These areas are key to the success of merger and acquisition process. This is partly validated by relationship of the human resource development programs used in the four stages of the merger and acquisition process.

Indeed, competence building is important in the pre merger and acquisition and due diligence stages. As previously stated, competence building is important in addressing cultural compatibility issues and employees' competencies required to perform future jobs during the pre merger and acquisition and due diligence stages. These areas are key to the success of the merger and acquisition process. And this is partly validated by the relationship of the human resource development programs used in the four stages of the merger and acquisition process.

| Component   | Observed Variables  | Loadings | Derived Variables         | % Variance |
|-------------|---|----------|---------------------------|------------|
| Component 1 | 8. Human resource development programs should be used to reduce operational costs associated with the mergers and acquisitions                                | .913     | Change management process | 44%        |
|             | 9. Human resource development programs can be used to reduce employee resistance to change during the merger and acquisition process.                         | .588     |                           |            |
|             | 10. Human resource development programs can be used to increase the financial benefit of the organization during the merger and acquisition process.          | .924     |                           |            |
|             | 11. Human resource development programs can be used to improve product and service quality during the merger and acquisition process                          | .490     |                           |            |
|             | 12. Human resource development programs can be used to help employees perform their jobs in the most efficient ways during the merger and acquisition process | .604     |                           |            |
| Component 3 | 1. Human resource development programs can be used to identify the knowledge, skills, and abilities required for future jobs of the new organization.         | .756     | Competence building       | 19%        |
|             | 2. Human resource development programs can be used to identify cultural compatibility issues during the pre merger and acquisition stage                      | .867     |                           |            |

Table 4.5: Components with observed variables, derived variables, loadings, and variance explained.

The result of the factor analyses provide a mean to support the potential contributions of human resource development programs to the merger and acquisition process; especially when human resource development programs can be used to address cultural values and management practices issues during the pre merger and acquisition stage. In addition, human resource development programs can be used to address issues related to the change management process and employee competence during the integration and post merger and acquisition stages. The results displayed in Table 4.5 confirm the initial hypothesis of the theory of merger and acquisition process that component 1 is clustered in change management process, while component 3 is clustered in competence building. Table 4.5 shows that the potential contributions of component 1 can be used to address the change management process, improve the quality of products and services, and increase the financial benefit of the merger and acquisition process. Overall, factor analysis provided the theoretical linkage for the potential contributions of human resource development programs used in the four stages of the merger and acquisition process

In terms of research question 1, the results indicated that HRD program item 5, human resource development programs can be used to promote new cultural values and management practices in the new organization and HRD program item 6, human resource development programs can be used to increase employees' understanding about why change is necessary were the highest rated contributors among the human resource development programs. In addition, the results of factor analysis showed that two factors among the contributors should be retained in the data. The two factors include the change management process and competence building. In component 1 (the change management process), HRD program items 8, 9, 10, 11,

and 12 were used to address the issue of the change management process that contributed most during the integration and post merger and acquisition stages. In component 2 (competence building), the two HRD program items 1 and 2 were used to address competence building that contributed the most during the pre merger and acquisition stage.



Correlation Matrix

| Correlation       | HRD<br>programs1 | HRD<br>programs2 | HRD<br>programs3 | HRD<br>programs4 | HRD<br>programs5 | HRD<br>programs6 | HRD<br>programs7 | HRD<br>programs8 | HRD<br>programs9 | HRD<br>programs10 | HRD<br>programs11 | HRD<br>programs12 |
|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| HRD<br>programs1  | 1.000            | .351             | .324             | .346             | .228             | .191             | .097             | .113             | .339             | .144              | .184              | .361              |
| HRD<br>programs2  |                  | 1.000            | .157             | .070             | .248             | -.197            | -.091            | .098             | .069             | .000              | .014              | .049              |
| HRD<br>programs 3 |                  |                  | 1.000            | .347             | .206             | .273             | .102             | .200             | .345             | .489              | .405              | .332              |
| HRD<br>programs 4 |                  |                  |                  | 1.000            | .501             | .539             | .478             | .315             | .240             | .332              | .488              | .396              |
| HRD<br>programs5  |                  |                  |                  |                  | 1.000            | .292             | .426             | .194             | .278             | .249              | .558              | .395              |
| HRD<br>programs6  |                  |                  |                  |                  |                  | 1.000            | .521             | -.175            | .107             | .104              | .466              | .220              |
| HRD<br>programs7  |                  |                  |                  |                  |                  |                  | 1.000            | .021             | .339             | .227              | .413              | .361              |
| HRD<br>programs8  |                  |                  |                  |                  |                  |                  |                  | 1.000            | .404             | .649              | .331              | .367              |
| HRD<br>programs 9 |                  |                  |                  |                  |                  |                  |                  |                  | 1.000            | .433              | .295              | .549              |
| HRD<br>programs10 |                  |                  |                  |                  |                  |                  |                  |                  |                  | 1.000             | .575              | .529              |
| HRD<br>programs11 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   | 1.000             | .684              |
| HRD<br>programs12 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |                   | 1.000             |

Table 4.6: Component Correlation Matrix.

Research Question 2: Name the most important of the human resource development programs you used as a part of the merger and acquisition process?

As presented in Table 4.7, the results showed that human resource professionals were used in cultural assessment, competencies assessment, and awareness training during the merger and acquisition process. These three human resource development programs will be discussed in the following.

Cultural assessment, Human resource professionals reported that cultural assessment was used to analyze organizational compatibility and employees competencies during the due diligence and integration stages in the merger and acquisition process. Most of the human resource professionals believed that cultural assessment was important to help assess the differences between the cultures and management practices of the two combining organizations. Some examples of their responses are:

I believe that cultural assessment is essential to determine the cultural values, organization structure, and management practices of the two combined organizations.

We conducted cultural assessment during the due diligence and integration stages to ensure that the different cultural values and management practices of the two combined organizations had been successfully integrated.

These two human resource professionals' quotes reflect how cultural assessment has been used to address the compatibility of cultural values and management practices of the two combined organizations during the merger and acquisition process. Cultural assessment provides more systematic ways of combining the cultural values, systems, and management practices of the merging organizations during the merger and acquisition process because the success of the mergers and acquisitions will depend on how the two combined organizations can

successfully integrate their cultural values and management practices to form a new entity.

Competencies assessment. The results showed that a majority of human resource professionals reported that competency assessment was used to determine the employee competencies required to perform current jobs in the new entity. Some responses included:

In order to put the right person into the right job, competencies assessment has become a useful tool that helps human resource professionals and management to adequately assign employees to different jobs in the combined organization.

Competencies assessment was used to determine which employees you should keep, must keep, and let go during the integration and post merger and acquisition stages. Employees selected to stay with the new entity must have competency scores above the requirement.

According to the human resource professionals' quotes, competency assessment can be used to address the question of the employee competence required to perform new jobs. Competency assessment has been utilized as one of the selection tools to retain key employees and provide a pathway for improving employees' performance to achieve performance goals through training and development programs.

Awareness training. The results showed that most human resource professionals agreed that awareness training has become essential during the pre merger and acquisition stage, the due diligence stage, and the integration stage. They strongly believed that awareness training could help improve communication between management and employees and effectively make employees aware of why change is necessary during the merger and acquisition process. Examples of their responses include:

I believe that awareness training is important especially when it brings about understanding of why change is necessary and how change impacts on the employees' jobs.

The implementation of an awareness training program was important to promote new cultural values and management practices in the new combined entity.

I believe that awareness training should place more emphasis on communication between management and employees during change because such communication will help employees to cope with change and effectively reduce resistance to changes.

These human resource professionals' quotes reflect the importance of awareness training during the merger and acquisition process. Awareness training can be used to effectively address communication issues related to the change management process and to promote new cultural values and management practices for the new combined organizations. Moreover, awareness training can help reduce work related conflict between employees and management in the new entity.

| Key themes<br>(Human resource professionals)                                   | Frequency |
|--|-----------|
| a. Name the most important HRD programs you used as a part of the M&A process. |           |
| Cultural assessment  | 24        |
| Competencies assessment  | 18        |
| Awareness training   | 24        |
| Technical training   | 9         |
| Leadership training  | 5         |

Table 4.7: Key themes from Thai human resource professionals' responses about the most important HRD programs used as a part of the M&A process

In terms of research question 2, the results showed that cultural assessment and awareness training were the highest rated contributors among human resource

development programs. In addition, the results shown in Table 4.7 indicate that cultural assessment can be used to address problems related to the cultural values and management practices of the two combined organization. Awareness training can be used to promote the new cultural values and management practices of the new entity. Moreover, awareness training was important to bring about awareness of why change was necessary and to assist employees to cope with changes.

Research Question 3: Describe your role in administering and supervising these human resources development programs.

As presented in Table 4.8, the results showed that most human resource professionals reported roles in human resource planning, providing training and development programs, redesigning organizational structure and work processes, and allocating resources in the merger and acquisition process. The results will be discussed in the following.

Human resource planning. Most human resource professionals reported that they administered and developed human resource planning. Human resource planning focuses on human resource staffing for future jobs and involves recruiting, selecting, and hiring new and old employees during the merger and acquisition process.

During the due diligence stage, I was involved in working on the HR due diligence team to select talented employees. We utilized competency assessment as a selection tool to select new employees and retain old employees whose scores met the expectations of our competency assessment.

I believe that competency assessment helped the two combined organizations to adequately address the question of the competencies necessary to perform future jobs, and it helped determine the right fit of employees for the new entity

Provide training and development programs. Human resource professionals agreed that they were involved in providing training and development programs to help improve the employees' competencies necessary to perform future jobs of the new combined organization. In addition, training and development programs were essential for addressing existing gaps and employees' needs. The human resource professionals believed that training and development were key driving mechanisms of employee performance and organization productivity.

I provided managerial training and leadership training to help improve effective decision making among middle management and employees in the due diligence stage and the integration stage.

I provided training and development programs to help employees learn about new tasks and technology so that they could perform their jobs more effectively.

As a training specialist manager, I organized training programs and allocated the resources needed to provide training programs for employees and management.

Redesign organization structure and work processes. The human resource professionals agreed that they were involved in redesigning new organizational structure, management practices, and work processes of the new organization. The processes of redesigning organizational structure and work processes were focused on systematic planned change.

After the merger, we formulated new goals, missions, and core business strategies for the two combined organizations. I was involved in developing new organization structures and work processes that were aligned with the new goals and missions and ensuring that employees were enabled to perform at their fullest potential on their new jobs.

The organization structure and work processes changed during the integration process. I was involved in developing new benchmarking work processes that were obtained from the acquirer company. The new work processes helped eliminate redundancy and overall operational costs.

These human resource professionals' quotes represent their roles of administering and supervising human resource development programs during the merger and acquisition process. During this process, the emerging human resource professionals' roles included these of strategic partner, human resource champion, change agent, facilitator, training specialist, and mentor. In order to increase the level of success of mergers and acquisitions, the involvement of human resource professionals' in these roles should receive more emphasis in implementation of human resource development programs in the four stages of the merger and acquisition process.

| Key themes<br>(Human resource professionals)  | Frequency |
|---|-----------|
| b. Describe your role in administering and supervising these human resource development programs. |           |
| Human resource planning   | 23        |
| Provide training and development programs   | 24        |
| Redesign organization structure and work processes  | 24        |
| Allocate resources  | 12        |

Table 4.8: Key themes from Thai human resource professionals' responses about their roles in administering and supervising human resource develop programs.

In terms of research question 3, the results showed that the human resource professional' roles in providing training and development programs and redesigning organization structure and work processes were rated the highest among these human resource development programs. In addition, training and development can be used to address performance gaps and employees' competence required for future jobs in the new entity. Moreover, the redesign of organization structure and work processes can

be used to address the change management process during the integration and post merger and acquisition stages. The human resource professionals' roles in the implementation of human resource development programs should receive more emphasis in the merger and acquisition process. The emerging human resource professionals' roles, especially those of strategic partner, change agent, human resource champion, mentoring, and facilitator may need to receive more emphasis during the merger and acquisition process.

Research Question 4: Discuss and reflect on the usefulness of human resource development programs in implemented during the merger and acquisition process.

As presented in Table 4.9, the results showed that the usefulness of human resource development programs in implementing human resource development programs in the merger and acquisition process includes reducing resistance to change, assisting employees to cope with change, and developing employee competencies and performance. The results will be discussed in the following.

Reduce resistance to change. The human resource professionals agreed that employee resistance to change is a critical factor that influences the success of the mergers and acquisitions. During the merger and acquisition process, the changes in the structure of the new organization, organization cultural values, and management practices were complicated and that potentially created unnecessary conflict and resistance among employees in their roles and work processes. The human resource professionals agreed that the implementation of human resource development programs was very useful especially when it helped reduce employees' resistance to change and enhanced teamwork during the merger and acquisition process.



Our organization utilized human resource development programs in the change of management process during the integration stage. Consequently, employees worked more collaboratively and we were able to increase the synergy among employees and the management of the new combined entity.

Human resource development programs were very useful in helping reduce employee resistance to change during the merger and acquisition process. Unfortunately, we started implementing human resource development programs when the levels of employees' resistance to change were already strong. My organization should have implemented human resource development programs sooner, especially at the beginning of the merger and acquisition process.

Facilitate employees to cope with changes. The human resource professionals agreed that the human resource development programs helped employees to cope with changes and increased their ability to adapt to change. While the management process was undergoing change, the human resource professionals provided counseling services and mentoring programs regarding the changes to enable managers and employees to cope with them. Thus, employees and management were better able to understand why changes were necessary and what was expected from them.

I strongly agree that human resource development programs are very important to address the change management process during the merger and acquisition process. Most employees and management were enabled to adapt to change faster, through these programs.

As a result of the implementation of human resource development programs, the majority of employees had a better understanding about why change was necessary and were able to more effectively and more rapidly adapt to change.

Develop employees' competencies and performance. The human resource professionals agreed that human resource development programs are a process of unleashing employees' competencies and developing employee performance as required for current and future jobs. Needs assessment and competency assessment

were used to identify needs and to measure performance gaps among employees in the two combined organizations.

My organization employed needs assessment to help identify performance gaps and employee competencies required for future jobs. Employees whose scores exceeded the organization's expectations were retained as key employees during the integration stage.

I believe that human resource development programs are essential in that they impact employees' ability to perform their jobs to their full potential.

I believe that the implementation of human resource development programs helped my employees move toward the performance goals more efficiently.

These human professionals' quotes reflect the usefulness of human resource development programs in implementing the merger and acquisition process. During the change management process, the implementation of human resource development programs is very useful to address the change. In addition, human resource development programs help on reducing employees' resistance to change, facilitate employees to cope with the changes, and develop employees' competencies for the new entity. The success of mergers and acquisitions will increase if human resource development programs are adequately utilized during the merger and acquisition process.

| Key themes<br>(Human resource professionals)   | Frequency |
|--|-----------|
| c. Discuss and reflect on the usefulness of human resource development programs in implementing in the merger and acquisition process. |           |
| Reduce resistance to change  | 24        |
| Facilitate employees to cope with change   | 24        |
| Develop employees' competencies and performance  | 23        |

Table 4.9: Key themes from Thai human resource professionals' discussing and reflections on the usefulness of HRD programs in implementing the M&A process.

In terms of research question 4, the results showed that reducing resistance to change and facilitating employees efforts to cope with changes were rated the highest in the usefulness of human resource development programs implemented during the merger and acquisition process. During the change management process, reducing employees' resistance to change was essential to enhance collaboration among the employees and management, and to help the two combined organizations integrate their cultural values and management practices during the merger and acquisition process.

Research Question 5: How important have human resource development programs been for the success of the mergers and acquisitions in your experience?

As presented in Table 4.10, the results showed that the three themes related to the importance of human resource development programs that appeared most frequently were redesign of organization structure and management practices,

reduction of redundancy among work processes and reduction of conflict among employees. The results will be discussed in the following.

Redesign organization structure and management practices. Most human resource professionals perceived that human resource development programs were very important to address change management process, especially in the redesign of the organizational structure and management practices for the new entity. A systematic planned change process will help the two combined organizations in organizing the changes in the new organization's structure and system and in adequately redesigning new work processes that fully support the new organization's goals, missions and strategy.

Based on my experience, human resource development programs are very important to help the combined organization implement a systematic plan for the change process in developing a new organization structure, new management practices, and new work processes.

I believe that human resource development programs are important for enabling human resource professionals to contribute to integration of the new organization's cultural values, redesign of the organization structure, and development of new benchmarking work processes during the mergers and acquisitions.

I believe that human resource development programs are very important to the success of change management process, especially when their help reduce redundancy among work processes and reduce conflict among employees.

Learning about the new organization's cultural values and management practices. The majority of the human resource professionals reported that human resource development programs are very important to help employees of the combined organization learn about the new organization's cultural values and management practices. Human resource development programs can effectively help reduce conflict among the employees and management of the two combined organizations. In addition, a positive work environment is created through a greater

of knowledge of management process, and the employees are encouraged to acquire new knowledge, generate new knowledge, share knowledge, and update their knowledge.

I believe that human resource development programs are very important to the success of mergers and acquisitions because they help employees understand about the new organization's cultural values and learn about the new management practices, which will influence the level of integration of the core business strategy and management practices of the new entity.

In my experience, human resource development programs are very important because they help employees learn about new work processes, new technology, and the core business strategy of the new entity.

Develop employees' competencies. The human resource professionals agreed that human resource development programs are very important to help improve employees' competencies required for future jobs. Human resource development programs are a performance driving mechanism that helps employees move from their actual performance to the required performance goals more quickly.

I believe that human resource development programs are very important to adequately address performance gaps and successfully unleash employees' expertise in the most efficient ways.

I believe that human resource development programs are not a luxury or optional activities. Human resource development programs are pathways for the development of employees' performance that allow employees to perform to their fullest potential on their jobs.

These human resource professionals' quotes reflect how important human resource development programs have been for the success of mergers and acquisitions. Human resource development programs are important in forming a new organization's structure and management practices and in promoting learning about the new cultural values and management practices of the two combined organizations. Moreover, human resource development programs are important for addressing employees' needs to develop competencies required for future jobs in the new entity.

Overall, the success of mergers and acquisitions may depend on how human resource development programs are implemented in the four stages of the merger and acquisition process.

| Key themes<br>(Human resource professionals)   | Frequency |
|--|-----------|
| d. How important have human resource development programs been for the success of the mergers and acquisitions in your experience? |           |
| Redesign organization structures and management practices  | 26        |
| Learning the new organization's Cultural values and management practices.  | 24        |
| Develop employees' Competencies  | 23        |

Table 4.10: Key themes from Thai human resource professionals' experience concerning the importance of human resource development programs for the success of the mergers and acquisitions.

In terms of research question 5, the results showed that redesign of the organization's structure and management practices and learning about the new structure and management practices were the most important among the human resource development programs for the success of mergers and acquisitions. In addition, facilitating the combination of the organization structure and management practices of the two organizations was an important role that influenced the level of integration of the new entity. Learning about the new organization's cultural values and management practices helped employees understand the core business strategy and work processes and that effectively reduced conflict among the employees and management of the new entity. Furthermore, addressing knowledge of the management process encouraged employees to acquire new knowledge, generate new knowledge, share knowledge, and update their knowledge.

Research Question 6: What are the perceptions of human resource professionals about the importance of human resource development competencies during the merger and acquisition process?

As presented in Table 4.11, the results show the level of importance of human resource development competencies in the four stages of the merger and acquisition process. The level of importance in each of the four stages of the merger and acquisition process will be discussed in the following.

Pre merger and acquisition stage. The results as shown in Table 4.11 indicate that the majority of the human resource professionals perceived that human resource development competency 4, examine business opportunities to determine what strategic planning is needed to support due diligence plans (Mean = 3.42, SD = .759), was the most important competency in the pre merger and acquisition stage. The results showed that human resource professionals placed the least importance on human resource development competency 17, develop a performance evaluation system to ensure that employees' performance has been recognized and rewarded (Mean = 1.73, SD = 1.041).

Due diligence stage. The results presented in Table 4.11 showed that most human resource professionals placed the greatest importance on human resource development competency 4, examine business opportunities to determine what strategic planning is needed to support due diligence plans (Mean = 3.69, SD = .549). The results showed that most human resource professionals placed the least importance on human resource competency 22, conduct employee involvement programs to ensure that employees at all levels are involved in developing

performance appraisal systems and compensation programs (Mean = 1.96, SD = .958).

Integration stage. Table 4.11 shows that human resource professionals placed the greatest importance on human resource development competency 8, identify the new organization's mission and strategy to increase agreement among shareholders, management, and employees (Mean = 3.81, SD = .402), in the integration stage. The results shown in Table 4.11 indicate that most human resource professionals placed the least importance on human resource development competency 4, examine business opportunities to determine what strategic planning is needed to support the due diligence plans (Mean = 2.88, SD = .816), in the integration stage.

Post merger and acquisition stage. The results presented in Table 4.11 show that the majority of human resource professionals placed the greatest importance on human resource development competency 9, promote new cultural values and management practices in the new organization, (Mean = 3.77, SD = .514), and human resource development competency 21, create a positive working environment to enhance employee satisfaction, (Mean = 3.77, SD = .430), in the post merger and acquisition stage. Table 4.11 indicates that human resource professionals placed the least importance on human resource development competency 4, examine business opportunities to determine what strategic planning is needed to support due diligence plans (Mean = 2.58, SD = 1.102), in the post merger and acquisition stage.

However, the results regarding the level of importance of human resource development competencies in the four stages of the merger and acquisition provide a confirmation of the questionnaire distinction of the four stages of the merger and acquisition process.



| HRD competencies  | Pre M&A |      | Due diligence |      | Integration |      | Post M&A |       | N  |
|---|---------|------|---------------|------|-------------|------|----------|-------|----|
|   | Mean    | SD   | Mean          | SD   | Mean        | SD   | Mean     | SD    |    |
| HRD competency 1:<br>Conduct needs assessment to identify the knowledge, skills, and abilities required for future jobs             | 2.88    | .993 | 2.85          | .784 | 3.50        | .762 | 3.31     | .838  | 26 |
| HRD competency 2:<br>Develop guidelines to carry out future integration plans.  | 2.88    | .864 | 2.96          | .720 | 3.46        | .582 | 3.50     | .707  | 26 |
| HRD competency 3:<br>Evaluate all the related potential risk factors and success factors to select the potential target.            | 3.31    | .736 | 3.38          | .697 | 3.12        | .864 | 2.73     | 1.041 | 26 |
| HRD competency 4:<br>Examine business opportunity to determine what strategic planning is needed to support due diligence plans     | 3.42    | .758 | 3.69          | .549 | 2.88        | .816 | 2.58     | 1.102 | 26 |
| HRD competency 5:<br>Estimate the cost, time, and effort required to communicate the new company's mission and strategy.            | 3.00    | .693 | 3.31          | .618 | 3.50        | .812 | 3.04     | .958  | 26 |
| HRD competency 6:<br>Conduct cultural assessments to identify cultural compatibility issues between the two combined organizations. | 3.08    | .796 | 3.38          | .697 | 3.69        | .549 | 3.15     | .784  | 26 |

Continued

Table 4.11: Means and standard deviations of HRD competencies in the four stages of the merger and acquisition process.

Table continued

| HRD competencies  | Pre M&A |       | Due diligence |      | Integration |      | Post M&A |      | N  |
|---|---------|-------|---------------|------|-------------|------|----------|------|----|
|   | Mean    | SD    | Mean          | SD   | Mean        | SD   | Mean     | SD   |    |
| HRD competency 7:<br>Align cultural values and management practices between the two organizations to form a new organization.               | 2.42    | .902  | 2.54          | .859 | 3.58        | .578 | 3.73     | .604 | 26 |
| HRD competency 8:<br>Identify new organization's missions and strategy to increase agreement among shareholders, management, and employees. | 2.77    | .863  | 3.23          | .815 | 3.81        | .402 | 3.50     | .762 | 26 |
| HRD competency 9:<br>Promote new cultural values and management practices in the new organization   | 2.04    | .871  | 2.46          | .905 | 3.58        | .703 | 3.77     | .514 | 26 |
| HRD competency 10:<br>Define the roles of managers during the merger and acquisition process.   | 2.38    | .852  | 2.85          | .613 | 3.69        | .471 | 3.35     | .892 | 26 |
| HRD competency 11:<br>Develop benchmarking work processes to improve employee performance.  | 1.92    | 1.017 | 2.35          | .562 | 3.46        | .647 | 3.69     | .549 | 26 |
| HRD competency 12:<br>Set realistic goals and expectations to reduce conflicts between the combined organization.                           | 2.35    | 1.164 | 2.88          | .816 | 3.77        | .430 | 3.69     | .549 | 26 |

Table continued

| HRD competencies  | Pre M&A |       | Due diligence |      | Integration |      | Post M&A |      | N  |
|---|---------|-------|---------------|------|-------------|------|----------|------|----|
|   | Mean    | SD    | Mean          | SD   | Mean        | SD   | Mean     | SD   |    |
| HRD competency 13:<br>Develop employee communication skills to increase the effectiveness of communication between management and employees during the integration process. | 2.42    | 1.102 | 2.65          | .797 | 3.65        | .485 | 3.35     | .689 | 26 |
| HRD competency 14:<br>Outline organization goals and principles which are consistently aligned with employee goals.   | 2.46    | 1.029 | 2.62          | .804 | 3.50        | .583 | 3.35     | .797 | 26 |
| HRD competency 15:<br>Develop new organizational structure to assign authority for decision making.   | 1.96    | 1.076 | 2.58          | .758 | 3.42        | .703 | 3.50     | .762 | 26 |
| HRD competency 16:<br>Develop employee retention programs to ensure that talented employees remain with the organization.   | 2.19    | 1.266 | 2.81          | .749 | 3.65        | .629 | 3.69     | .736 | 26 |
| HRD competency 17:<br>Develop performance evaluation system to ensure that employees' performance has been recognized and rewarded.   | 1.73    | 1.041 | 2.35          | .846 | 3.42        | .703 | 3.69     | .618 | 26 |
| HRD competency 18:<br>Facilitate employee transition during changes.  | 1.88    | 1.143 | 2.54          | .905 | 3.65        | .629 | 3.58     | .758 | 26 |

Table continued

| HRD competencies   | Pre M&A |       | Due diligence |       | Integration |      | Post M&A |      | N  |
|--|---------|-------|---------------|-------|-------------|------|----------|------|----|
|  | Mean    | SD    | Mean          | SD    | Mean        | SD   | Mean     | SD   |    |
| HRD competency 19:<br>Provide counseling services to line managers and employees during the integration process in order to reduce resistance to change.                               | 2.31    | 1.158 | 2.96          | .824  | 3.85        | .368 | 3.65     | .797 | 26 |
| HRD competency 20:<br>Redesign work processes to reduce redundancy among jobs between the combined organization.   | 2.15    | 1.156 | 2.73          | .827  | 3.69        | .618 | 3.42     | .758 | 26 |
| HRD competency 21:<br>Create a positive working environment to enhance employee satisfaction.  | 1.96    | 1.113 | 2.27          | 1.041 | 3.69        | .549 | 3.77     | .430 | 26 |
| HRD competency 22:<br>Conduct employee involvement programs to ensure that employees at all levels are involved in developing performance appraisal systems and compensation programs. | 1.92    | 1.093 | 1.96          | .958  | 3.46        | .761 | 3.50     | .510 | 26 |
| HRD competency 23:<br>Enhance procedural justice and distributive justice in compensation systems.   | 2.12    | 1.211 | 2.31          | 1.011 | 3.50        | .648 | 3.58     | .703 | 26 |
| HRD competency 24:<br>Motivate employees by ensuring that their ideas and opinion are important and valued.  | 2.19    | 1.201 | 2.46          | .948  | 3.50        | .648 | 3.65     | .745 | 26 |

Table continued

| HRD competencies   | Pre M&A |       | Due diligence |      | Integration |      | Post M&A |       | N  |
|--|---------|-------|---------------|------|-------------|------|----------|-------|----|
|  | Mean    | SD    | Mean          | SD   | Mean        | SD   | Mean     | SD    |    |
| HRD competency 25:<br>Implement intervention programs to facilitate employees' and management's effort to cope with changes.   | 2.08    | 1.262 | 2.38          | .852 | 3.54        | .811 | 3.62     | .697  | 26 |
| HRD competency 26:<br>Provide managerial training to support the team's involvement in due diligence.  | 3.16    | 1.068 | 3.56          | .507 | 2.96        | .935 | 2.52     | 1.159 | 26 |
| HRD competency 27:<br>Conduct awareness training for employees to increase their understanding about why change is necessary.  | 2.62    | 1.061 | 3.08          | .688 | 3.46        | .647 | 3.27     | .919  | 26 |
| HRD competency 28:<br>Provide cascade training for management and employees to enhance institutionalization change.  | 2.27    | 1.151 | 2.73          | .874 | 3.54        | .647 | 3.54     | .647  | 26 |
| HRD competency 29:<br>Provide succession plans to develop employee performance and team performance.   | 2.08    | .977  | 2.54          | .811 | 3.46        | .647 | 3.69     | .549  | 26 |
| HRD competency 30:<br>Provide leadership development training programs for employees to increase employees' leadership capacity to contribute effective decision making. | 2.31    | 1.050 | 2.50          | .860 | 3.58        | .643 | 3.62     | .637  | 26 |

The results presented in Table 4.12 presents the highest means for each human resource development competency items in each of the four stages of the merger and acquisition process. The results will be discussed in the following.

Due diligence stage. Table 4.12 shows that most human resource professionals placed the greatest importance on human resource development competencies in the due diligence stage. Human resource development competency 3, evaluate all the related potential risk factors and success factors to select among the potential target (Mean = 3.69), human resource development competency 4, examine business opportunities to determine what strategic planning is needed to support due diligence plans (Mean = 3.69), and human resource development competency 26, provide managerial training to support the team's involvement in due diligence (Mean = 3.56).

Integration stage. The results presented in Table 4.12 indicate that most of the human resource professionals placed the greatest importance on human resource development competencies in the integration stage. Table 4.12 shows that the majority of the human resource professionals placed the greatest importance on human resource development competency 1, conduct needs assessment to identify the knowledge, skills, and abilities required for future jobs (Mean = 3.50); human resource development competency 5, estimate cost, time, and effort required to communicate the new company's mission and strategy (Mean = 3.50); human resource development competency 6, conduct cultural assessment to identify cultural compatibility issues between the two combined organizations (Mean = 3.69); human resource development competency 8, identify the new organization's mission and strategy to increase agreement among shareholders, management, and employees

(Mean = 3.81); human resource development competency 10, define the roles of managers during the merger and acquisition process (Mean = 3.69); human resource development competency 12, set realistic goals and expectations to reduce conflicts in the combined organization (Mean = 3.77); human resource development competency 13, develop employee communication skills to increase the effectiveness of communication between management and employees during the integration process (Mean = 3.65); human resource development competency 14, outline organization goals and principles which are consistently aligned with employee goals (Mean = 3.50); human resource development competency 18, facilitate employee transition during changes (Mean = 3.65); human resource development competency 19, provide counseling services to line managers and employees during the integration process in order to reduce resistance to change (Mean = 3.85); human resource development competency 20, redesign work processes to reduce redundancy among jobs in the combined organization (Mean = 3.69); human resource development competency 27, conduct awareness training for employees to increase their understanding about why change is necessary (Mean = 3.46); and human resource development competency 28, provide cascade training for management and employees to enhance institutionalization change (Mean = 3.54), in the integration stage.

Of these human development competencies, human resource development competency 19, provide counseling services to line managers and employees during the integration process in order to reduce resistance to change, was considered the most important item (Mean = 3.85).

Post merger and acquisition stage. The results shown in Table 4.12 indicate that most of the human resource professionals placed the greatest importance on human

resource development competencies in the post merger and acquisition stage. The results shown in Table 4.12 indicate that the majority of the human resource professionals placed the greatest importance on human resource development competency 2, develop guidelines to carry out future integration plans (Mean = 3.50); human resource development competency 7, align cultural values and management practices between the two organizations to form a new organization (Mean = 3.73); human resource development competency 9, promote new cultural values and management practices in the new organization (Mean = 3.77); human resource development competency 11, develop benchmarking work processes to improve employee performance (Mean = 3.69); human resource development competency 15, develop a new organizational structure to assign authority for decision making (Mean = 3.50); human resource development competency 16, develop employee retention programs to ensure that talented employees remain with the organization (Mean = 3.69); human resource development competency 17, develop a performance evaluation system to ensure that employees' performance has been recognized and rewarded (Mean = 3.69); human resource development competency 21, create a positive work environment to enhance employee satisfaction (Mean = 3.77); human resource development competency 22, conduct employee involvement programs to ensure that employees at all levels are involved in developing performance appraisal systems and compensation programs (Mean = 3.50); human resource development competency 23, enhance procedural justice and distributive justice in compensation systems (Mean = 3.58); human resource development competency 24, motivate employees by ensuring that they are aware that their ideas and opinions are important and valued (Mean = 3.65); human resource development competency 25, implement



intervention programs to facilitate employees' and management's efforts to cope with changes (Mean = 3.62); human resource development competency 28, provide cascade training for management and employees to enhance institutionalization change (Mean = 3.54); human resource development competency 29, provide succession plans to develop employee performance and team performance (Mean = 3.69); human resource development competency 30, provide leadership development training programs for employees to increase employees' leadership capacity to contribute effective decision making (Mean = 3.62).

Of these human resource development competencies, human resource development competency 7, align cultural values and management practices between the two organizations to form a new organization (Mean = 3.77), and human resource development competency 9, promote new cultural values and management practices in the new organization (Mean = 3.77), were considered the most important among the human resource competencies in the post merger and acquisition stage.

In terms of research question 6, the results showed that human resource development competency 19, provide counseling services to line managers and employees during the integration process in order to reduce resistance to change, and human resource development competency 8, identify the new organization's missions and strategies to increase agreement among shareholders, management, and employees were the highest rated contributors among the human resource development competencies. In addition, human resource development competency item 19, provide counseling services programs to line managers and employees, was considered important in addressing the change management process during the integration stage. During the change management process, human resource

development item 8, identifying the new organization's mission and strategies, was considered important in addressing the redesign of the organization's structure and management practices to form the new entity.

| HRD competencies | Pre<br>M&A<br>Mean | Due<br>diligence<br>Mean | Integration<br>Mean | Post<br>M&A<br>Mean | N  |
|------------------|--------------------|--------------------------|---------------------|---------------------|----|
| 1.               |                    |                          | 3.50                |                     | 26 |
| 2.               |                    |                          |                     | 3.50                | 26 |
| 3.               |                    | 3.38                     |                     |                     | 26 |
| 4.               |                    | 3.69                     |                     |                     | 26 |
| 5.               |                    |                          | 3.50                |                     | 26 |
| 6.               |                    |                          | 3.69                |                     | 26 |
| 7.               |                    |                          |                     | 3.73                | 26 |
| 8.               |                    |                          | 3.81                |                     | 26 |
| 9.               |                    |                          |                     | 3.77                | 26 |
| 10.              |                    |                          | 3.69                |                     | 26 |
| 11.              |                    |                          |                     | 3.69                | 26 |
| 12.              |                    |                          | 3.77                |                     | 26 |
| 13.              |                    |                          | 3.65                |                     | 26 |
| 14.              |                    |                          | 3.50                |                     | 26 |
| 15.              |                    |                          |                     | 3.50                | 26 |
| 16.              |                    |                          |                     | 3.69                | 26 |
| 17.              |                    |                          |                     | 3.69                | 26 |
| 18.              |                    |                          | 3.65                |                     | 26 |
| 19.              |                    |                          | 3.85                |                     | 26 |
| 20.              |                    |                          | 3.69                |                     | 26 |
| 21.              |                    |                          |                     | 3.77                | 26 |
| 22.              |                    |                          |                     | 3.50                | 26 |
| 23.              |                    |                          |                     | 3.58                | 26 |
| 24.              |                    |                          |                     | 3.65                | 26 |
| 25.              |                    |                          |                     | 3.62                | 26 |
| 26.              |                    | 3.56                     |                     |                     | 26 |
| 27.              |                    |                          | 3.46                |                     | 26 |
| 28.              |                    |                          | 3.54                | 3.54                | 26 |
| 29.              |                    |                          |                     | 3.69                | 26 |
| 30.              |                    |                          |                     | 3.62                | 26 |

Table 4.12: Highest Means of the HRD competencies across the four stages of the merger and acquisition process.

In addition, one-way analysis of variance was performed to examine group differences among the stages of the merger and acquisition process regarding the level of importance of human resource development competencies. The results show as follows.

| M&A Stages    |                | Sum of Squares | df  | Mean Square | F      | Sig  |
|---------------|----------------|----------------|-----|-------------|--------|------|
| Pre M&A       | Between Groups | 96.115         | 3   | 32.038      | 3.568  | .017 |
|               | Within Groups  | 897.846        | 100 | 8.978       |        |      |
|               | Total          | 993.962        | 103 |             |        |      |
| Due diligence | Between Groups | 1150.577       | 3   | 38.526      | 25.206 | .000 |
|               | Within Groups  | 1521.538       | 100 | 15.215      |        |      |
|               | Total          | 2672.115       | 103 |             |        |      |
| Integration   | Between Groups | 2511.500       | 3   | 837.167     | 29.355 | .000 |
|               | Within Groups  | 2851.846       | 100 | 28.518      |        |      |
|               | Total          | 5363.346       | 103 |             |        |      |
| Post M&A      | Between Groups | 2903.567       | 3   | 967.856     | 34.487 | .000 |
|               | Within Groups  | 2806.423       | 100 | 28.064      |        |      |
|               | Total          | 5709.990       | 103 |             |        |      |

Table 4.13 : One way ANOVA Table – importance of HRD competencies in the four stages of the merger and acquisition process

Table 4. 13 presents group differences regarding the relative levels of importance of human resource competencies in the four stages of the merger and acquisition process.

#### Pre merger and acquisition stage

Table 4.13 shows that the relative level of importance of human resource development competencies in pre merger and acquisition stage has a value of F (3.6) is .017, which is significant ( $p < .05$ ), which implies that there is significant difference among the four stages of the merger and acquisition process. Post hoc analyses were

performed using the Tukey HSD test and the Scheffe test to examine the significant difference related to the relative importance among the human resource development competencies in the four stages of the merger and acquisition process. The results from the Scheffe test show that there were no significant differences regarding the level of importance among the human resource development competencies in the four stages of the merger and acquisition process. In addition, results from the Tukey HSD test show that there was a significant difference regarding the level of importance of human resource development competencies between the pre merger and acquisition and integration stages, and there was a significance difference between the integration and post merger and acquisition stages.

#### Due diligence stage

Table 4.13 shows the relative level of importance of human resource development competencies in the due diligence stage value of F (25) is .000, which is significant ( $p < .05$ ), this implies that there is significant difference among the four stages of the merger and acquisition process. Post hoc analyses were performed using the Tukey HSD test and the Scheffe test to examine the significance differences related to the level of importance among human resource development competencies in the four stages of the merger and acquisition process. The results of both the Tukey HSD test and the Scheffe test show a significant difference regarding the level of importance among the human resource development competencies in the four stages of the merger and acquisition process. In addition, the results from the Scheffe test show that there was significant difference regarding the level of importance of human resource development competencies among pre merger and acquisition, due diligence, integration, and post merger and acquisition stages.

### Integration stage

Table 4.13 shows the relative level of importance of human resource development competencies in integration stage value of F (29) is .000 which is significant ( $p < .05$ ), this implies that there was significant difference among the four stages of the merger and acquisition process. Post hoc analyses were performed using the Tukey HSD test and the Scheffe test to examine the significance differences related to the level of importance among human resource development competencies in the four stages of the merger and acquisition process. The results of both the Tukey HSD test and the Scheffe test showed significant difference regarding the level of importance among human resource development competencies in the four stages of the merger and acquisition process. In addition, the results from the Scheffe test show that there were significant differences regarding the importance of human resource development competencies among the pre merger and acquisition, due diligence, integration, and post merger and acquisition stages.

### Post merger and acquisition stage

Table 4.13 shows that the relative level of importance of human resource development competencies in post merger and acquisition stage value of F (34) is .000, which is significant ( $p < .05$ ), this implies that there is significant difference among the four stages of the merger and acquisition process. Post hoc analyses were performed using the Tukey HSD test and the Scheffe test to examine the significant difference related to the level of importance among human resource development competencies in the four stages of the merger and acquisition process. The results of both the Tukey HSD test and the Scheffe test revealed significant differences

regarding the level of importance among group of human resource development competencies in the four stages of the merger and acquisition process. In addition, the results from the Scheffe test show that there was significant difference regarding the importance of human resource development competencies among the pre merger and acquisition, due diligence, integration, and post merger and acquisition stages.

Research Question 7: What are the perceptions of human resource development professionals regarding their ability to perform human resource development competencies during the merger and acquisition process?

As presented in Table 4.14, the results showed that most of the human resource professionals placed the greatest importance on their ability to perform human resource development competencies during the merger and acquisition process.

The results in Table 4.14 shown that the ability of the majority of the human resource professionals to perform human resource development competencies was rated high for human resource development competency 17, develop a performance evaluation system to ensure that employees' performance has been recognized and rewarded (mean = 3.42, SD = .809); human resource development competency 18, facilitate employee transition during changes (mean = 3.42, SD = .703); and human resource development competency 19, provide counseling services to line managers and employees during the integration process in order to reduce resistance to change (mean = 3.42, SD = .809) in the four stages of the merger and acquisition process.

On the other hand, most of the human resource professionals reported that they had the least ability to perform human resource development competencies in human resource competency 4, examine business opportunities to determine what strategic

planning is needed to support due diligence plans (Mean = 2.62, SD = .752), in the four stages of the merger and acquisition process.

| HRD competencies | Ability |      | N  |
|------------------|---------|------|----|
|                  | Mean    | SD   |    |
| 1.               | 2.88    | .711 | 26 |
| 2.               | 2.88    | .516 | 26 |
| 3.               | 2.65    | .797 | 26 |
| 4.               | 2.62    | .752 | 26 |
| 5.               | 2.92    | .796 | 26 |
| 6.               | 3.19    | .694 | 26 |
| 7.               | 3.27    | .604 | 26 |
| 8.               | 2.85    | .732 | 26 |
| 9.               | 3.31    | .679 | 26 |
| 10.              | 3.04    | .662 | 26 |
| 11.              | 3.12    | .909 | 26 |
| 12.              | 3.15    | .675 | 26 |
| 13.              | 3.15    | .784 | 26 |
| 14.              | 3.08    | .628 | 26 |
| 15.              | 3.27    | .778 | 26 |
| 16.              | 3.27    | .827 | 26 |
| 17.              | 3.42    | .809 | 26 |
| 18.              | 3.42    | .703 | 26 |
| 19.              | 3.42    | .809 | 26 |
| 20.              | 3.31    | .788 | 26 |
| 21.              | 3.15    | .675 | 26 |
| 22.              | 3.12    | .711 | 26 |
| 23.              | 2.88    | .711 | 26 |
| 24.              | 3.12    | .766 | 26 |
| 25.              | 3.08    | .688 | 26 |
| 26.              | 2.80    | .764 | 26 |
| 27.              | 3.27    | .667 | 26 |
| 28.              | 3.19    | .749 | 26 |
| 29.              | 2.88    | .816 | 26 |
| 30.              | 3.04    | .871 | 26 |

Table 4.14: Means and stand deviations of human professionals' ability to perform HRD competencies.

In terms of research question 7, the results showed that the human resource professionals' ability to perform HRD competency item 17, develop a performance evaluation system to ensure that employees' performance has been recognized and rewarded; HRD competency item 18, facilitate employee transition during changes;

and HRD competency 19, provide counseling service to line managers and employees during the integration process in order to reduce resistance to change, were the highest rated contributors among the human resource development competencies. In addition, the results showed that the human resource professionals' ability to perform HRD competencies items 17, 18, and 19 were important during the change management process. The human resource professionals tended to have a greater ability to perform human resource development competencies during the integration stage and the post merger and acquisition stage. While their ability to perform human resource development competencies during the pre merger and acquisition stage and due diligence stage were low due to lack of involvement of the human resource professionals' roles in these two particular stages.

Research Question 8: What is the relationship between the perceived level of importance and the ability to perform human resource development competencies among human resource professionals during the merger and acquisition process?

As presented in Table 4.15, the results showed a relationship between the perceived level of importance and the ability to perform human resource development competencies among the human resource professionals during the merger and acquisition process. Table 4.15 indicates that there was a significant negative correlation coefficient of .01 at the alpha level for the pre merger and acquisition stage and the human resource professionals' ability to perform ( $r = -.696$ ). In addition, there was a significant negative correlation coefficient of .01 at the alpha level for the due diligence stage and the human resource professionals' ability to perform ( $r = -.494$ ). The significant negative correlation between these variables



indicates one possible reason that most of the human resource professionals perceived high importance for human resource development competencies during the pre merger and acquisition and due diligence stages. However, the human resource professionals had the least involvement in the pre merger and acquisition and due diligence stages. Therefore, the perceived level of importance of human resource development competencies was high while the human resource professionals' ability to perform human resource development competencies in these particular stages was considered low.

The results presented in Table 4.15 showed that there was significant positive correlation coefficient of .01 at the alpha level between the integration stage and the human resource professionals' ability to perform human resource development competencies ( $r = .604$ ). Moreover, there was a significant positive correlation of .01 at the alpha level between the post merger and acquisition stage and the human resource professionals' ability ( $r = .638$ ). The significant positive correlation coefficient of these variables implies that the majority of the human resource professionals perceived high importance for human resource development competencies in the integration and post merger and acquisition stages. Most of the human resource professionals reported that they had sufficient ability to perform the human resource development competencies in the integration and post merger and acquisition stages.

|                     | Pre M&A       | Ability |
|---------------------|---------------|---------|
| Pre M&A             |               |         |
| Pearson correlation | 1             | -.696*  |
|                     | Due diligence | Ability |
| Due diligence       |               |         |
| Pearson correlation | 1             | -.494*  |
|                     | Integration   | Ability |
| Integration         |               |         |
| Pearson correlation | 1             | .604*   |
|                     | Post M&A      | Ability |
| Post M&A            |               |         |
| Pearson correlation | 1             | .638*   |

Note: \*p < .01; N = 30

Table 4.15: Correlation Coefficient among the importance of HRD competencies in each of the four stages of the M&A process and the ability to perform.

In terms of research question 8, the results showed that there was a statistically significant negative correlation coefficient between the pre merger and acquisition stage and the human resource professionals' ability to perform human resource development competencies. Additionally, there was a statistically significant correlation coefficient between the due diligence stage and the human resource professionals' ability to perform human resource development competencies. The results seen in Table 4.15 also show that there was a statistically significant positive correlation coefficient between the integration stage and the human resource professionals' ability to perform human resource development competencies. There was also a statistically significant positive correlation coefficient between the post merger and acquisition stage and the human resource professionals' ability to perform human resource development competencies.

Research Question 9: Is there a relationship between experience in human resource development and the ability to perform human resource development competencies during the merger and acquisition process?

The results showed that there was no significant correlation coefficient of .01 at the alpha level between the human resource professionals' ability to perform human resource development competencies and their work experience ( $r = .277$ ).

In terms of research question 9, the results showed that there was no statistically significant correlation coefficient between the human resource professionals' experience and their ability to perform human resource development competencies. In addition, when the merger and acquisition phenomena occurred as an unplanned change, human resource professionals appeared to be the least involved in the merger and acquisition process. Each merger and acquisition is unique and is influenced by the combination of the different organizational characteristics of two or more organizations and their management practices. The emerging human resource professionals' roles of strategic partner, change agent, human resource champion, mentoring, consultant, problem solver, and facilitator may need more emphasis during the merger and acquisition process.

## CHAPTER 5

### SUMMARY, DISCUSSIONS, IMPLICATIONS, AND RECOMMENDATIONS

This chapter is divided into four sections. The first section presents a summary of the results. The second section presents a discussion of the results and rationales for the findings of the study. The third section discusses the implications for human resource development theory. The fourth section presents recommendation for future research and practice.

#### Summary

A summary of the results pertaining to each of the research questions in this study will be presented in the following.

Research question 1: What are the potential contributions of human resource development programs during the merger and acquisition process?

In terms of research question 1, the results are as follows.

- Human resource development programs can be used to promote new cultural values and management practices in the new organization.
- Human resource development programs can be used to increase employees' understanding about why change is necessary, were the highest rated contributors among the human resource development programs.

- The human resource professionals did not agree that human resource development programs can be used to increase the financial benefits to the organization during the merger and acquisition process.
- Human resource development programs can be used to improve product and services quality during the merger and acquisition process.
- Two factors among the contributors should be retained in the data. The two factors include the change management process and competence building. These two factors contribute to the theory of the four stages of the merger and acquisition process, and the results are confirmatory of the theory of human resource development programs used in the four stages of the merger and acquisition process.
- In component 1 (the change management process), HRD program items 8, 9, 10, 11, and 12 were used to address the change management process that contributed the most during the integration and post merger and acquisition stages.
- In component 3 (competence building), the two HRD program items 1 and 2 were used to address competence building that contributed the most during the pre merger and acquisition stage.

Research Question 2: Name the most important of the human resource development programs you used as a part of the merger and acquisition process?

In terms of research question 2, the results are as follows.

- Cultural assessment and awareness training were the most highly rated contributors among the human resource development programs.

- Cultural assessment can be used to address problems related to the cultural values and management practices of the two combined organizations. Awareness training can be used to promote the new cultural values and management practices of the new entity.
- Awareness training was important to bring about awareness of why change was necessary and to facilitate employees to cope with changes. A possible explanation the importance of these human resource development programs was that important they addressed the compatibility of cultural values and management practices and employee competence during the merger and acquisition process.

Research Question 3: Describe your role in administering and supervising these human resource development programs.

In terms of research question 3, the results are as follows.

- The human resource professional' roles in providing training and development programs and redesigning organization structure and work processes were rated the highest among the human resource development programs.
- Training and development can be used to address performance gaps and employee competence required for future jobs in the new entity.
- Redesign of organization structure and work processes can be used to address the change management process during the integration and post merger and acquisition stages.
- The emerging human resource professionals' roles, especially those of strategic partner, change agent, human resource champion, mentoring,

facilitator, consultant, and problem solver may need to receive more emphasis during the merger and acquisition process.

Research Question 4: Discuss and reflect on the usefulness of human resource development programs in implemented in the merger and acquisition process.

In terms of research question 4, the results are as follows.

- Reducing resistance to change and facilitating employees' efforts to cope with the changes were rated highest in the usefulness of human resource development programs in implementing the merger and acquisition process.
- During the change management process, reducing employees' resistance to change was essential to enhance collaboration among the employees and management, and to help the two combined organizations integrate their cultural values and management practices during the merger and acquisition process.
- The useful roles of the human resource development programs include redesign of the new organization's structure, management practices, and work processes, which should be addressed during the process of systematic planned change management in mergers and acquisitions
- The implementation of human resource development programs substantially reduced redundancy among jobs and work processes across organization functions. Consequently, conflicts between employees and management will be reduced, and there tends to greater agreement on the changes of the merger and acquisition process.

Research Question 5: How important have human resource development programs been for the success of the mergers and acquisitions in your experience?

In terms of research question 5, the results are as follows.

- Redesign of the organization structure and management practices and learning about the new organization's structure and management practices were the most important among the human resource development programs for the success of the mergers and acquisitions.
- Facilitating the combination of the organization structure and management practices of the two organizations was an important role that influenced the level of integration of the new entity.
- Learning about the new organization's cultural values and management practices helped employees understand the core business strategy and work processes, and this effectively reduced conflict among the employees and management of the new entity.

Research question 6: What are the perceptions of human resource professionals about the importance of human resource development competencies during the merger and acquisition process?

In terms of research question 6, the results indicated the great importance for human resource development competencies in each of the four stages of the merger and acquisition process as follows.

- In the pre merger and acquisition stage, examine business opportunities to determine what strategic planning is needed to support the due diligence plans, was considered the highest in importance, and develop a performance



evaluation system to ensure that employees' performance has been recognized and rewarded was considered the least important.

- In the due diligence stage, examine business opportunities to determine what strategic planning is needed to support the due diligence plans, was rated the most important, and conduct employee involvement programs to ensure that employees at all levels are involved in developing performance appraisal systems and compensation programs, was rated the least important.
- In the integration stage, identify the new organization's mission and strategy to increase agreement among shareholders, management, and employees, was rated of greatest importance, examine business opportunities to determine what strategic planning is needed to support the due diligence plans, was rated the least important.
- In the post merger and acquisition stage, promote new cultural values and management practices in the new organization, and create a positive working environment to enhance employee satisfaction, were rated of greatest importance. Conversely, examine business opportunities to determine what strategic planning is needed to support the due diligence plans, was rated the least important.

The following section lists the highest means for each of the HRD competencies across the four stages of the merger and acquisition process.

- In the due diligence stage, the following HRD competency items evaluate all the related potential risk factors and success factors to select a potential, examine business opportunities to determine what strategic planning is needed to support the due diligence plans, and provide managerial training

to support the team's involvement in the due diligence team, had the highest means.

- In the integration stage, HRD competency items 1, 5, 6, 8, 10, 12, 13, 14, 18, 19, 20, 27, 28, 30 had the highest means in the integration stages. These HRD competency items addressed change management issues during the integration stage.
- In the post merger and acquisition stage, HRD competency items 7, 9, 11, 15, 16, 17, 21, 22, 23, 24, 25, 28, and 29 had the highest means. These HRD competency item were addressing the change management issues during the post merger and acquisition stage.
- The following HRD competency items provide counseling services to line managers and employees during the integration process in order to reduce resistance to change and identify the new organization's mission and strategies to increase agreement among shareholders, management, and employees, were the highest rated contributors among the human resource development competencies.
- During the change management process, identifying the new organization's missions and strategy, was considered important to address redesign of the organization's structure and management practices to form the new entity.

Research Question 7: What are the perceptions of human resource development professionals regarding their ability to perform human resource development competencies during the merger and acquisition process?

In terms of research question 7, the results are as follows.

- Most of the human resource professionals reported that they had the least ability to perform HRD competency item 4, examine business opportunities to determine what strategic planning is needed to support due diligence plans.
- The human resource professionals' ability to perform HRD competency item 17, develop a performance evaluation system to ensure that employees' performance has been recognized and reward, HRD competency item 18, facilitate employee transition during changes, and HRD competency 19, provide counseling service to line managers and employees during the integration process in order to reduce resistance to change, were rated the highest contributors among the human resource development competencies.
- The human resource professionals' ability to perform HRD competencies items 17, 18, and 19 were important during the change management process.
- The human resource professionals tended to have the greatest ability to perform human resource development competencies during the integration and post merger and acquisition stages, while their ability to perform human resource development competencies during the pre merger and acquisition stage and the due diligence stage were low due to their lack of involvement in the human resource professionals' roles in these two particular stages.

Research Question 8: What is the relationship between the perceived level of importance and ability to perform human resource development competencies among human resource professionals during the merger and acquisition process?

In terms of research question 8, the results are as follows.

- There was a statistically significant negative correlation coefficient between the pre merger and acquisition stage and the human resource professionals' ability to perform human resource development competencies.
- There was a statistically significant negative correlation coefficient between the due diligence stage and the human resource professionals' ability to perform human resource development competencies. These results provide support for possibility attention to that human resource development competencies were an important issue that should be adequately addressed during the pre merger and acquisition and due diligence stages.
- Most of the human resource professionals thought they had less ability to perform the human resource development competencies in the pre merger and acquisition and due diligence stages due to their lack of involvement in these particular stages.
- There were a statistically significant positive correlation coefficient between the integration stage and human resource professionals' ability to perform human resource development competencies.
- There was also a statistically significant positive correlation coefficient between the post merger and acquisition stage and the human resource professionals' ability to perform human resource development competencies.
- The results provide a possible confirmation that human resource development competencies are an important issue that needs to be adequately addressed

during the integration and post merger and acquisition stages. Most of the human resource professionals reported that they had sufficient ability to perform the human resource development competencies during the integration and post merger and acquisition stages.

Research Question 9: Is there a relationship between experience in human resource development and the ability to perform human resource development competencies during the merger and acquisition process?

In terms of research question 9, the results are as follows.

- There was no statistically significant correlation coefficient between the human resource professionals' experience and their ability to perform human resource development competencies.
- The merger and acquisition phenomena occurred as an unplanned change, the human resource professionals appeared to be the least involved during the pre merger and acquisition and due diligence stages. Each merger and acquisition is unique and is influenced by the combination of the different organizational characteristics of two or more organizations and their management practices.
- The emerging human resource professionals' roles of strategic partner, change agent, human resource champion, mentoring, and facilitator may need more emphasis during the merger and acquisition process.

## Discussion

The results in this research showed that human resource development programs can be used to increase the success of mergers and acquisitions. This result implies that potentially the contributions of human resource development programs

can be used to address the promotion of new cultural values and management practices and to increase employees' understanding about why change is necessary in the merger and acquisition process. However, human resource development programs may contribute less in addressing the increase of financial benefit and improvement of service quality during the merger and acquisition process. One possible reason is that the financial benefit aspects and service quality issues may need to be measured for a longer time due to the gradual increase in the level of the integration of the new cultural values and management practice between the two combined organizations. Thus, the human resource professionals may not yet be certain about whether human resource development programs can be used to address the financial benefit aspects and service quality issues during the merger and acquisition process.

The results from factor analysis indicate that most of the human resource professionals agreed that human resource development programs were important to address the change management process and competence building in the four stages of the merger and acquisition process. These two factors contribute to development of the theory of the four stages of the merger and acquisition process, and this is a confirmation of the theoretical proximity of human resource development programs used in the four stages of the merger and acquisition process. However, human resource development program items were not structured as it were in the 12 items of the survey questions. The results from the rotated factors showed that there were two components clustered out the change management process and competence building.

Component 1, the change management process, was important in the integration and post merger stages. As previously stated, change management is an important process in addressing employees' resistance to change and assisting

employees to cope with changes during the integration and post merger and acquisition stages. Most mergers and acquisitions fail to achieve their business objectives because of ineffective integration and change management strategies during the merger and acquisition process (O’Rielly & Pfeffer, 2000). Resistance to change among employees may increase if human resource development programs are inadequate during the merger and acquisition process (Burke, 2002; Cooper & Gregory, 2004). Schmidt (2002) suggested that mergers and acquisitions will bring substantial changes for employees and management in the two combined organizations; managing change and assisting employees toward the transition will increase the possibility of success in mergers and acquisitions. The primary focus on change is to consider more systematic planned change desirable, which means structural change for some aspects of the system and sub-systems has been carefully designed (Cumming & Worley, 2001; Rummler & Brache, 1995). Jacobs (1989) stated that the relationship of the system approach and organizational change means that when some aspect or unit of the system is changed, other interdependent aspects will potentially be affected and change accordingly. The human resource development intervention process involves change management, goal setting, redesign of organization structure and work processes, training and development, performance appraisal systems, employee involvement, team building programs, and communication (Burke, 2002; Cumming & Worley, 2001; Jacobs, 2001). These areas are key to the success of the merger and acquisition process. This in part validates the theory development related to the relationship of human resource development programs used in the four stages of the merger and acquisition process.

Indeed, component 3, competence building is important in the pre merger and acquisition and due diligence stages. As previously stated, competence building is

important in addressing issues related to cultural compatibility and employees' competencies required to perform future jobs during the pre merger and acquisition and due diligence stages. In fact, the cultural fit issue is considered a soft issue in mergers and acquisitions, it has become the most influential determinant of success and failure in the merger and acquisition process (Horwitz et al., 2002; Schmidt, 2002). Over the years, substantial research has shown that further research on cultural factors and human resource development issues needs to systematically address in the merger and acquisition process (Jeris et al, 2001; Waight, 204). Success in the integration of cultural values, management practices, and work processes effectively keeps the talented employees with the new combined organization and substantially strengthens an organization's capability in terms of its level of competitiveness and increased productivity and profit (Daniel & Metcalf, 2001; Schmidt, 2002). Critical success factors that influence successful mergers and acquisitions include developing a shared vision, creating the right match of cultural compatibility, and careful integration of management styles, cultural values, business policies, and technology (Hit et al., 2004; Horwitz et al., 2002) Davenport (2002) suggested that employees' competence should be considered an important factor that influences the effectiveness of cultural integration of mergers and acquisitions.

The implementation of human resource development programs was necessary to help employees cope with change and adapt to change faster in the merger and acquisition process. In addition, awareness training programs were used to address why change was necessary and to facilitate employees to cope with changes regarding the new cultural values and management practices of the two combined organizations. Most of the human resource professionals agreed that awareness training programs were used to promote the new cultural values and management practices and foster



effective communication to support key employees and management during the merger and acquisition process. These results generate confirmation of the value of human resource development programs to address the change management process and increase the success of the mergers and acquisitions.

These results confirm the literature about the roles of human resource professionals involved in the four stages of the merger and acquisition process and generate greater awareness of the emergence of human resource professionals' roles in mergers and acquisitions (Daniel & Metcalf, 2001; Jeris et al., 2001; Schmidt, 2002; Waight, 2004). Shuler and Jackson (2001) suggested that human resource professionals should be involved in the merger and acquisition process in conducting needs assessment, identifying key jobs, and redesigning organization structure and work processes. These roles during the merger and acquisition process will be discussed in the following.

First, the human resource professionals' role as human resource champion is involved in human resource issues, including human resource planning and staffing for the new combined organization. Second, human resource professionals' roles as training specialist and facilitator are involved in administering and supervising human resource training and development programs to develop employees' competence and to promote new cultural values and management practices in the merger and acquisition process. Third, in their roles as strategic partner and change agent human resource professionals are involved in the change management process in the redesign of organization structure, management practices and work processes of the new combined organization. During the change management process, as a strategic partner, human resource professionals have to work collaboratively with the management and the merger and acquisition team to adequately address the new

organization structure , system, and management practices, which includes the formulation of new missions, goals, cultural values, strategies, and work processes for the new combined organization (Hitt et al., 2004; Schmidt, 2002). Fourth, as mentors and facilitator, human resource professionals were essential in providing counseling services and facilitating employees to cope with changes during the merger and acquisition process. Fifth, as consultant and problem solver, human resource professionals were essential in assisting the new combined organization to resolve the most current problems and to create a competitive advantage (Daniel and Metcalf, 2001; Cooper and Gregory, 2004; Jeris et al., 2001; Leeamornsiri and Jacobs, 2003, Schmidt, 2002).

Interestingly, human resource development programs contributed the least to addressing the financial benefit aspects and the quality of product and service issues in the merger and acquisition process. These results may contradict the literature regarding the relationship of human resource development programs and their impact on financial aspects and quality issues during the mergers and acquisition process (Jeris et al., 2001; Waight, 2004). However, these results contribute to greater awareness among human resource professionals of the need to be more effective in addressing the financial benefit aspects and quality issues in the four stages of the merger and acquisition process. Since individual employees have no control over the organization's financial benefit aspects and quality of products and services issues, and it may take longer to measure the outcome of financial gain and quality improvement after the implementation of human resource development programs in the merger and acquisition process.

The success of mergers and acquisitions may depend on how well the two combined organizations are able to integrate new cultural values and management

practices during the merger and acquisition process. Moreover, human resource development programs are important to help improve employees' in the competencies required to perform future jobs in the new entity.

In terms of human resource development competencies, the results show the importance of using human resource development competencies to achieve a systematic change management process during the integration and post merger and acquisition stages. In fact, human resource development competencies were important to help the combined organizations bring about changes and increase understanding of why changes was necessary in terms of the combination of cultural values, management practices, and work processes. Through the implementation of human resource development programs, employees' resistance to change and conflicts were reduced during the integration and post merger and acquisition stages. The implementation of human resource development competencies was essential to help the two combined organizations adequately align the cultural values and management practices between the two organizations to form a new organization. Moreover, human resource development competencies were important to define managers' roles during the merger and acquisition process and helped in the development of benchmarking for work processes and employees' competencies required for future jobs. In fact, human resource development professionals' roles can differ based on the organization's management practices and the individual's professional competencies. Marquardt (2003) suggested that human resource development competencies have been increasingly adopted as strategic partners and change agents that contribute to the success of organization change in mergers and acquisitions.

The results in this study show that human resource development competencies can be used to increase the success of the merger and acquisition process. However,

the results of the study confirm the findings of other empirical research that human resource professionals still have the least involvement in the pre merger and acquisition stage and due diligence stage (Jeris et al., 2001; Schmidt, 2002; Waight, 2004). Interestingly, human resource development competencies were considered important to address due diligence issues regarding the evaluation of organization characteristics and all related factors of a potential target organization and to support the due diligence team by providing managerial training to support the team involvement during the due diligence stage. The results contribute to increased awareness of the need for human resource professionals to be more fully involved in the due diligence stage.

The results in this study represent human resource professionals' ability to perform human resource competencies during the merger and acquisition process. Most of the human resource professionals reported that their ability to perform human resource development competencies was high in addressing the change management process in terms of redesign of the organization structure and management practices, and redesign of work processes for the new combined organization. During the merger and acquisition process, human resource professionals' roles may change from traditional roles to the emerging human resource roles. The emerging human resource professionals' roles include the roles of strategic partner, change agent, human resource champion, mentor, facilitator, consultant, and problem solver. These human resource roles were essential to address human resource planning, to integrate the new organization's cultural values and management practices, to redesign the new organization's structure and work processes, and to develop employees' competencies required for future jobs (Daniel and Metcalf, 2001; Schmidt, 2002). The success of mergers and acquisitions may depend on how well human resource development

competencies can be addressed in the four stages of the merger and acquisition process.

Interestingly, the results show that there was a statistically significant positive correlation between the human resource professionals' ability to perform human resource development competencies during the integration and post merger and acquisition stages. The results indicate that human resource development competencies comprise an important issue that needs to be adequately addressed during the integration and post merger and acquisition stages. Most human resource professionals reported having sufficient ability to perform the human resource development competencies during the integration and post merger and acquisition stages.

Surprisingly, the results of the relationship between the importance of human resource development competencies in the pre merger and acquisition stage and the due diligence stage and the human resource professionals' ability to perform showed a significant negative correlation. The significant negative correlation indicates that the human resource professionals agreed that human resource development competencies were important in promoting new cultural values and management practices during the pre merger and acquisition and due diligence stages, but the human resource professionals' ability to perform the human resource development competencies tended to be low in both pre merger and acquisition and due diligence stages. Therefore, the results can raise awareness among human resource professionals of the need for them to be more involved in the pre merger and acquisition and due diligence stages. Jeris et al. (2001) and Waight (2004) reported based on their empirical research that human resource professionals have the least involvement in the pre merger and acquisition and due diligence stages. More involvement of human

resource professionals in the pre merger and acquisition and due diligence stages may increase the success of the integration of new cultural values and management practices during the change management process. In fact, there was no relationship found between the human resource professionals' experience and their ability to perform human resource development competencies in the four stages of the merger and acquisition process.

These results contradict the literature regarding human resource professionals' experience and their ability to perform human resource development competencies. This may raise several issues about this relationship that needs further exploration. First, the human resource professionals' experience and their ability to perform human resource development competencies may not yet be adequately addressed in the context of the merger and acquisition process due to lack of understanding about the relationship between human resource development programs and competencies in the merger and acquisition process, and because human resource professionals still have limited involvement in the merger and acquisition process. Second, the conventional roles of human resource professionals may need to shift to the emerging human resource professionals' roles during the merger and acquisition process. Rothwell et al., (1998) and Jeris et al. (2001) suggested that these emerging key roles for human resource professionals are significant contributors to the success of mergers and acquisitions.

## Implications

The findings of the study have implications for theory development for human resource development and the four stages of the merger and acquisition process.

In this study, data about the use of human resource development programs reflected on the discrepancy between the agreement of theoretical expectations and actual experience in the use of human resource development programs; this approach was generated as a measure of the limitation in the human resource professionals' ability to realize the potential contribution of human resource development programs during the four stages of the merger and acquisition process. The consistency of such findings on human resource development programs across the four stages of the merger and acquisition process provides valuable information on how the congruence of the theory of the four stages of the merger and acquisition process in relation to the actual experience is associated with the effectiveness of the contribution of human resource development programs to the success of mergers and acquisitions.

Based on the finding, Figure 5.2 presents a proposed theoretical model which illustrates the relationship between human resource development programs and competencies used in the four stages of the merger and acquisition process. As presented in Figure 5.2, data from factor analysis illustrate the importance of the two components which clustered out-- the change management process and competence building, which encompass the four stages of the merger and acquisition process. The emerging component 1 (change management process) can be used to address change management issues and is essential to support the integration and post merger and acquisition stages. Moreover, the emerging component 2 (competence building) can be used to address cultural values and management issues and employee competency issues. Competence building is essential to support the pre merger and acquisition

and due diligence stages. These two factors show that there is congruence between the experience of the human resource professionals and the theory of human resource development programs.

Human resource development programs contribute to the change management process and competence building in the four stages of the merger and acquisition process but also ensure that the two combined organizations successfully integrate new cultural values and management practices. In addition, competence building can be used to address employee competence issues and the compatibility of the cultural values and management practices of the new entity. The organization's cultural differences can be evaluated through cultural assessment and the organization's structure and system can be redesigned. Cultural assessment should support the organizations to scan for the values of philosophies and cultures regarding policies of management and leadership style, which include teamwork, employee performance, performance appraisal system, and compensation systems (Burke, 2002; Noe, 2003, Schmidt, 2002; Rummler & Brache, 1995). The study revealed that the potential contributions of human resource development programs were realized in the change management process and competence building. These two components may help simplify the understanding of the four stages of the merger and acquisition process and show the important of human resource development theory could impact on the success of mergers and acquisitions.

These two areas incorporate the four stages of the merger and acquisition process and provide a linkage to the theory of human resource development programs and the ASTD framework (2004) for human resource development competencies. In fact, human resource development is a functional process of developing and unleashing organization performance, work processes, and individual performance



through human resource development programs (Jacobs, 1989, Jeris et al., 2001; Swanson & Holton, 2001). The principles of human resource development establish mechanisms by which employee competencies are improved through training and development and organization development programs (Lynham, 2004). In fact, Ahmad and Schroeder (2003) explained the importance of the human capital theory, which recognizes the employees' competencies as a great asset that can create the environment for economic development and competitiveness advantage. The theory of human capital evaluates human resources based on the increase in the level of employees' competencies and productivity (Noe, 2003). Kitchen and Daly (2002) mentioned that employees' competency is one of the organization's best assets and that the quality of human capital is known through organizational productivity. The impact of human resource development can be seen in organization performance, which is evaluated through such performance measures as cost analysis, productivity, flexibility, and quality of products and services (Ahmad & Schroeder, 2003).

Human resource development competencies are important to address systematic planned change management issues that will help the two combined organizations adequately align cultural values and management practices in the new organization. According to the ASTD model of excellence study (1989) and the HRD wheel (2004), the roles of training and development are essential to help improve employees' competencies and organization performance to meet the productive goals in the changing competitive environment (Jacobs, 2001; McLagan & Suhadolnik, 1989; Swanson & Holton, 2001). In addition, human resource development competencies help define the managers' roles during the merger and acquisition process, development benchmarking for work processes and employees' competencies required to perform future jobs. Based on the results, human resource

professionals have greater ability to perform human resource development competencies in the integration and post merger and acquisition stages.

Conversely, human resource professionals still have low ability to perform human resource development competencies in the pre merger and acquisition and due diligence stages. This is despite the fact that they agreed that human resource development competencies were considered important during the pre merger and acquisition and due diligence stages. In addition, the human resource professionals were uncertain as to whether and how each human resource development competency could influence the success of mergers and acquisitions. Researchers have reported over the years that the factor that has led to tremendous success in mergers and acquisitions is the significant involvement of human resource development in cultural integration, redesign of organization structure and work processes (Jeris et al., 2001; McIntyre, 2004; Waight, 2004). Cultural fit issues and human resource development competencies have become the most influential among factors that predict an organization's success or failure in mergers and acquisitions (Daniel & Metcalf, 2001; Hitt et al., 2004; Schmidt, 2002). Therefore, more exploratory research on the impact of human resource development competencies during the pre merger and acquisition and due diligence stages should receive greater attention in future studies.

Currently, understanding of the merger and acquisition phenomenon still suffers from the lack of sufficient knowledge and a well developed theoretical framework (Cooper and Gregory, 2004; Hitt et al., 2004; Javidan et al., 2004). Therefore, the theory of human resource development can help address the change management process and competency building during the four stages of the merger and acquisition process. Furthermore, human resource development theory and research will help generate new knowledge, provide sophisticated methodologies, and

offer an alternative theoretical framework that can successfully strengthen the field of mergers and acquisitions.

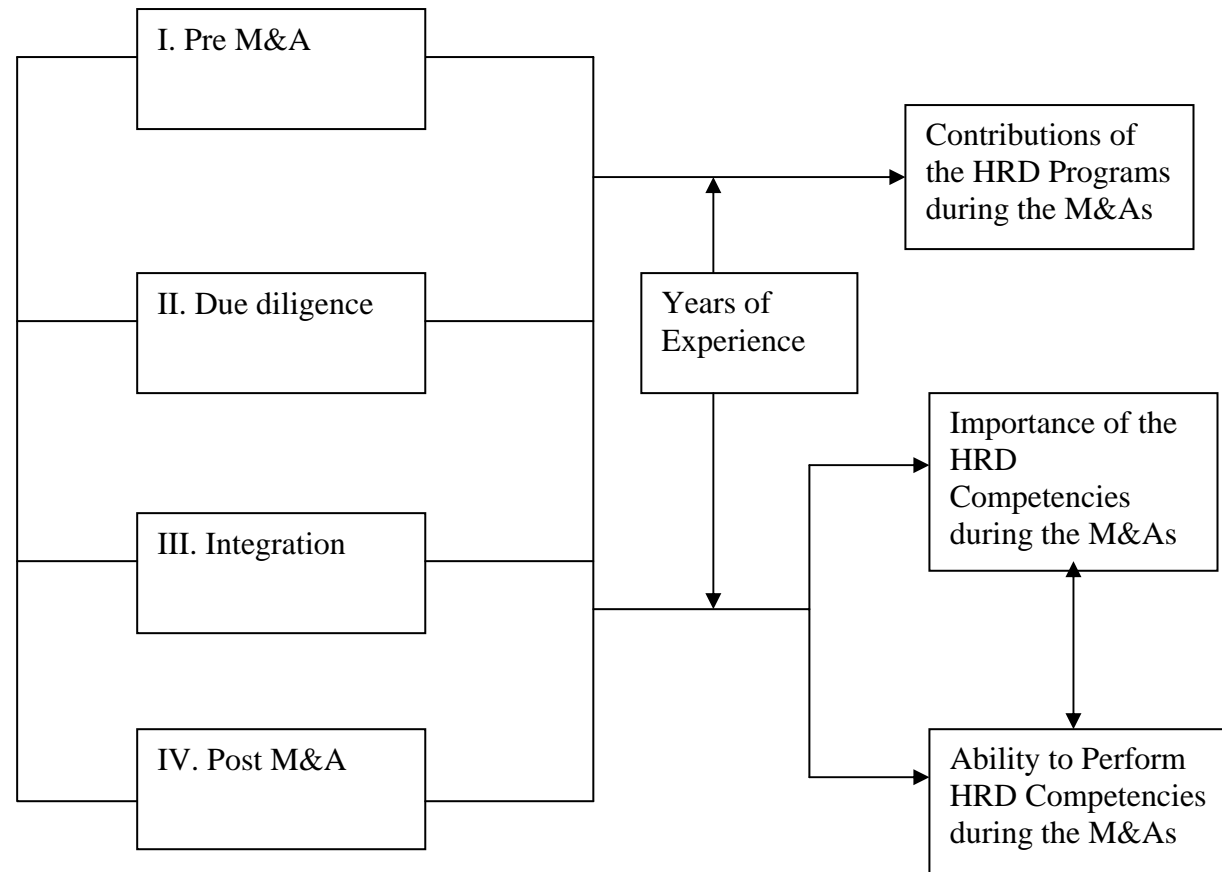


Table: 5.1 Conceptual model of the study

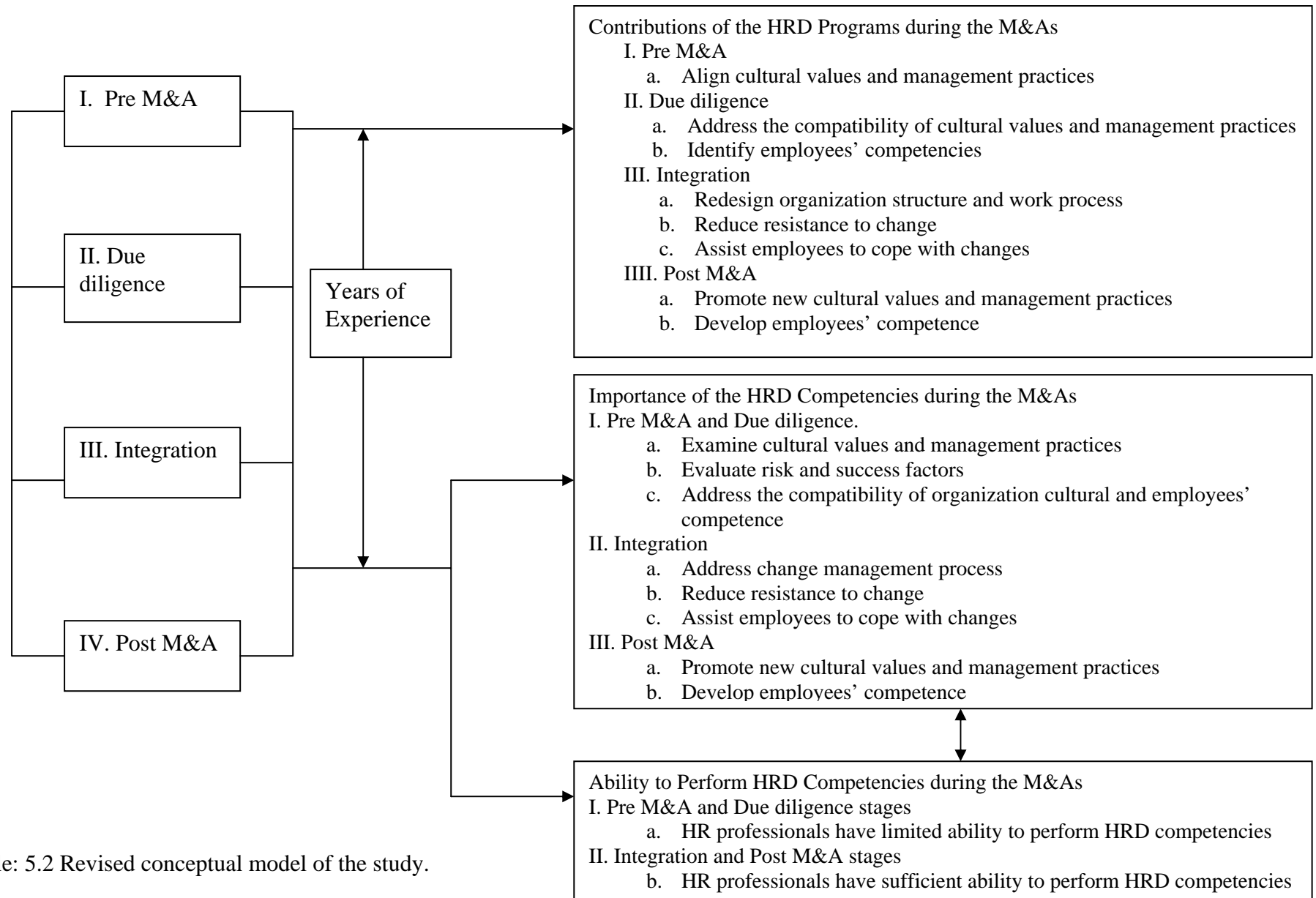


Table: 5.2 Revised conceptual model of the study.

## Recommendations

This section presents recommendation for future research and practice.

### Recommendations for Future Research.

There are six recommendations for future research. It is apparent that further research about the relationship of human resource development programs and competencies used in the four stages of the merger and acquisition process is warranted.

The first recommendation for future research is to expand the number of respondents from different organizations. This study concerns the small number of respondents; the respondents in the study included only 26 human resource professionals from five Thai banks that had undergone mergers and acquisitions in the past five years. In addition, since 14 out of the 26 total respondents came from the Standard Chartered and Nakornthon Banks, it is quite possible that these 14 respondents' responses may have unduly influenced the results of this study. Since the majority of the respondents came from one organization, the responses may be dominated by the characteristics of one organization..

The second recommendation for future research is to provide alternatives for eliciting data concerning the perspectives of human resource professionals on the relationship of human resource development programs and competencies and the four stages of the merger and acquisition process. Based on the qualitative data, open-ended questions should be administered to collect the different perspectives of various human resource professionals regarding the merger and acquisition process. Focus group interviews would be another way to obtain such information. A Modified Delphi technique is another approach for determining consensus on the potential

contributions of the human resource development programs used and the human resource professionals' experience in implementing human resource development competencies in the four stages of the merger and acquisition process while, at the same time, collecting data on disagreement and alternative perspectives. Based on the findings, the researcher may not have been able to explore the topics in sufficient depth due to the nature of the questions in the structured interviews, the respondents had a tendency to provide socially acceptable answers, and it was extremely difficult to reach respondents to schedule the interviews and to prevent external distraction during the interviewing process.

The third recommendation for future research is to further develop the two components emerging from factor analysis and carefully revise the instruments' content based on the congruence of the relationship of the human resource development theory in the four stages of the merger and acquisition process and actual experience in order to increase the reliability of the study. Researchers should regroup these two components and increase the number of human resource development items to strengthen the validity of the instruments. There is a concern in this study about the low reliability of the two protocols used due to lack of theoretical support from the literature on the relationship of the human resource development programs and competencies used in the four stages of the merger and acquisition process because the two protocols were originally developed by the researcher based on the available literature on the theory of human resource development and the four stages of the merger and acquisition process.

The fourth recommendation is that future research should seek to examine the relationship between the regrouped items of the human resource development programs and the potential contributions of human resource development programs in

mergers and acquisitions. Obviously, competence building can be used to address the compatibility of the organizations' cultural values and management practices issues, and employee competencies required to perform future jobs in the new entity.

Furthermore, the change management process can be used to address why changes are necessary and to assist employees to cope with change during mergers and acquisitions. In addition, reducing employees' resistance to change is considered an important issue in forming the new entity.

The fifth recommendation for future research is that human resource development studies should seek to examine the relationship between the human resource professionals' experience and their ability to perform human resource development competencies. Based on their own ratings of their ability to perform human resource development competencies, analysis of the relationship between their ability to perform human resource development competencies and the experience of the human resource professionals did not reveal significant findings via the Pearson product moment correlation coefficient. A more sophisticated approach might have been to try to examine the relationship between these two variables in the pre merger and acquisition and due diligence stages.

The sixth recommendation for future research is that human resource development research should seek to understand how the two components -- the change management process and competence building -- contribute to the success of mergers and acquisitions as reflected in this research in the regrouping of human resource development competencies.

The seventh recommendation for the future is that a longitudinal study should be conducted in these five Thai banks to examine their level of success in mergers and acquisitions in the past years. The level of success in mergers and acquisitions could



be measured in terms of their cultural integration, stock market price, shareholders satisfaction, and the ability to retain key employees. The follow up study should examine whether the two combined organizations are still together.

#### Recommendations for Practice.

There are three recommendations for human resource development practice based on the findings.

The first recommendation is that these findings will increase awareness of merger and acquisition issues among human resource practitioners and management. In addition, the increasing awareness about mergers and acquisitions will help identify the roles appropriate for human resource professionals during the merger and acquisition process. Based on the findings, recognition of the significance of the human resource development programs and competencies used during the four stages of the merger and acquisition process is necessary to help the organizations bridge the gaps of cultural differences, work processes, and management practices between the two combined organizations. Furthermore, the involvement of human resource professionals in the four stages of the merger and acquisition process is important to incorporate new cultural values, work processes, and management practices in the two combined organizations (Jeris et al., 2001; Leeamornsiri and Jacobs, 2002; Waight, 2004).

The second recommendation for human resource development practice is that the emerging roles of human resource professionals, including the roles of strategic partner, change agent, functional aligner, human resource champion, problem solver, mentoring, and human resource consultant, should receive more emphasis during the four stages of the merger and acquisition process (Daniel and Metcalf, 2001; Hit et

al., 2004; Schmidt, 2002). Through these emerging roles, human resource professionals can help assist employees to successfully adapt to change and adequately address issues of the employee competencies required to perform future jobs. Moreover, through these emerging roles, human resource professionals will be able to help the combined organizations' resolve current problems and improve the new organization's performance.

The third recommendation involves the importance of the adoption and utilization of human resource development programs and competencies during the four stages of the merger and acquisition process to strengthen the organization's fundamental values and management practices effectively. The contributions of human resource development programs during the four stages of mergers and acquisitions will help the combined organization to attract and retain talented employees and increase employee satisfaction. The positive impact of human resource development programs and competencies is a key driving mechanism that highly influences employee performance and organization productivity in mergers and acquisitions. According to the accumulated literature, most HRD scholars and practitioners have agreed that human resource development programs and competencies effectively strengthen an organization's fundamental values and management practices, and this helps increase the success of the cultural integration in the combined entity in mergers and acquisitions (Jeris et al., 2001; Leeamornsiri & Jacobs, 2003; Leeamornsiri & Lee, 2004; McIntyre, 2004).

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APPENDIX A

ADDITIONAL INFORMATION REGARDING ORGANIZATION  
CHARACTERISTICS OF FIVE THAI BANKS

### The five Thai banks

Five Thai banks were selected for participation in the present study, and one corporation was selected for the pilot study. The organizational characteristics are presented below.

#### The Thai Military Bank and DBS Thai Dhanu Bank.

The Thai Military Bank Public Limited began its operation in 1957 to mobilize and manage the non-budgetary funds of various military units, the Thai Military Bank was established by Field Marshal Saridi Dhanarajata in 1956 with the initial registered capital of 10 million baht. Thus, the Thai Military bank provided the services of a normal commercial bank but the scope of its services were limited as follows:

1. Only military personal or military units were allowed to hold the bank's shares.
2. The major principle of the bank's operation was to provide service to military personnel, members, and their families;
3. The bank was to provide financial loan services to military units and additionally to provide financial welfare benefits to military personnel.

In 2003, the Thai Military Bank increased its capital to 23 million baht, and it still maintained the trust and support of the government and shareholders.

In 2004, the Thai Military Bank merged with the DBS Thai Danu Bank Public Company Limited, becoming the fourth largest bank among the commercial banking

systems in Thailand. It has total assets of 700 billion baht and over 450 branches countrywide. The combination of these banks represented the best of both types of merger. Interestingly, the merger of Thai Military bank with the DBS Thai Dhanu Bank and IFCT in 2004 won the coveted accolade of the best domestic merger and acquisition deal of the year 2004 in Asia from Finance Asia, a regional financial magazine. After the merger, the increasing credit rating of the bank was upgraded by Moody's Investor Service from Ba2 to Baa2 in September 2004 and by TRIS from BBB- to BBB+ which continues today.

### Bank Thai

Bank Thai Public Company Limited was established in 1998 by the Financial Institutions Development Fund (FIDF) which was the largest shareholder with to 48.98 percent of the shares. In 1997, The Ministry of Finance had ordered Bank Thai to acquire 12 financial institutions in order to maintain bank financial status after the economic crisis. In 1997, the Bank Thai Limited Company merged with the Saha Bank Public Company Limited by order of the Ministry of Finance. In 1998, the Bank Thai Public Company Limited was founded by the Financial Institutions Development Fund (FIDF) with the assistance of the largest shareholder.

Currently, Bank Thai provides complete banking services to corporate and individual customers, including commercial banking and capital market services, securities business, non-life insurance, and business and investment consulting services. Bank Thai has seen consistent growth as shown by its present registered capital of 52,002.5 million baht, with total assets of 231,474 million baht. Today, Bank Thai is comprised of 99 branches nationwide.

### The Siam City Bank and Bangkok Metropolitan Bank

The Siam City Bank Public Company Limited (SCIB), the fourth bank, was established during World War II around 1941 by the government and members of the royal family with the initial registered capital of 1 million baht. In 1994, Siam City Bank entered the Stock Exchange of Thailand (SET), and its shares were traded for the first time.

In 1997, Siam City Bank faced a major challenge from the economic clashes in Asia and accumulated losses of almost 100 million baht. Then, in 1998, the Ministry of Finance ordered Siam City bank to increase its capital by issuing new market stock for 20 million baht in order to maintain its financial status during the economic recession.

In 2002, the Siam City Bank became the fifth largest commercial bank in Thailand after it merged with the Bangkok Metropolitan Bank. In 2004, however, the Siam City Bank successfully capitalized the market worth of 47,961 million baht and was ranked the sixth largest banking in the sector in Thailand. This was a one dominant company type of merger. Today, the Siam City Bank provides comprehensive banking service systems to both individual and corporate customers. Presently, the Siam City Bank has the registered capital of 465,139 million baht, employs 6,281 employees, and is comprised of 363 branches countywide.

### Standard Chartered Bank and Nakornthon Bank

The name ‘Standard Chartered’ was used after two banks—the Standard Bank of British South Africa and the Chartered Bank of India, Australia and China—merged in 1969. In fact, the Chartered Bank was the oldest bank, established in 1853 following the grant of a Royal Charter from Queen Victoria. In 2000, the Standard

Chartered Bank acquired Nakornthon Bank, formerly known as the Wanglee Bank, and became the Standard Chartered Nakornthon Bank. Today, the Standard Chartered Nakornthon Bank provides full banking services to corporate and individual clients, including trade finance, cash management, lending, custody, foreign exchange, debt capital markets and corporate finance. Furthermore, it is one of the world's leading banks, employing 30,000 people in over 500 offices in more than 50 countries, primarily countries in the Asia Pacific Region, South Asia, the Middle East, Africa and America.

#### Krung Thai Bank.

The Krung Thai Bank Public Company Limited was established in 1966 through a merger business between the Agricultural Bank Limited and the Provincial Bank Limited, with the Ministry of Finance as its major shareholder. The bank was named the Krung Thai Bank Limited because of its juristic person status as a state enterprise attached to the Ministry of Finance logo known as the Wayupak Bird. In 1982, the Krung Thai bank had 4,442.2 million baht in deposits, 4,582.1 million baht worth in assets, and 105 million baht in registered capital, and had 81 branches and 1,247 personnel across Thailand. In 1995, the Krung Thai bank was granted the status of a Group 1 State Enterprise that was aiming for quality services to its customers comparable to those of other leading commercial banks in Thailand. In 2003, Krung Thai merged with the Mahanakorn Bank. This was a one dominant company type of merger.

Today, the Krung Thai bank is operating through 511 domestic and 12 foreign branches and representative offices around the globe. In 2004, Krung Thai employed more than 15,000 employees. The Krung Thai's key policies are focusing on valued

services to the clients, quality credit extension, efficient budget management, and a good quality of life for its employees. And the Krung Thai Bank not only provides financial assistance to many businesses, but also offers financial assistance to other state enterprises. As the government's only commercial bank, Krung Thai Bank supported benefits from its business transactions with the government in the form of tax turnover. Krung Thai is also supported by dividends from the Ministry of Finance so that it engages in many aspects of social, educational and religious life.

#### True Corporation Public Limited.

In 2002, SA Orange, a France company, was a telecommunication services provider industry that was launched in Thailand. Telecom Asia Orange company acquired 44 percent and CP group acquired 7 percent of the total market share. In 2003, the True company and the Telecom Asia Orange Company a cellular service provider merged with other small businesses which had been successfully conglomerated by the Charoen Pokaphand Group. After the mergers in 2003, the True Corporation Public Company Limited became one of the leading providers of technology, including hispeed internet broadband service, cellular service, and Asia multimedia, Asia Infonet and the cable TV network United Broadcasting Corporation. In 2004, Telecom Asia changed its name to the True Corporation Public Company Limited as part of a strategy to become more relevant to customers' lifestyle and business needs which have had an impact on the company's vision and core business strategy in its transformation into a Total Communications Solutions Provider and Lifestyle Enabler. After the transformation, the new emerging True Corporation Public Company Limited became the leading technology service provider, and the

corporation successfully achieves fulfillment of the needs of the customer in the Thai market. Currently, True has acquired a more than 80 percent of the market share in high technology business that given Thailand current low penetration rate. The True Corporation employs more than 3,000 employees in Thailand.



## APPENDIX B

### STRUCTURE INTERVIEW PROTOCOL FOR HUMAN RESOURCE DEVELOPMENT PROGRAMS AND QUESTIONNAIRE OF HUMAN RESORUCE DEVELOPMENT COMPETENCIES



**Workforce Development & Education  
School of Physical Activity  
and Educational Services**

**Interview Protocol**

**Human resource development programs during the merger and acquisition process**

Hi Is this [Name of potential respondent] ?

This is Joseph Nantawut Leeamornsiri, a Ph.D. candidate of Workforce Development and Education at the Ohio State University and I am calling from the Ohio State University. I am calling selected Thai human resource managers and Thai human resource development managers about their perceptions of the merger and acquisition process.

Screening Question: Have you experienced the mergers and acquisitions during the past? If Yes, Continue, If No move on to the next person.

All responses will be kept confidential and will be used only to help improve the effectiveness of human resource development programs during the merger and acquisition process. Respondent's answer will be recorded by the researcher without identifying respondent's name during the interview process. All respondent's name will not be included in this study and will be removed from the researcher data base and email once the data collection process is completed. However, there is a remote possibility that data transmission via the internet is not secure and data transmissions can be intercepted and IP addressed can be identified.

Do you have any questions about the human resource development programs during the merge and acquisition process?

The interview will require about 20-25 minutes of your time. If this is not a good time, I can call back at a time that is more convenient for you.

**If yes, a good time to do interview**

Thank you. Participating on this study is voluntary. Of course, you have the option to end the call at anytime for any reason, and you can choose not to answer individual questions. In addition, there will be a follow up questionnaire regarding HRD competencies during the merger and acquisition process. I would like to send it to you via email after the structured interviewed is completed.

Also, if you have questions about the survey, you can contact the researchers, Joseph Nantawut Leeamornsiri at (011)614-596-0437: leeamornsiri.1 @osu.edu or Professor Ronald L. Jacobs, Ph.D. at (011)614-292-0581: Jacobs.3@osu.edu

Let's begin with the first question.

**If no, not a good time to do interview**

When would be a convenient time for you? I will call you back

*Date and time to call back* \_\_\_\_\_

Thank you very much. I will talk to you at (Repeat date and time of call back)

Goodbye.

End of call.

Part I relates to your perceptions of human resource development programs during the mergers and acquisition process

Please rate the following items regarding human resource development programs during the merger and acquisition process

Reflect on each of the following human resource development programs given to you during the merger and acquisition process. Please indicate the level of your agreement or disagreement to the following statements by checking one the following each statement.

Key: 1 = strongly disagree 2 = disagree 3 = agree 4 = strongly agree

1. Human resource development programs can be used to identify the knowledge, skills, and abilities required for future jobs of the new organization.

Strongly disagree Strongly agree  
1-----2-----3-----4

2. Human resource development programs can be used to identify cultural compatibility issues during the pre merger and acquisition stage.

Strongly disagree Strongly agree  
1-----2-----3-----4

3. Human resource development programs can be used to develop selection criteria for potential target in pre merger and acquisition stage.

Strongly disagree Strongly agree  
1-----2-----3-----4

4. Human resource development programs can be used to help identify the mission and strategy of the new organization

Strongly disagree Strongly agree  
1-----2-----3-----4

5. Human resource development programs can be used to promote new cultural values and management practices in the new organization.

Strongly disagree Strongly agree  
1-----2-----3-----4

Strongly disagree                      Strongly agree

1-----2-----3-----4

Strongly disagree 1-----2-----3-----4 Strongly agree

Strongly disagree                      Strongly agree

1-----2-----3-----4

Strongly disagree                      Strongly agree

1-----2-----3-----4

Strongly disagree 1-----2-----3-----4 Strongly agree

Strongly disagree                      Strongly agree

1-----2-----3-----4

Strongly disagree                      Strongly agree

1-----2-----3-----4

13. Now I am going to ask you a series of questions about your experience using human resource development programs during the merger and acquisition process.

- a. Name the 2-3 most important of human resource development programs you used as a part of the merger and acquisition process.

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- b. Describe your role in administering and supervising these human resource development programs.

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- c. Discuss and reflect on the usefulness of human resource development programs in implementing in the merger and acquisition process.

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- d. How important have human resource development programs been for the success of the mergers and acquisitions in your experience?

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- e. Why?

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14. Overall, in your opinion has the merger or acquisition been successful? Why or Why not.

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## Part II. Demographic information

Part II will ask for information regarding your experience, education, employment, and job roles at current organization.

1. What is your current position or job role?

\_\_\_\_\_

2. How long have you worked in this position?

\_\_\_\_\_ Years \_\_\_\_\_ Months

3. How long have you worked for this organization?

\_\_\_\_\_ Years \_\_\_\_\_ Months

4. What are the highest levels of education that you have completed?

\_\_\_\_\_ High school diploma

\_\_\_\_\_ Technical or Associates degree

\_\_\_\_\_ Some college (2 years)

\_\_\_\_\_ Undergraduate degree (Bachelor degree 4 years)

\_\_\_\_\_ Graduate degree (Master degree)

\_\_\_\_\_ Graduate degree (Doctorate degree)

5. Do you know anyone who recently been through the merger and acquisition process? I would like to contact that person to interview about the mergers and acquisitions.

Yes\_\_\_\_\_

Could you give me the person contact number\_\_\_\_\_

No\_\_\_\_\_ (End the interview).

Closing statement

That concludes the interview. Thank you very much for your time and speaking with me



**Workforce Development & Education  
School of Physical Activity  
and Educational Services**

**Human resource development competencies assessment**

This part of the questionnaire is interested in your awareness of and participation in human resource development competencies during the merger and acquisition process. Your responses are very important to give us an accurate picture of how human resource development competencies are being recognized and implemented during the merger and acquisition processes in terms of awareness of importance and your ability to perform them.

All responses will be kept confidential and will be used only to help improve the effectiveness of human resource development competencies during the merger and acquisition process. You have the option not to participate in this survey at anytime for any reason, and you can choose not to answer individual questions. All respondent's name will not be included in this study and will be removed once the data collection process is completed. All respondent's name will not be included in this study and will be removed from the researcher data base and email once the data collection process is completed. However, there is a remote possibility that data transmission via the internet is not secure and data transmissions can be intercepted and IP addressed can be identified.

The following are information about the four stages of the merger and acquisition process.

*Stage I: Pre merger and acquisition (Pre M&A) refers to the process of developing, scanning and analyzing the selection criteria for potential target. Pre M&A is focused on organizational and people compatibility or fit issues between the two combined organizations. The process of scanning and analyzing the selection criteria consisted of three levels include organization, work processes, and employee level.*

*Stage II: Due diligence refers to the process of planning and implementing the deal to ensure that the propose deal is match against the standard of selection criteria and establishing the value proposition after an offer to merger or acquire has been made.*

*Stage III: Integration refers to a process of developing integration plan and implementing integration plan; which are include combining and integrating cultural values, management practice, work processes, benchmarking, technology, and workforce between the two combine organizations.*

*Stage V: Post merger and acquisition (Post M&A) refers to an ongoing process of developing and maintaining organization performance, work processes, and employee performance.*

Based on the merger and acquisition process above, please rate the following human resource development competencies in terms of how importance in each of the four stages of the merger and acquisition process and your ability to perform them during the merger and acquisition process.

Importance in this case means whether the human resource development competencies are critical for achieving the merger and acquisition process.

Key: 1. = Extremely low important 2. = Low important 3. = Important 4 = Extremely important

Ability in this case means whether the human resource development professionals in your company have the ability to perform the human resource development competencies during the merger and acquisition process

Key: 1 = Extremely low ability 2 = Low ability 3 = High ability 4. = Extremely high ability

For example: AAA Competencies

| Please rate the following human resource development competencies in terms of their importance, and your ability to perform human resource development competencies during the merger and acquisition processes. | <b>Importance</b><br>Extremely not important ← → Extremely important<br>1-----2-----3-----4 |               |             |          | <b>Ability to Perform</b><br>Extremely low ability ← → Extremely high ability<br>1-----2-----3-----4 |
|--|---|---------------|-------------|----------|--|
|  | Pre M&A M&A   | Due diligence | Integration | Post     |  |
|  |   |               |             |          |  |
| 1. Knowledge sharing is needed to increase competitive advantage.  | <u>4</u>  | <u>2</u>      | <u>3</u>    | <u>4</u> | <u>3</u>   |
| 2. Total quality management helps improve Organization productivity  | <u>3</u>  | <u>1</u>      | <u>2</u>    | <u>4</u> | <u>4</u>   |



|   |  |               |             |          |   |
|---|--|---------------|-------------|----------|---|
| <p><i>Please rate the following human resource development competencies in terms of their importance, and your ability to perform human resource development competencies during the merger and acquisition processes.</i></p>  | <p style="text-align: center;"><b>Importance</b></p> <p style="text-align: center;">Extremely not important ← → Extremely important</p> <p style="text-align: center;">1-----2-----3-----4</p> |               |             |          | <p style="text-align: center;"><b>Ability to Perform</b></p> <p style="text-align: center;">Extremely low ability ← → Extremely high ability</p> <p style="text-align: center;">1-----2-----3-----4</p> |
| <p>1. Conduct needs assessment to identify the knowledge, skills, and abilities required for future jobs.</p> <p>2. Develop guidelines to carry out future integration plans.</p> <p>3. Evaluate all the related potential risk factors and success factors to select the potential target.</p> <p>4. Examine business opportunities to determine what strategic planning is needed to support due diligence plans.</p> <p>5. Estimate the cost, time, and effort required to communicate the new company's mission and strategy.</p> | Pre M&A  | Due diligence | Integration | Post M&A |   |
|   |  |               |             |          |   |

| <p><i>Please rate the following human resource development competencies in terms of their importance, and your ability to perform human resource development competencies during the merger and acquisition processes.</i></p>   | <p style="text-align: center;"><b>Importance</b></p> <p style="text-align: center;">Extremely not important ← → Extremely important</p> <p style="text-align: center;">1-----2-----3-----4</p> |               |             |          | <p style="text-align: center;"><b>Ability to Perform</b></p> <p style="text-align: center;">Extremely low ability ← → Extremely high ability</p> <p style="text-align: center;">1-----2-----3-----4</p> |
|--|--|---------------|-------------|----------|---|
|  | Pre M&A  | Due diligence | Integration | Post M&A |   |
| <p>6. Conduct cultural assessments to identify cultural compatibility issues between the two combined organizations.</p> <p>7. Align cultural values and management practices between the two organizations to form a new organization.</p> <p>8. Identify new organization's mission and strategy to increase agreement among shareholders, management, and employees.</p> <p>9. Promote new cultural values and management practices in the new organization.</p> <p>10. Define the roles of managers during the merger and acquisition process.</p> |  |               |             |          |   |

| <p><i>Please rate the following human resource development competencies in terms of their importance, and your ability to perform human resource development competencies during the merger and acquisition processes.</i></p>  | <p style="text-align: center;"><b>Importance</b></p> <p style="text-align: center;">Extremely not important ← → Extremely important</p> <p style="text-align: center;">1-----2-----3-----4</p> |               |             |          | <p style="text-align: center;"><b>Ability to Perform</b></p> <p style="text-align: center;">Extremely low ability ← → Extremely high ability</p> <p style="text-align: center;">1-----2-----3-----4</p> |
|---|--|---------------|-------------|----------|---|
|   | Pre M&A  | Due diligence | Integration | Post M&A |   |
| <p>11. Develop benchmarking work processes to improve employee performance.</p> <p>12. Set realistic goals and expectations to reduce conflicts between the combined organization.</p> <p>13. Develop employee communication skills to increase the effectiveness of communication between management and employees during the integration process.</p> <p>14. Outline organization goals and principles which are consistently aligned with employee goals.</p> <p>15. Develop new organizational structure to assign authority for decision making.</p> |  |               |             |          |   |

| <p><i>Please rate the following human resource development competencies in terms of their importance, and your ability to perform human resource development competencies during the merger and acquisition processes.</i></p>  | <p style="text-align: center;"><b>Importance</b></p> <p style="text-align: center;">Extremely not important ← → Extremely important</p> <p style="text-align: center;">1-----2-----3-----4</p> |               |             |          | <p style="text-align: center;"><b>Ability to Perform</b></p> <p style="text-align: center;">Extremely low ability ← → Extremely high ability</p> <p style="text-align: center;">1-----2-----3-----4</p> |
|---|--|---------------|-------------|----------|---|
|   | Pre M&A  | Due diligence | Integration | Post M&A |   |
| <p>16. Develop employee retention programs to ensure that talented employees remain with the organization.</p> <p>17. Develop performance evaluation system to ensure that employees' performance has been recognized and rewarded.</p> <p>18. Facilitate employee transition during changes.</p> <p>19. Provide counseling services to line managers and employees during the integration process in order to reduce resistance to change.</p> <p>20. Redesign work processes to reduce redundancy among jobs between the combined organization.</p> |  |               |             |          |   |

| <p><i>Please rate the following human resource development competencies in terms of their importance, and your ability to perform human resource development competencies during the merger and acquisition processes.</i></p>   | <p style="text-align: center;"><b>Importance</b></p> <p style="text-align: center;">Extremely not important ← → Extremely important</p> <p style="text-align: center;">1-----2-----3-----4</p> |               |             |          | <p style="text-align: center;"><b>Ability to Perform</b></p> <p style="text-align: center;">Extremely low ability ← → Extremely high ability</p> <p style="text-align: center;">1-----2-----3-----4</p> |
|--|--|---------------|-------------|----------|---|
|  | Pre M&A  | Due diligence | Integration | Post M&A |   |
| <p>21. Create a positive working environment to enhance employee satisfaction.</p> <p>22. Conduct employee involvement programs to ensure that employees at all levels are involved in developing performance appraisal systems and compensation programs.</p> <p>23. Enhance procedural justice and distributive justice in compensation systems.</p> <p>24. Motivate employees by ensuring that their ideas and opinion are important and valued.</p> <p>25. Implement intervention programs to facilitate employees' and management's efforts to cope with changes.</p> |  |               |             |          |   |

| <p><i>Please rate the following human resource development competencies in terms of their importance, and your ability to perform human resource development competencies during the merger and acquisition processes.</i></p>  | <p style="text-align: center;"><b>Importance</b></p> <p style="text-align: center;">Extremely not important ← → Extremely important</p> <p style="text-align: center;">1-----2-----3-----4</p> |               |             |          | <p style="text-align: center;"><b>Ability to Perform</b></p> <p style="text-align: center;">Extremely low ability ← → Extremely high ability</p> <p style="text-align: center;">1-----2-----3-----4</p> |
|---|--|---------------|-------------|----------|---|
| <p>26. Provide managerial training to support the team's involvement in due diligence.</p> <p>27. Conduct awareness training for employees to increase their understanding about why change is necessary.</p> <p>28. Provide cascade training for management and employees to enhance institutionalization change.</p> <p>29. Provide succession plans to develop employee performance and team performance</p> <p>30. Provide leadership development training programs for employees to increase employees' leadership capacity to contribute effective decision making.</p> | Pre M&A  | Due diligence | Integration | Post M&A |   |
|   |  |               |             |          |   |

## APPENDIX C

### STRUCTURED PHONE INTERVIEW PROTOCOL FOR HUMAN RESORUCE DEVELOPMENT PROGRAMS AND QUESTIONNAIRE FOR HUMAN RESOURCE DEVELOPMENT COMPETENCIES (THAI VERSION)



## แบบสอบถามการสัมภาษณ์

รายการในการพัฒนาทรัพยากรบุคคล หรือ(HRD PROGRAMS) ในระหว่างกระบวนการรวบรวม  
กิจการ

สวัสดีครับ / คะ ชื่อของผู้ตอบแบบสอบถาม ใช่มั้ยคะ

ผมชื่อ โจเซฟ นันธวุฒิ ลือมรสิริ นักศึกษาปริญญาเอก จาก WDE ณ มหาวิทยาลัย  
แห่งรัฐโอไฮโอ (OSU) ผมโทรมาจาก OSU ผมโทรมาเพื่อสัมภาษณ์ผู้จัดการฝ่ายจัดการทรัพยากร  
บุคคลและผู้จัดการฝ่ายการพัฒนาทรัพยากรบุคคลเกี่ยวกับการรับรู้เรื่องการรวบรวมกิจการ

คำถามคัดเลือก : คุณเคยมีประสบการณ์เกี่ยวกับการรวบรวมกิจการในอดีตที่ผ่านมา  
หรือไม่? ถ้ามีดำเนินการสัมภาษณ์ต่อ , ถ้าไม่มีให้เลือกผู้สัมภาษณ์คนต่อไป

คำตอบทั้งหมดในแบบสอบถามนี้จะเก็บเป็นความลับ และจะใช้เพื่อวัตถุประสงค์ในการ  
พัฒนาประสิทธิภาพของHRD PROGRAMSในระหว่างกระบวนการรวบรวมกิจการเท่านั้น คุณมี  
คำถามเกี่ยวกับรายการในการพัฒนาทรัพยากรบุคคลที่อยู่ในระหว่างกระบวนการรวบรวมกิจการ  
หรือไม่?

การสัมภาษณ์จะใช้เวลาประมาณ 20 – 25 นาที ถ้าคุณไม่สะดวกในการให้สัมภาษณ์ผมจะ  
โทรติดต่อกลับมาอีกครั้งในเวลาที่คุณสะดวกในการให้สัมภาษณ์มากที่สุด

**ถ้าใช่ คุณสะดวกในการให้สัมภาษณ์**

ขอบคุณมาก , แน่นอน , คุณมีอิสระในการเลือกที่จะหยุดการสัมภาษณ์ได้ตลอดเวลาทุก  
เหตุผลและคุณสามารถเลือกที่จะไม่ตอบคำถามส่วนตัวในระหว่างการสัมภาษณ์

และ ถ้าคุณมีคำถามเกี่ยวกับแบบสอบถามนี้ คุณสามารถที่จะติดต่อได้ที่ คุณ โจเซฟ  
นันธวุฒิ ลือมรสิริ โทร : ( 614 ) 292-0581 หรือ ศาสตราจารย์ ดร. โรนัล แอล เจคอบ, Ph.D.  
ที่โทร : ( 614 ) 292-0581

ให้เริ่มคำถามแรก

**ถ้าไม่ , ตอนนี้ไม่ใช่เวลาที่สะดวกในการให้สัมภาษณ์**

คุณสะดวกในการให้สัมภาษณ์ได้เมื่อไร ? ผมจะโทรกลับมาใหม่

วัน และ เวลาที่ให้โทรกลับ \_\_\_\_\_

ขอบคุณมากครับ ผมจะคุยกับคุณอีกครั้งในวันและเวลาที่กำหนด



สวัสดี

**ส่วนที่ 1** เกี่ยวกับการรับรู้ของคุณในเรื่องของรายการการพัฒนาทรัพยากรบุคคลในระหว่าง  
กระบวนการรวบรวมกิจการ

กรุณาประเมินข้อความข้างล่างนี้เกี่ยวกับรายการการพัฒนาทรัพยากรบุคคลในระหว่าง  
กระบวนการรวบรวมกิจการ

กรุณาสะท้อนภาพที่ทำให้เห็นเกี่ยวกับHRDProgramsในระหว่างกระบวนการรวบรวม  
กิจการ กรุณาชี้แสดงระดับของความเห็นด้วยและไม่เห็นด้วยของคุณเกี่ยวกับข้อความข้างล่างนี้  
โดยทำเครื่องหมายกากบาท ( X ) หรือ ( O ) ระดับความเห็นด้วยและไม่เห็นด้วยในแต่ละข้อความ

กฎเกณฑ์ : 1 = ไม่เห็นด้วยอย่างยิ่ง, 2 = ไม่เห็นด้วย, 3 = เห็นด้วย, 4 = เห็นด้วยอย่างยิ่ง

1. HRD programs สามารถที่จะใช้ในการชี้แสดงความรู้ ความชำนาญ และ ความสามารถที่  
ต้องการสำหรับงานในอนาคตขององค์กรใหม่

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

2. HRD programs สามารถที่จะใช้ในการชี้แสดงความต้องการของวัฒนธรรมองค์กรในระหว่าง  
ขั้นตอนก่อนการรวบรวมกิจการ

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

3. HRD programs สามารถที่จะใช้พัฒนามาตรการ และบรรทัดฐานในการเลือกองค์กรเป้าหมายใน  
ขั้นตอนก่อนการรวบรวมกิจการ

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

4. HRD programs สามารถที่จะใช้ในการช่วยชี้แสดงพันธกิจ (Mission) และ กลยุทธ์สำหรับ  
องค์กรใหม่

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

5. HRD programs สามารถจะใช้ในการประชาสัมพันธ์ คุณค่าและค่านิยมใหม่ของวัฒนธรรมองค์กร และการปฏิบัติการจัดการในองค์กรใหม่

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

6. HRD programs สามารถที่จะใช้ในการสร้างความเข้าใจในเรื่องของเหตุผลว่าทำไมการเปลี่ยนแปลงจึงมีความจำเป็นให้กับพนักงานในองค์กร

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

7. HRD programs สามารถสนับสนุนส่งเสริมความสำเร็จของการผสมผสานกันระหว่างวัฒนธรรมของทั้งสององค์กร

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

8. HRD programs สามารถที่จะใช้ในการลดต้นทุน/ค่าใช้จ่ายในการประกอบการอันเกิดจากการรวบรวมกิจการ

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

9. HRD programs สามารถที่จะใช้ในการลดการต่อต้านการเปลี่ยนแปลงของพนักงาน ในระหว่างกระบวนการรวบรวมกิจการ

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

10. HRD programs สามารถที่จะใช้ในการเพิ่มผลกำไรและผลประโยชน์ที่เกี่ยวข้องกับการเงินให้แก่องค์กรในระหว่างกระบวนการรวบรวมกิจการ

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

11. HRD programs สามารถที่จะใช้ในการพัฒนาคุณภาพของสินค้าและบริการในระหว่างกระบวนการควบรวมกิจการ

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

12. HRD programs สามารถที่จะใช้ในการช่วยเหลือพนักงานให้ปฏิบัติงานได้อย่างเต็มประสิทธิภาพในระหว่างกระบวนการควบรวมกิจการ

ไม่เห็นด้วยอย่างยิ่ง

เห็นด้วยอย่างยิ่ง

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

13. ตอนนี้ ผมจะถามคำถามที่เกี่ยวกับประสบการณ์ของคุณในการใช้ HRD programs ในระหว่างกระบวนการควบรวมกิจการ

a. กรุณาบอก 2-3 ชื่อของHRD programs ที่สำคัญที่สุดที่คุณเคยใช้ในระหว่างกระบวนการควบรวมกิจการ

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b. กรุณาบรรยายบทบาทและหน้าที่หลักของคุณในการดำเนินการ, ควบคุมและอำนวยความสะดวก HRD programs

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c. กรุณาอธิบายและแสดงภาพเกี่ยวกับประโยชน์ของการใช้HRD programs ในระหว่างการควบรวมกิจการ

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d. จากประสบการณ์ของคุณ HRD programs มีความสำคัญต่อความสำเร็จของการควบรวมกิจการอย่างไร

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e. ทำไม ?

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14. โดยรวมแล้ว คุณมีความเห็นว่าการควบรวมกิจการประสบความสำเร็จหรือไม่? ทำไม?

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## ส่วนที่ 2 ข้อมูลทางสถิติของประชากร

ในส่วนที่ 2 นี้ จะถามข้อมูลเกี่ยวกับประสบการณ์ การศึกษา อาชีพการงาน และหน้าที่ในปัจจุบันของคุณในองค์กร

1. ในปัจจุบัน คุณดำรงตำแหน่งอะไรภายในองค์กร?

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2. คุณทำงานในตำแหน่งนี้นานเท่าใด ?

\_\_\_\_\_ ปี \_\_\_\_\_ เดือน

3. คุณทำงานกับองค์กรนี้นานเท่าใด ?

\_\_\_\_\_ ปี \_\_\_\_\_ เดือน

4. คุณจบการศึกษาสูงสุดในระดับใด ?

\_\_\_\_\_ มัธยมศึกษา ( ม.6 )

\_\_\_\_\_ อาชีวศึกษาหรือการศึกษาต่อเนื่อง

\_\_\_\_\_ ปวส. ( หลักสูตรวิทยาลัย 2 ปี )

\_\_\_\_\_ ปริญญาตรี ( 4 ปี )

\_\_\_\_\_ ปริญญาโท

\_\_\_\_\_ ปริญญาเอก

5. คุณรู้จักใครที่ผ่านประสบการณ์ของกระบวนการรวบรวมกิจการหรือไม่?      ผมอยากจะติดต่อ  
บุคคลนั้นเพื่อขอสัมภาษณ์เกี่ยวกับการรวบรวมกิจการ

\_\_\_\_\_ ใช่ “ กรุณาให้เบอร์โทรศัพท์ติดต่อบุคคลข้างต้น”

\_\_\_\_\_ ไม่ ( หยุดการสัมภาษณ์ )

คำพูดปิดการสัมภาษณ์

สรุปปิดการสัมภาษณ์ ขอขอบคุณมากสำหรับเวลาและการให้สัมภาษณ์ของคุณ



## การประเมินสมรรถนะของการพัฒนาทรัพยากรบุคคล (HRD competencies).

แบบสอบถามนี้สนใจในการรับรู้และการมีส่วนร่วมของคุณเกี่ยวกับสมรรถนะของ HRD competencies ในระหว่างกระบวนการรวบรวมกิจการ คำตอบของคุณมีความสำคัญมากในการให้ข้อมูลและความเข้าใจที่ถูกต้องเกี่ยวกับสมรรถนะของ HRD competencies ที่ได้ถูกตระหนักถึงและถูกนำมาปฏิบัติอย่างไรในช่วงกระบวนการรวบรวมกิจการ โดยเฉพาะอย่างยิ่งในแง่ของการรับรู้ถึงความสำคัญและความสามารถในการปฏิบัติของคุณ

คำตอบของคุณจะถูกเก็บเป็นความลับ และจะใช้เพื่อวัตถุประสงค์ในการพัฒนาประสิทธิภาพสมรรถนะในการพัฒนาทรัพยากรบุคคล ในระหว่างกระบวนการรวบรวมกิจการ คุณมีสิทธิเลือกที่จะไม่เข้าร่วมในแบบสอบถามนี้ได้ตลอดเวลา และทุกเหตุผลและคุณสมารถเลือกที่จะไม่ตอบคำถามส่วนตัว

### ข้อมูลข้างล่างนี้คือข้อมูลเกี่ยวกับ 4 ขั้นตอนของกระบวนการรวบรวมกิจการ

**ขั้นตอนที่ 1 :** ขั้นตอนก่อนการรวบรวมกิจการ (Pre M&A) คือ กระบวนการในการพัฒนา , คัดเลือก และวิเคราะห์มาตรฐานในการคัดเลือกองค์กรเป้าหมาย ขั้นตอนก่อนการรวบรวมกิจการให้ความสำคัญในเรื่องความสอดคล้องของวัฒนธรรมองค์กรและบุคลากรในการรวมกันของสององค์กร กระบวนการในการคัดเลือกและวิเคราะห์มาตรฐานการเลือกองค์กรเป้าหมายประกอบด้วย 3 ระดับ ซึ่งรวมถึงระดับองค์กร , กระบวนการทำงาน และ ระดับบุคคล

**ขั้นตอนที่ 2 :** ขั้นตอนการทำสัญญาอย่างฉลาดเหมาะสม (Due diligence) คือ กระบวนการในการวางแผน และการปฏิบัติ ตามสัญญาที่วางไว้ตามมาตรฐานของการเลือกองค์กรเป้าหมายที่กำหนดไว้ และการสร้างคุณค่าความต่อเนื่องของการรวบรวมกิจการ

**ขั้นตอนที่ 3 :** ขั้นตอนในการผสมผสาน (Integration) คือ กระบวนการในการพัฒนาแผนงานในการผสมผสานและการปฏิบัติตามแผนงานของการผสมผสาน ซึ่งรวมไปถึงการรวมกันและการผสมผสานกันของคุณค่าของวัฒนธรรมองค์กร, การบริหารงาน, กระบวนการในการทำงาน, หลักชัยเปรียบเทียบ, เทคโนโลยี และบุคลากรในการรวมกันของสององค์กร

**ขั้นตอนที่ 4 :** ขั้นตอนหลังการรวบรวมกิจการ (Post M&A) คือ กระบวนการที่ต้องปฏิบัติอย่างต่อเนื่องของการพัฒนาและรักษาศักยภาพขององค์กร, กระบวนการในการทำงานและศักยภาพของพนักงานแต่ละคน

โดยอาศัยข้อมูลของกระบวนการรวบรวมกิจการข้างต้น กรณাপระเมินสมรรถนะของการพัฒนาทรัพยากรบุคคล HRD competencies ในแง่ของสำคัญในแต่ละขั้นตอนของกระบวนการรวบรวมกิจการและความสามารถในการปฏิบัติของคุณในระหว่าง กระบวนการรวบรวมกิจการ

ความสำคัญในกรณีนี้ คือ คุณคิดอย่างไรเกี่ยวกับการความสำคัญในการใช้สมรรถภาพของ HRD competencies เพื่อก่อให้เกิดความสำเร็จในกระบวนการรวบรวมกิจการ  
**คุณเจอ 1 = สำคัญน้อยที่สุด , 2 = สำคัญน้อย , 3 = สำคัญ , 4 = สำคัญมากที่สุด**

ความสามารถในกรณีนี้ คือ คุณคิดอย่างไรเกี่ยวกับความสามารถของคุณในการปฏิบัติ HRD competencies ในระหว่างกระบวนการรวบรวมกิจการ  
**คุณเจอ 1 = มีความสามารถน้อยที่สุด, 2 = มีความสามารถน้อย, 3 = มีความสามารถมาก, 4 = มีความสามารถมากที่สุด**

**ตัวอย่าง : สมรรถนะของ AAA**

| กรณাপระเมินความสมรรถนะของการพัฒนาทรัพยากรบุคคล HRD competencies ในแง่ของสำคัญและความสามารถในการปฏิบัติ HRD competencies ของคุณในระหว่างกระบวนการรวบรวมกิจการ | ความสำคัญ<br>สำคัญน้อยที่สุด ↔ สำคัญมากที่สุด<br>1-----2-----3-----4 |                 |               |            | ความสามารถในการปฏิบัติ<br>มีความสามารถน้อยที่สุด<br>↔<br>มีความสามารถมากที่สุด<br>1-----2-----3-----4 |
|--|--|-----------------|---------------|------------|---|
|  | (Pre M&A)  | (Due diligence) | (Integration) | (Post M&A) |   |
| 1.การแบ่งปันองค์ความรู้เป็นสิ่งที่จำเป็นในการเพิ่มความได้เปรียบในการแข่งขันขององค์กร   | 4  | 2               | 3             | 4          | 3   |
| 2. มาตรฐานในการจัดการอย่างมีประสิทธิภาพจะช่วยให้เพิ่มผลผลิตขององค์กร   | 3  | 1               | 2             | 4          | 4   |

## สมรรถนะของการพัฒนาทรัพยากรบุคคล (HRD competencies).

| <p>กรุณาประเมินสมรรถนะของการพัฒนาทรัพยากรบุคคลHRD competencies ในแง่ของสำคัญและความสามารถในการปฏิบัติ HRD competencies ของคุณในระหว่างกระบวนการควบรวมกิจการ</p> | <p>ความสำคัญ</p> <p>สำคัญน้อยที่สุด ↔ สำคัญมากที่สุด</p> <p>1-----2-----3-----4</p> |                 |               |            | <p>ความสามารถในการปฏิบัติ</p> <p>มีความสามารถน้อยที่สุด</p> <p>↔</p> <p>มีความสามารถมากที่สุด</p> <p>1-----2-----3-----4</p> |
|---|---|-----------------|---------------|------------|--|
|   | (Pre M&A)   | (Due diligence) | (Integration) | (Post M&A) |  |
| 1. การประเมินความต้องการเพื่อกำหนดองค์ความรู้ , ทักษะและความสามารถที่ต้องการสำหรับงานในอนาคต  |   |                 |               |            |  |
| 2. การพัฒนานโยบายขึ้นเพื่อที่จะก่อให้เกิดความต่อเนื่องของแผนงานในการผสมผสาน   |   |                 |               |            |  |
| 3. การประเมินปัจจัยความเสี่ยงที่เกี่ยวข้องและปัจจัยความสำเร็จเพื่อเลือกองค์กรเป้าหมาย   |   |                 |               |            |  |
| 4. การทดสอบโอกาสทางธุรกิจเพื่อที่จะกำหนดแผนกลยุทธ์ทางธุรกิจที่ต้องการในการสนับสนุน ขั้นตอนการทำสัญญาอย่างฉลาดและเหมาะสม ( due diligence plans )                 |   |                 |               |            |  |



| กรูณาประเมินสมรรถนะของการพัฒนาทรัพยากรบุคคล <b>HRD competencies</b> ในแง่ของสำคัญและความสามารถในการปฏิบัติ <b>HRD competencies</b> ของคุณในระหว่างกระบวนการควบรวมกิจการ | ความสำคัญ<br>สำคัญน้อยที่สุด $\longleftrightarrow$ สำคัญมากที่สุด<br>1-----2-----3-----4 |                 |               |            | ความสามารถในการปฏิบัติ<br>มีความสามารถน้อยที่สุด<br>$\longleftrightarrow$<br>มีความสามารถมากที่สุด<br>1-----2-----3-----4 |
|---|--|-----------------|---------------|------------|---|
|   | (Pre M&A)  | (Due diligence) | (Integration) | (Post M&A) |   |
| 5. การประมาณค่าใช้จ่าย , เวลา และความอดสาหะในการทำงานเพื่อสื่อสารพันธกิจ(mission)และกลยุทธ์ทางธุรกิจขององค์กรใหม่   |  |                 |               |            |   |
| 6. การประเมินและกำหนดวัฒนธรรมองค์กรเพื่อชี้แจงและกำหนดความสอดคล้องของวัฒนธรรมระหว่างการผสมผสานของ 2 องค์กร  |  |                 |               |            |   |
| 7. การจัดการปรับแต่งคุณค่าของวัฒนธรรมองค์กรและการบริหารงานระหว่างสององค์กรเพื่อสร้างองค์กรใหม่  |  |                 |               |            |   |
| 8. การกำหนดพันธกิจ(mission)และกลยุทธ์ทางธุรกิจขององค์กรใหม่เพื่อเสริมสร้างข้อตกลงร่วมกันระหว่างผู้ถือหุ้น , ผู้บริหาร และพนักงาน  |  |                 |               |            |   |

| <p>กรุณาประเมินสมรรถนะของการพัฒนาทรัพยากรบุคคล <b>HRD competencies</b> ในแง่ของสำคัญและความสามารถในการปฏิบัติ <b>HRD competencies</b> ของคุณในระหว่างกระบวนการควบรวมกิจการ</p> | <p>ความสำคัญ</p> <p>สำคัญน้อยที่สุด <math>\longleftrightarrow</math> สำคัญมากที่สุด</p> <p>1-----2-----3-----4</p> |                 |               |            | <p>ความสามารถในการปฏิบัติ</p> <p>มีความสามารถน้อยที่สุด</p> <p><math>\longleftrightarrow</math></p> <p>มีความสามารถมากที่สุด</p> <p>1-----2-----3-----4</p> |
|--|--|-----------------|---------------|------------|---|
|  | (Pre M&A)  | (Due diligence) | (Integration) | (Post M&A) |   |
| 9. การสนับสนุนส่งเสริมคุณค่าของวัฒนธรรมองค์กรและการบริหารงานขององค์กรใหม่  |  |                 |               |            |   |
| 10. การกำหนดบทบาทของผู้จัดการในระหว่างกระบวนการควบรวมกิจการ  |  |                 |               |            |   |
| 11. การพัฒนาหลักชัยเปรียบเทียบ(Benchmarking)ของกระบวนการทำงานเพื่อพัฒนาผลการปฏิบัติงานในการทำงานของพนักงาน   |  |                 |               |            |   |
| 12. การตั้งเป้าหมายและความคาดหวังที่สามารถปฏิบัติได้เพื่อลดความขัดแย้งระหว่างการรวมกันของสององค์กร   |  |                 |               |            |   |

| <p>กรุณาประเมินสมรรถนะของการพัฒนาทรัพยากรบุคคล <b>HRD competencies</b> ในแง่ของสำคัญและความสามารถในการปฏิบัติ <b>HRD competencies</b> ของคุณในระหว่างกระบวนการควบรวมกิจการ</p> | <p>ความสำคัญ</p> <p>สำคัญน้อยที่สุด ↔ สำคัญมากที่สุด</p> <p>1-----2-----3-----4</p> |                 |               |            | <p>ความสามารถในการปฏิบัติ</p> <p>มีความสามารถน้อยที่สุด</p> <p>↔</p> <p>มีความสามารถมากที่สุด</p> <p>1-----2-----3-----4</p> |
|--|---|-----------------|---------------|------------|--|
|  | (Pre M&A)   | (Due diligence) | (Integration) | (Post M&A) |  |
| 13. การพัฒนาทักษะการสื่อสารของพนักงานเพื่อเพิ่มประสิทธิภาพของการติดต่อสื่อสารระหว่างผู้บริหาร และพนักงานในระหว่างกระบวนการผสมผสาน  |   |                 |               |            |  |
| 14. การจัดร่างเป้าหมายและหลักการขององค์กรเพื่อให้เกิดความสอดคล้องกันกับเป้าหมายของพนักงาน  |   |                 |               |            |  |
| 15.การพัฒนาโครงสร้างขององค์กรใหม่เพื่อที่จะก่อให้เกิดการมอบหมายอำนาจหน้าที่ในการตัดสินใจ   |   |                 |               |            |  |
| 16. การพัฒนา <b>retention programs</b> เพื่อที่จะสร้างความมั่นใจให้กับพนักงานในเรื่องของความมั่นคงในการทำงานกับองค์กร  |   |                 |               |            |  |

| กรูณาประเมินสมรรถนะของการพัฒนาทรัพยากรบุคคล <b>HRD competencies</b> ในแง่ของสำคัญและความสามารถในการปฏิบัติ <b>HRD competencies</b> ของคุณในระหว่างกระบวนการควบรวมกิจการ | ความสำคัญ<br>สำคัญน้อยที่สุด ↔ สำคัญมากที่สุด<br>1-----2-----3-----4 |                 |               |            | ความสามารถในการปฏิบัติ<br>มีความสามารถน้อยที่สุด<br>↔<br>มีความสามารถมากที่สุด<br>1-----2-----3-----4 |
|---|--|-----------------|---------------|------------|---|
|   | (Pre M&A)  | (Due diligence) | (Integration) | (Post M&A) |   |
| 17. การพัฒนาระบบการประเมินผลการปฏิบัติงานเพื่อที่จะสร้างความมั่นใจให้กับพนักงานว่าผลการปฏิบัติงานของพนักงานจะได้รับการตระหนักถึงและได้รับรางวัลอย่างเหมาะสม             |  |                 |               |            |   |
| 18. การช่วยเหลือสนับสนุนพนักงานให้มีความสามารถที่จะผ่านช่วงการเปลี่ยนแปลงขององค์กร  |  |                 |               |            |   |
| 19. การจัดการให้คำปรึกษากับผู้จัดการและพนักงานขององค์กรในระหว่างกระบวนการผสมผสานเพื่อลดการต่อต้านในการเปลี่ยนแปลงขององค์กร  |  |                 |               |            |   |
| 20. การออกแบบกระบวนการในการทำงานใหม่ เพื่อลดขั้นตอนการทำงานที่ซ้ำซ้อนของงานต่างๆ ในระหว่างการรวมกันขององค์กร  |  |                 |               |            |   |

| <p>กรุณาประเมินสมรรถนะของการพัฒนาทรัพยากรบุคคล <b>HRD competencies</b> ในแง่ของสำคัญและความสามารถในการปฏิบัติ <b>HRD competencies</b> ของคุณในระหว่างกระบวนการควบรวมกิจการ</p>                       | <p>ความสำคัญ</p> <p>สำคัญน้อยที่สุด <math>\longleftrightarrow</math> สำคัญมากที่สุด</p> <p>1-----2-----3-----4</p> |                 |               |            | <p>ความสามารถในการปฏิบัติ</p> <p>มีความสามารถน้อยที่สุด</p> <p><math>\longleftrightarrow</math></p> <p>มีความสามารถมากที่สุด</p> <p>1-----2-----3-----4</p> |
|--|--|-----------------|---------------|------------|---|
|  | (Pre M&A)  | (Due diligence) | (Integration) | (Post M&A) |   |
| 21. การสร้างบรรยากาศในการทำงานอย่างสร้างสรรค์เพื่อเพิ่มความพอใจในการทำงานของพนักงาน  |  |                 |               |            |   |
| 22. การเปิดโอกาสให้พนักงานมีส่วนร่วมในกระบวนการบริหารงาน เพื่อสร้างความมั่นใจว่าพนักงานทุกระดับขององค์กรมีสิทธิที่จะมีส่วนร่วมในการพัฒนาระบบการประเมินผลการปฏิบัติงานและระบบการจ่ายผลตอบแทนขององค์กร |  |                 |               |            |   |
| 23. การสร้างกระบวนการยุติธรรมและกระจายผลของความยุติธรรมสู่ระบบการจ่ายผลตอบแทนขององค์กร   |  |                 |               |            |   |
| 24. การกระตุ้นให้พนักงานอยากที่จะมีส่วนร่วมในการแสดงความคิดเห็นในการบริหารงานขององค์กร เพราะว่าความคิดเห็นของพนักงานเป็นสิ่งที่สำคัญ และมีคุณค่าต่อองค์กร  |  |                 |               |            |   |

| <p>กรุณาประเมินสมรรถนะของการพัฒนาทรัพยากรบุคคล <b>HRD competencies</b> ในแง่ของสำคัญและความสามารถในการปฏิบัติ <b>HRD competencies</b> ของคุณในระหว่างกระบวนการควบรวมกิจการ</p> | <p>ความสำคัญ</p> <p>สำคัญน้อยที่สุด ↔ สำคัญมากที่สุด</p> <p>1-----2-----3-----4</p> |                 |               |            | <p>ความสามารถในการปฏิบัติ</p> <p>มีความสามารถน้อยที่สุด</p> <p>↔</p> <p>มีความสามารถมากที่สุด</p> <p>1-----2-----3-----4</p> |
|--|---|-----------------|---------------|------------|--|
|  | (Pre M&A)   | (Due diligence) | (Integration) | (Post M&A) |  |
| 25. การดำเนินการตามกระบวนการของเปลี่ยนแปลงเพื่อที่จะสนับสนุนพนักงานและผู้บริหารในการร่วมมือกับการเปลี่ยนแปลงที่เกิดขึ้น  |   |                 |               |            |  |
| 26. การจัดเตรียมการฝึกอบรมในหัวข้อของการบริหารจัดการเพื่อสนับสนุนกลุ่มของผู้ปฏิบัติงานที่เกี่ยวข้องในขั้นตอนการทำสัญญาอย่างฉลาดเหมาะสม(Due diligence)                          |   |                 |               |            |  |
| 27. การจัดเตรียมการฝึกอบรมในเรื่องของการเพิ่มการรับรู้ให้แก่พนักงานเพื่อเพิ่มความเข้าใจถึงเหตุผลว่าทำไมการเปลี่ยนแปลงจึงมีความจำเป็น   |   |                 |               |            |  |
| 28. การจัดเตรียมการฝึกอบรมในเรื่องของการบริหารงานอย่างต่อเนื่องให้กับผู้บริหารและพนักงานเพื่อเสริมสร้างการเปลี่ยนแปลงอย่างถาวรและเป็นระบบ                                      |   |                 |               |            |  |

| <p>กรุณาประเมินสมรรถนะของการพัฒนาทรัพยากรบุคคล <b>HRD competencies</b> ในแง่ของสำคัญและความสามารถในการปฏิบัติ <b>HRD competencies</b> ของคุณในระหว่างกระบวนการควบรวมกิจการ</p> | <p>ความสำคัญ</p> <p>สำคัญน้อยที่สุด <math>\longleftrightarrow</math> สำคัญมากที่สุด</p> <p>1-----2-----3-----4</p> |                 |               |            | <p>ความสามารถในการปฏิบัติ</p> <p>มีความสามารถน้อยที่สุด</p> <p><math>\longleftrightarrow</math></p> <p>มีความสามารถมากที่สุด</p> <p>1-----2-----3-----4</p> |
|--|--|-----------------|---------------|------------|---|
|  | (Pre M&A)  | (Due diligence) | (Integration) | (Post M&A) |   |
| 29.การจัดการเตรียมแผนงานอย่างต่อเนื่อง <b>Succession plan</b> เพื่อพัฒนาผลการปฏิบัติงานของพนักงานและผลการปฏิบัติงานของกลุ่ม  |  |                 |               |            |   |
| 30. การจัดเตรียมการฝึกอบรมในเรื่องการพัฒนภาวะผู้นำให้กับพนักงานเพื่อเพิ่มสมรรถภาพภาวะผู้นำของพนักงาน ซึ่งก่อให้เกิดการตัดสินใจของพนักงานอย่างมีประสิทธิภาพที่มีคุณค่าต่อองค์กร |  |                 |               |            |   |

APPENDIX D

SYSTEM VIEW OF THE MERGER AND ACQUISITION PROCESS



