

Mergers and Acquisitions in the Global Context: The Role of Human Resource Management

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Shlomo Y. Tarba

The University of Birmingham, UK s.tarba@bham.ac.uk

Fang Lee Cooke

Monash University, Australia Fang.Cooke@monash.edu

Yaakov Weber

College of Management – Academic Studies, Israel

yweber@bezeqint.net

David Ahlstrom

Chinese University of Hong Kong, Hong Kong,

ahlstrom@baf.cuhk.edu.hk

Cary Cooper

University of Manchester, UK cary.cooper@manchester.ac.uk

David G. Collings

Dublin City University, Ireland david.collings@dcu.ie

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Mergers and Acquisitions in the Global Context: The Role of Human Resource Management

1. Introduction

The frequency and scale of cross-border mergers and acquisitions (M&As) have increased significantly during the past two decades. This is in spite of high failure rates and some high profile, costly missteps such as Daimler-Chrysler or AOL-Time Warner (e.g., Gomes, Cohen, & Mellahi, 2011; Weber, Tarba, & Oberg, 2013). Research has identified that in addition to the cultural challenges that are ever-present in global M&A, significant differences in institutional environments, corporate governance practices, and market design between developed and emerging economies can further complicate cross border M&A (Bhaumik, Driffield, Gaur, Mickiewicz, & Vaaler, 2019; Lee & Gaur, 2013; Zhu, Ma, Sauerwald, & Peng, 2019). This work further points to the importance of extending existing theory and evidence on M&A by examining it in new national and institutional settings (Lebedev, Peng, Xie, & Stevens, 2015).

M&A offers important tools that firms can use to acquire new knowledge, capabilities, and seek growth. Yet not all M&As are motivated by the same objectives; thus human resource management (HRM) has a key role to play in pulling disparate groups together in realizing the merger's objectives (Angwin, Mellahi, Gomes, & Peter, 2016; Bagdadli, Hayton, & Perfido, 2014). Indeed, it is widely acknowledged that M&A success hinges at least partly on how employees are managed during and after the M&A (Edwards & Edwards, 2015). Indeed, research has shown how deficient human resource management (HRM) proved to be a major factor in several international M&A failures (e.g. Angwin et al., 2016; Weber & Tarba, 2014). Our understanding of the role of HRM in M&A remains limited however (Weber, 2012; Cooke, Wu, Zhou, Zhong, & Wang, 2018). Several reviews note that most of the extant research on M&A has been somewhat atheoretical and anecdotal with limited generalizability (e.g., Gomes,

Angwin, Weber, & Tarba, 2013; Haleblian, Devers, McNamara, Carpenter, & Davison, 2009).

Thus, the aim of this special issue of *Journal of World Business (JWB)* is to present research on underlying concepts, methodologies, and evidence that add to our understanding of the challenges of cross-border M&As. In this special issue, we draw attention to research questions on M&A and HRM's key role including, *inter alia*, the skills, competencies, emotions and resilience managers and employees need to enable successful cross-border M&As. The special issue also seeks to examine the impact of leadership and strategic agility on the success and failure of cross-border M&As. Other key questions include how post-acquisition integration and cultural differences impact cross-border M&A performance. In this Introduction paper, we address the above questions by way of highlighting the latest research findings and outlining research gaps for future study.¹

2. Cross-border M&As and HRM: A contextual perspective

The importance of context in management research has been increasingly well studied and recognized, both at the behavioral and organizational levels (Johns, 2006; Meyer, 2014; Young, Tsai, Wang, Liu, & Ahlstrom, 2014). Indeed, HRM scholars have cautioned against a trend of decontextualization given the emphasis of quantitative studies at the micro level of analysis (Jackson, Schuler & Jiang, 2014; Kaufman, 2015). While some research in the international HRM area has remained sensitive to context (cf. Brewster, Mayrhofer & Smale, 2016; Cooke, Wood, Wang & Veen, 2019; Meyer, Mudambi & Narula, 2011), evidence suggests that studies of HRM and cross-border M&A context since 2010 have likewise become increasingly quantitative and more micro-oriented with a focus on isolating the impact of micro factors on the success or failure of M&As. As a result, there is growing research interest in a range of micro dimensions with studies informed by theories in the field of organizational

¹ See Cooke, Wood, Wang, and Li (2018), and Pucik, Björkman, Evans, and Stahl (2015) for earlier reviews of HRM in the M&A context.

behavior, social identification, social support, leadership, and strategic management. In this section, we review recent research trends in M&As, followed by a summary of the papers in this special issue of *JWB* along with some suggested future research avenues.

2.1 Leadership, cultural differences, emotions and trust in post-M&A integration

There is increasing recognition that post-acquisition integration plays a key role in the eventual success or failure of M&As (Bauer, Rothermel, Tarba, Arslan, & Uzelac, 2019). Yet post-acquisition integration is not detached from other organizational change processes, which has important implications for integration dynamics (Rouzies, Colman, & Angwin, 2019) and employee identification with the newly combined organization (Edwards, Lipponen, Edwards, & Hakonen, 2017).

While post-merger integration is widely perceived as critical for achieving M&A success, there is limited systematic study of how employees react to the integration process and the evidence is mixed. Using survey data from Chinese acquirers, King, Bauer, Weng, Schriber, and Tarba (2019) concluded that, consistent with a temporal perspective of acquisition processes and sense-making, slow task integration may mitigate employee resistance to acquisition integration. They also concluded that middle management's involvement with slower integration and top management' involvement with fast task integration reduces employee resistance following an acquisition. Interestingly though, Schweizer and Patzelt (2012) found that faster integration was more positive.

However, the role of leadership remains an important variable in making sense of post-merger challenges in the study of M&As. For example, Khan, Rao-Nicholson, Akhtar, and He's (2017, p.1) noted "distributed leadership increases the chance of the emerging market multinational enterprises' (EMNEs') cross-border M&A success through the mediating role of socialization integration mechanisms" whether fast or slow integration.

They also identified “the degree of autonomy given to the acquired firm as a potential moderator of the relationship between distributed leadership and the success of cross-border M&As of EMNEs”.

Drawing on published case studies of cross-border acquisitions by Chinese and Indian firms as EMNEs, Rao-Nicholson, Khan, Akhtar, and Merchant (2016, p.2461) further examined “the impact of leadership on organizational ambidexterity and employee psychological safety”, which are also identified as important factors in effective integration. They found that, charismatic leadership is “more significantly related to organizational ambidexterity and employee psychological safety” and “transactional leadership is more positively related to ambidexterity and employee psychological safety than [is] laissez-faire leadership” (Rao-Nicholson et al., 2016, p.2461). Based on an in-depth examination of an M&A case study, Zhang, Ahammad, Tarba, Cooper, Glaister, and Wang (2015) also found that the leader’s coaching style enabled talent retention.

Social support is also recognized an important organizational resource for employees in coping with work pressure (e.g., Halbesleben, 2006; Wei, Liu, & Herndon, 2011; Zacher & Jimmieson, 2014). In the workplace context, supportive leadership and co-worker support are critical forms of social support for those working in demanding work environment and help them develop resilience (e.g., Yu & Frenkel, 2013; Cooke, Wang & Bartram, 2018). However, these benefits may not be universal. Hildisch, Froese, and Pak’s (2015) survey of 186 Korean employees of an acquired firm found that top management support was significantly more important for employees’ perception of career opportunities than perceptions of supervisor support from supervisors, while co-worker support yielded no influence.

Despite, or perhaps due to, its central role in international business research in general, and in cross-border M&A in particular, national cultural distance is a widely debated and criticized construct (Weber, Tarba, & Reichel, 2009). While cultural distance is one of the most

widely used distance constructs in international business, scholars have long questioned the notion that cultural distance has a homogenous impact on organizational actions and performance (Popli, Akbar, Kumar, & Gaur, 2016). As stressed by Lim, Makhija, and Shenkar (2016), inconclusive findings about the effect of national cultural differences on post-acquisition performance may be created by the failure to distinguish among the different cultural dimensions and the existing asymmetry between them (Shenkar, 2001). Research on 2,115 cross-border acquisitions in the global information technology industry found that differences in power distance undermined the long-term post-acquisition performance of acquirers. This effect is stronger when acquirers are higher than targets on power distance rather than when the opposite is the case (Huang, Zhu & Brass, 2017).

Several studies have underscored the need for a more fine-grained understanding of the human aspect of M&As. They call for a better conceptualization and examination of emotions and M&As, the influence of emotions across various stages of the M&A process (Graebner, Heimeriks, Huy, & Vaara, 2017), and particularly the role of emotion in M&A outcomes and decision making (Sarala, Junni, & Vaara, 2019). Kiefer (2002) emphasized that while mergers are very emotive events, much literature tended to portray a very limited understanding of emotions (see also Li, Ashkanasy, & Ahlstrom, 2014). Kiefer (2002) thus called for taking a step further by investigating emotion in the M&A process by suggesting the need for a framework which enables researchers to map out the emotional experience more comprehensively. A study by Zagelmeyer, Sinkovics, Sinkovics, and Kusstatscher (2018), based on a qualitative analysis of four international M&A cases, showed that while an M&A announcement usually elicits enthusiasm in the business community, it also results in increased levels of uncertainty, stress, and anxiety for the firms' employees. A real-time field study of a post-acquisition integration process also identified two practices that contributed to integration failure (Vuori, Vuori & Huy, 2018). First, the practice of masking negative emotions caused

members of both firms to perceive that the partner firm's members were satisfied with the integration process (even if they were not), reducing corrective action and ultimately integration failure. Second, efficiency-driven interfirm communication shielded both firms' members from the other firm's members' spontaneous emotional reactions.

Gunkel et al.'s (2015, p.394) study combined employee emotion with cultural norms and values to examine their effects on M&A performance. Their comprehensive model offers a nuanced understanding of what may happen and how it may happen in the M&A process and this may impact on performance. The ability to survey three acquired firms in western Europe with coordinated market characteristics by the same acquiring firm from a liberal market created an informative and contrasting setting from which to sensitize the findings, with valuable management implications.

There have been several attempts to explore, either conceptually or empirically, the impact of trust in the M&A process (Graebner, 2009; Stahl, Larsson, Kremershof, & Sitkin, 2011). Yet the role of trust and its antecedents and outcomes remain under-investigated (Stahl & Sitkin, 2005; Stahl, Chua, & Pablo, 2012). Using longitudinal, in-depth interviews, Searle & Ball (2004) examined the development of trust and distrust in a merger and identified four central themes were identified revealing differences between trust and distrust: the importance of perceived changes to the psychological contract, organizational justice, reputation, and risk management.

2.2 Cultural embeddedness of employee attitudes and behavior

Rebuilding organizational culture and identity is an important means by which employee commitment and performance can be enhanced. Extant research suggests that certain types of HRM practices are more effective than others, and more importantly, the effect of particular HRM practices is underpinned by employee perceptions and national culture ((e.g.,

Weber, Rachman-Moore, & Tarba, 2012). Does the same argument apply to the cross-border M&A context? Several recent studies have provided revealing evidence from M&As that straddled very different national settings. For example, Gomes, Mellahi, Sahadev, and Harvey's (2017) survey of a merger of two culturally different partners – British and Japanese found a strong association between employees' perceptions of justice during the merger and commitment to the new organization. Their findings around the importance of values in shaping employee perceptions and behavior in M&As is supported by Khan, Soundararajan, Wood, and Ahammad's (2020) study. The latter study identified the mediating role of institutionally configured and culturally embedded fairness norms between rewards and employee emotional resilience during post-merger integration across national boundaries.

Similarly, a mixed-methods study of 174 Chinese employees who experienced an unexpected acquisition initiated by a giant US retail company revealed that “the underlying cultural dynamics, such as collectivism and Confucian values, drive change-related attitudes and shed light on management interventions and “the process of employee adaptation to M&A driven organizational changes” (Chung, Du & Choi, 2014, p.83). Drawing on organizational identity and acculturation, Hurst and Pattath's (2018) case study of the acquisition of a family-owned Indian firm by a US firm found that long-term employees (those there at least seven years) of the acquired organization identified more strongly with the acquiring organization and adapted more readily than employees with shorter tenure (those with the firm for three or less years).

These studies show that cultural integration and organizational reform may be much more challenging for organizations with a stable and long-term workforce and embedded organizational culture (Wang, Ahlstrom, Nair, & Hang, 2008). Another is that in emerging economies such as China and India, where markets are growing fast and talent shortages are becoming more acute, organizational commitment may be low among well-qualified employees

who change jobs frequently for career advancement (Ahlstrom & Ding, 2014; Page, 2016).

2.3 Productivity and human capital improvement

Extant research on the impact of M&As in firm performance has yielded mixed findings, much of which was conducted from a non-HRM angle. Ataulah, Le, and Sahota's (2014) study is one of the few exceptions. Ataulah et al. (2014, p.988) examined "the impact of the cross-border acquisitions made by firms from emerging markets on employee productivity and employment growth." They measured employee productivity and contrary to the belief that "cross-border acquisitions enable emerging market firms to obtain new skills and knowledge-intensive assets for productivity, and argue "cross-border acquisitions may instead reduce employee productivity and have a limited impact on employment growth... in less-developed countries and in culturally distinct countries" (Ataulah et al., 2014, p.988). This is because firms from emerging economies are "less likely to possess HRM systems that are capable of successfully integrating workforces operating in different geographical, cultural, and/or regulatory environments" because their deficiency of cross-border M&A experiences (Ataulah et al., 2014, p.989). We would extend that reasoning by pointing out that HRM systems in emerging economies may be less well developed in general, even for leading indigenous firms that have relatively well-developed domestic HRM systems.

2.4 Communication

Communication significantly impacts M&A outcomes (e.g., Schweiger & DeNisi 1991; Cartwright and Cooper 1992), especially in cross-cultural situations (Weber et al., 2014). Good communication helps to reduce uncertainty with the merger (Weber and Schweiger, 1992), and stabilize negative employee reactions (Schweiger & DeNisi, 1991). Moreover, it is essential to the exploitation of synergy during post-merger integration (Weber et al., 2014).

Different cultures, however, have different communication styles and ways of gathering information (Lauring, 2011). Lacking key information about their work and the newly combined company, managers and employees may lose trust (Weber et al., 2014) and commitment to the success of M&A (Weber & Schweiger, 1992). The uncertain situation that follows the signing of the M&A agreement can create conflict between the acquired company and the buying firm (Weber & Schweiger, 1992; Weber et al., 2014). Good communication may moderate the relationship between cultural differences in cross border M&As and negative attitudes among employees as well as the commitment and cooperation of the acquired employees with the buying firm (Yahiaoui, Chebbi, & Weber, 2017). Communication was positively and significantly associated with performance for Danish and Japanese acquirers but was negatively associated for German acquirers. Their findings show that communication is important but nuances in communication and culture must be accounted for in further study.

2.5 Training

Although research has highlighted the importance of training to M&A post-merger integration process (Gomes et al., 2013; Weber, 2015; Weber et al., 2014), empirical investigation of the role of training in international M&A is limited (cf. Birkinshaw, Bresman, & Hakanson, 2000; Yahiaoui et al., 2017). Training programs in M&A were found to be positively associated with knowledge transfer (Birkinshaw et al., 2000). However, the relationship between training and M&A performance was not tested in this study. Weber (2015) argues that the linkage between HR practices, such training during post-merger integration, and M&A performance is a complex one. He adds that executive and employee training in cross border M&A may be less effective in multicultural organization because the difficulties inherent in national and organizational cultural differences and untangling the programs' effects. Understanding intercultural communication is essential in reducing post-merger

misunderstanding and conflict, though the application is recognized as challenging.

Variations in the relationships between various training programs, such as on-the-job training (OJT), external training provision, or computer packages, and acquirer's performance were found among different national acquirers (Weber et al., 2012). For example, while an increase in OJT at acquirers from Denmark and Japan was significantly and positively associated with M&A performance measures, it was negatively associated with performance at acquirers from Germany, Belgium and France. The researchers concluded that for some HR practices, such as training, to have a positive effect on M&A performance, there is a need to match training pedagogy with acquirer nationality. For example, the acquiring employees from a culture of weak uncertainty avoidance and low power distance may perform better with experiential training techniques, such as OJT. On the other hand, employees and executives from culture with high power distance and strong uncertainty avoidance may prefer training that rely on structured learning techniques, such as formal lectures and reading assignment, and thus, perform better.

We now turn to the paper in our special issue.

3. Papers in this special issue

The first paper in the special issue by Khan, Soundararajan, Wood, and Ahammad (2020) presents a conceptual framework of post-merger integration across national boundaries and contends that successful integration hinges on employee emotional resilience, which, in turn, is contingent on the efficacy of financial and non-financial rewards and of reciprocal behaviors conditioned by fairness norms. This conclusion resonates with the earlier findings of Schriber, Bauer, and King (2018) who pointed out that while resilience has received increased attention in organizational research, it remains under-researched in the context of acquisitions. They delineate how organizational resilience can lower the negative impact of competitor

retaliation and employee resistance during the post-acquisition integration stage (Schriber et al., 2018).

The next paper by Zhou, Fey, and Yildiz's (2020) presents an analysis of a sample of acquired Chinese subsidiaries of 181 MNEs from seven countries showed that successful inflow and implementation of knowledge requires the acquired unit to have distinct capabilities, of which, can be developed by a specific HRM practice. Drawing on the resource-based view and the dynamic capabilities perspective, Zhou et al.'s (2020, p.1) study makes a valuable contribution "by recognizing absorptive capacity as a manageable capability and identifying how different components of this capability could be developed by specific HRM practices." They (2020, p.11) indicated that "performance-based compensation may have little effect on transformation capabilities since it might crowd-out employees' intrinsic motivation for finding creative ways to adjust new and existing knowledge, combine these two in novel ways, and eventually use/implement them in their daily work."

The third paper by Liu and Meyer (2020) utilizes a micro-foundational approach and draws on boundary spanning as a theoretical perspective in order to explore the role of boundary spanners in reverse knowledge transfer in cross-border acquisitions conducted by Chinese multinationals in Germany. The findings indicate that reverse knowledge transfer is a collective effort that depends not only on the personal characteristics of individual boundary spanners, but also on supportive HRM practices.

The fourth paper by Bazel-Shoham, Lee, Rivera, and Shoham (2020) investigates how the gender composition of a multinational board and linguistic gender marking gaps between home and host countries influence the extent of cross-border M&A activity, and showed that small gaps in linguistic gender marking moderate the effect of female presence in boardroom on cross-border M&As.

The fifth, and concluding paper in our special issue by Strobl, Bauer, and Matzler (2020)

provides evidence that entrepreneurial leadership is a strong predictor of explorative activities and a weaker but significant driver of exploitative activities following the M&A. This paper extends the emerging discussion on the role of ambidexterity in the context of M&As (Meglio, King, & Risberg, 2015; Stettner & Lavie, 2014) and enhances our understanding of this interesting paradoxical phenomenon.

4. Future research avenues

In Section 2, we identified a number of research themes in, and research avenues stemming from, extant studies of HRM in the cross-border M&A context. As we noted above, a discernible trend in the last decade has been the move towards micro-level studies of organizational behaviors, facilitated by quantitative methods. It is evident that there is a rising level of research interest in cross-border M&A activities from emerging economies, notably China and India, reflecting the surge of activities in these markets (e.g., Khan, Rao-Nicholson, Akhtar, & He, 2017). In this section, we highlight several aspects that warrant further research attention in order to reflect current politico-economic and technological changes, and in order to address some long-neglected themes that may have profound political, economic and social impacts.

4.1 Emotions and leadership in M&As

Leadership and emotion are receiving much more attention in the management and IB literatures (Leavy, 2019; Li et al., 2014) and M&A is no exception. In the post-M&A integration process, leaders are an important organizational group critical to successful post-M&A operations. Hassett et al.'s (2018) study extended research on leadership in the M&A context by revealing the emotional experience of the senior management teams, a cohort whose leadership styles and qualities have been the main foci of examination instead of their emotional aspects.

Future research may advance research in this area by further investigating the emotional side of leadership in M&As. For example, how do senior managers create and draw on emotional and other personal and organizational resources to support themselves through the M&A process? What competences do they need to develop in managing M&As across distinct institutional and cultural settings? In particular, what is the psychological/emotional distance between managers from the acquiring EMNEs and their counterparts from the acquired firms in developed countries? To what extent is this psychological/emotional distance derived from the institutional and cultural distance (Valentino, Schmitt, Koch, & Nell, 2019)? It could also be asked how senior leaders from EMNEs overcome challenges of liability of emergingness (Madhok & Keyhani, 2012) and what some Chinese researchers have labelled the “liability of Chineseness” (Cooke, Wu et al., 2018) in discussing particular organizational challenges in China.

4.2 Strategic HRM in the context of global economy and regional politics

Increasingly, firms often engage in M&A activities for strategic purposes. However, how this intent may be facilitated or constrained by people management issues has not received sufficient research attention. Moreover, strategic HRM in cross-border M&As needs to be examined within the broader framework of global economy, regional politics and local context, especially for EMNEs from institutionally and culturally highly different backgrounds and ownership forms (e.g., Buckley & Munjal, 2017; Cooke, Wu et al., 2018). Using “data on Indian acquisitions hosted in 70 countries over an eight-year period,” Buckley and Munjal’s (2017, p.1) study showed that “the local context in host countries offers contrasting benefits” and that EMNEs “exploited these benefits by embedding in host countries through acquisitions.” Through their study, Buckley and Munjal (2017) extended the concept of embeddedness. Future research can extend this line of enquiry by shedding light on how EMNEs configure their HRM

practices or the role of HRM in facilitating the embeddedness. In particular, an evolutionary and longitudinal approach may be used to assess contextual factors such as host country resistance, and challenges the transfer of home country practices to the host country.

4.3 Institutional alignment and reshaping

Gomes et al. (2013) identified a number of critical success factors that are associated with the post-M&A phase. These include: integration strategy, post-M&A leadership, speed of implementation, post-M&A integration team, communication and the management of corporate and national cultural differences. These are primarily organizational-level factors and how cross-cultural issues might manifest themselves at the organizational level. Future research on cross-border M&A successes or failures, such as the risk side of performance in a cross-border M&A context (Lewis & Bozos, 2019) may broaden its scope to investigate how institutional (mis)alignments might influence HRM practices and impact post-M&A integration successes. More research attention could also be directed to examine how the acquiring MNE may take an active role in reshaping the local institutional environment in which the acquired firm operates through strategic HRM practices and astute management of employment relations.

Moreover, Arslan and Dikova's (2015) study analyzed ownership choices in cross-border M&As undertaken by EMNEs and found that institutional distance, both formal and informal, to be a determining factor in EMNEs' decision of whether to embark on a full or partial M&A. How may M&A ownership choices complicate the separation or integration of local and global spaces, heterogeneous HRM systems, organizational identities and cultures? How may full and partial M&As affect acquiring firms' agility in HRM strategy and practice to drive post-M&A integration?

4.4. Managing and mitigating post M&A risk

Future research needs to examine integrated risk management in the context of global economies for several reasons. First, HRM is crucial at the post-merger integration stage where actual value creation occurs. Therefore, the complex international integration process of M&A requires careful sophisticated adaptation of human resources. Second, the growth in global M&A puts pressure on the buying management team to integrate the acquired firm faster than ever before, because in many cases new such mergers take place while the acquiring firms are still working on the previous integration process of earlier acquisitions (Weber & Fried, 2011). Third, in many cases the top executives of the acquiring firm, face criticism about the high price paid, therefore, they may be keen to seize synergy fast (Fried et al., 2006). Thus, leaders push to introduce many changes during integration stage within a relatively short period of time. These changes often result in conflicts, lower cooperation and commitment to the successful processes, top executive turnover and other various human behavior problems (Weber et al., 2014) that are detrimental to the integration process.

HRM's role in mitigating these, and other, risks need to be better understood. Weber and colleagues (e.g., Weber & Fried, 2011; Weber et al., 2014) contend that the failure of past research on M&A success to find consistent relationships between synergy and performance may stem from an over-emphasis on one stage, for instance, the pre-merger stage at the expense of other stages, for instance, the post-merger stage and the role of HR in those stages. For example, the usual practice in M&A is that the HR function is not involved until well after the due diligence process is completed, too late for HR experts to issue effective warnings about such common issues as cultural clash, turnover of key talents and top executives, and so forth (Weber et al., 2014). Thus, HRM should play essential role in all stages in mitigating risks.

To mitigate risk in M&A several processes are proposed that include identification, assessment, evaluation and monitoring of relevant risks (Gomes, Weber, Brown, & Tarba, 2011). Future research may investigate the effects of *identification* and *assessment* of risk, at

pre-merger stage, on the success of various mitigation mechanisms that take place during, or before, integration process (Gomes, et al., 2011; Weber et al., 2014). Similarly, future research may focus on the effects of *identification* and *assessment* of risks on synergy exploitation and overall M&A performance (Weber et al., 2014). For example, identification of culture clash factors, such as conflicts, stress, negative attitudes (Weber & Schweiger, 1992; Weber & Tarba, 2012) at pre-merger stage as well as identification of expected communication problems and lower commitment to the integration process that predict turnover of top executives (Lubatkin, Schweiger, & Weber, 1999) and lower M&A financial performance (Weber, 1996). The effects of culture clash may impact on other important factors such as trust and leadership (Weber et al., 2014) as well as the HR practices and results of the post-merger implementation stage, such as on staffing, retention and selection of managers for various roles, pay and reward systems, training and learning (Weber et al., 2012).

Other issues for future research consideration include the effectiveness of different frameworks for assessing risks. These may include assessment of the impact of different risks, readiness of action plans, mitigation mechanisms, and effectiveness of training of acquiring and acquired managers who will have the accountability for monitoring and evaluation of the risk factors and take actions to mitigate negative effects during post-merger integration processes.

4.5 Gender issues in Cross-border M&As

Gender remains an under-investigated area in M&As despite recognition that the impact of organizational change may be gendered and are intersected with other forms of employee diversity in cross- cultural settings (Tienari, 2000; Tienari, Søderberg, Holgersson, & Vaara, 2005). The limited extant research on gender issues in M&As has focused mainly on the higher management/executive board level (e.g., Bazel-Shoham et al., 2020). A recent review of the extant literature on the topic focused on women and minorities in the context of mergers and

acquisitions and suggested that it is important to further explore the role of gender across various stages of M&A process (Risberg & Gottlieb, 2019). Rather strikingly, and challenging the common wisdom, Parola, Ellis, and Golden's (2015) findings reveal that TMT gender diversity is beneficial to pre-integration performance, but hinders post-integration performance. It is clear that there is plenty of scope and necessity for more research in this area if MNCs are to develop an effective diversity policy not only to enhance organizational performance but also, and more importantly, to contribute to develop a more inclusive workplace, community and society.

4.5 More research on M&As in emerging economies and less developed countries

Despite a decade or so of increasing research interest in cross-border M&As from emerging economies, China and India have been the main focal home countries of these studies, with other emerging economies and less developed countries more broadly, such as South American and African countries, much less attended to. Yet, these locations offer not only rich investment venues, albeit often with added political, institutional, economic, technological and cultural challenges, but also fertile research opportunities to advance our understanding in this field. For example, Ellis, Lamont, Reus, and Faifman (2015) also provided a useful review of M&A studies in African markets and highlighted factors that were deemed unique in distinguishing African countries as target nations. Ellis et al. (2015, p.1) further argued:

The African context appears particular appropriate for extending our knowledge of institutional theory, the development of selection capabilities, learning and knowledge transfer theories, the role of cultural differences in cross-border M&A, organizational justice theory, a subset of institutional theory on institutional legacies, and social dominance theory.

In comparison, research on HRM in the M&A context in and from these regions have lagged behind cross-border M&A analysis from the international business perspective. The difficulty in accessing the primary data essential for HRM research, combined with resource constraints for fieldwork may be major contributing factors in accounting for the deficiency of

the former, whereas the latter can rely on secondary and published data for analysis.

4.6 More cross-country comparative studies of M&As and HRM

Although cross-country comparative studies of cross-border M&As from emerging economies have emerged (e.g., Rao-Nicholson et al., 2016; Gammeltoft & Hobdari, 2017), studies on HRM in this field remain rare. Such research needs to be conducted together with other aspects of management strategy and practices. For example, if innovation and creativity are the key to firm competitiveness (Chennells & Van Reenen, 1997; Tomizawa, Zhao, Bassellier, & Ahlstrom, 2019), then it is clear that challenges lie ahead for EMNEs in understanding, strategizing, coordinating and harnessing employees' innovativeness, creativity, and their application, since the concept of creativity is culturally informed and institutionally conditioned (Bloom, Van Reenen, & Williams, 2019).

5. Conclusion

Despite advances in research on HRM in the cross-border M&A context in recent years, considerable research opportunities still exist. The intention of this introductory paper to this Special Issue of *JWB* is to take stock of the research that has been conducted and what future research avenues may exist. It also provides an overview of the contributions to our special issue. Our hope is that the papers in the current issue represent an important overview of the state of play of current research on HRM in M&As and that the issue offers a staging post for the research agenda for research in this space moving forward. There is little doubt that this is an active and vibrant area of research and although the papers in this issue contribute to a maturing literature base in the area, there remains significant opportunity for future study in the area.

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