

Role of Strategic HRM in Mergers and Acquisitions

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Introduction

First chapter of my dissertation will talk about the background of the proposed dissertation topic. This background discussion will lead our focus to the actual problem area. As the main actors of my discussion are human so the related topic's background, like HRM, strategic HRM, and integration of SHRM with overall business strategy and the new role of SHRM especially in the process of mergers and acquisitions, will be focused. Later discussion will focus on aims and objectives of my research and will also explain the dissertation structure.

Background

Business world is so dynamic especially in current era when organizations face lot more complicated challenges and strict competitions. To cope with new challenges, organizations employee new management tools, methods and philosophies. These tools and philosophies help management in gaining competitive advantage to survive in the business world. Among these philosophies, strategic HRM is one, which helps businesses to survive and gain competitive advantage in current dynamic environments.

To learn more about the role of Strategic HRM, first we need to know what strategic human resource management actually means, as we know till that point that this a management philosophy helping organizations in facing new challenges in ever changing environment. The concept of Human resource management is not new. It is on the business horizon from last 100 years discussed and debated in different forms, shapes and names but the actual human resource management can actually be traced back in 1960's when the importance of employer and employee relationship was more focused. Improved education and skills actually developed the concept of Human resource management over the years. This development took a new turn when in 1980's HRM became the integral part of business strategy and was named as strategic human resource management. That field of business management is actively involved in all business decision and plans related to relations of employee and organization.

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The involvement of SHRM in restructuring and developing organization can be seen in the shape of different tools and methods adopted by organization like decentralize decision making, flattened hierarchies, training etc. This involvement is much needed during Merger and acquisitions process where SHRM can help this process in terms of knowledge, skills and efficiency. To allocate resources accurately ,like employing right people with right skills and knowledge, organizations need to bring in the SHRM at the time of strategy development not at middle or later stages. Introducing SHRM at start of strategy making will help organizations to achieve their goals and objectives of proposed merger or acquisition.

Organizations need to manage their human resources very systematically and strategically to gain competitive advantage. SHRM provides organizations an opportunity to align and integrate people's resources with strategic management. This integration and alignment will ensure that right people, working on right places with right tool, implementing right policies to gain overall goals and objectives of the organization.

The popularity of SHRM is growing day by day as an effective tool to do effective business. In this growing popularity human resources are treated as “the available talents and energies of people who are available to an organization as potential contributors to the creation and realization of the organization's mission, vision, strategy, goals and objectives which helps organizations in order to improve the business performance”. Jackson and Schuler (2000)

My research dissertation will try to establish a link between SHRM being an effective tool in M&As process in terms of a knowledge, skills and efficiency contributor. This link can be seen in the statement given by Narasimha,S. (2000) as “Strategic HRM take a different colour when we view them as contributing to organizational knowledge stocks”. So it is apparent that SHRM is capable of doing much more than the traditional HR in achieving business goals and objectives.

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Reason to Choose This Dissertation Topic

As my dissertation revolves around SHRM so the main reason of choosing this topic is to establish a link in between organizational development and the role of SHRM. My focus would be the areas where SHRM can play a critical role in developing organizations especially when organizations decide to acquire or merge with some other organizations for number of reasons like to increase the share holders value, expansions , strategic alliances, access to new markets, elimination of competition etc.

Usually organizations face swerve problems when they go through these M&As processes, so my main aim is to focus on what should have been done in advance of this process, during and after the process to make such deals successful. Top management plans, middle level management execute the plans and general employees do what they asked to do, to ensure the success of business plans. In my dissertation I will focus on how SHRM approaches and models can be effectively implemented and executed and how these models maintain the consistency in achieving business goals and objective not only today but in future as well.

Another area of my focus would be provision of knowledge and skills by SHRM to the organizations, efficiently. These are new tools and techniques that can have a great effect in the times of mergers and acquisitions and require active involvement of both sides to achieve set goals.

Another field in which I would be looking into to establish my research is performance management. My research will try to identify the Importance and criticalness of implementation of this system into the organization as this implementation is not easy as claimed by Elaine, D. P. (2009, Pg.3) “Performance management is known as the “Achilles’ Heel” of human capital management, and it is the most difficult HR system to implement in organization.” This system is all about defining, assessing and refining

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the work outcomes and attitude of employees. This effective system of performance management should give organization a leading edge as compare to their rivals.

There are other related issues which need to be addressed like maintaining quality of services with the help of emerging techniques and strategies. Quality in service can be attained by training and development of the employees. Besides that they need good salary and good designations, which can lead employees towards better performance. SHRM have capabilities to address this issue in very systematic way.

Organizations always goes through different phases and some time they need to even face situations like redundancies, re-structuring and some time even closures of businesses. But on the other hand organizations establish strategic alliances and mergers to grow. In this situation HR mangers have to address issues like relocation, new designations, changing nature of job duties, obstacle is changing culture and arranging new training and development programmes. The most sensitive amongst is cultural change which can have really bad effects on business success if not addressed properly. To address this problem area, SHRM can provide solutions like recruiting right people with right talent, knowledge and skill. Actually it is HRM's strategic approach which can motivate employees for quality of work and development of company by designing most appropriate HR policies. If some one wants to know the working environment and culture of an organization then he should study it HR policies.

AIMS AND OBJECTIVES

The aim and objective of my dissertation is to find out how strategic human resource management (SHRM) can play a vital role in terms of knowledge , skills and efficiency during and after mergers and acquisitions (M&As) process. How the integration of strategic management (SM) with human resource management (HRM) can improve and maintain the competitiveness of future preferences of the organizations, especially M&A's. How useful it could be if we use SHRM as a tool in M&As process to benefit the knowledge, skills and efficiency much needed in this process.

If we look at the dimensions of human resource management (HRM), two types of dimensions are more apparent, Functional and strategic. Operational issues come under functional HRM and overall company progress and performance is linked with strategic HRM. Majority of Managers involved in M&As are always confused of understanding and implementing the strategy which has been developed over the time. SHRM will focus on the strategy and planning of human resource requirements which are needed on a certain period of time and will ease the difficulties of managers especially in M&As. This approach will focus on the number of personnel needed along with the behaviour and attitude which can produce best results. This integration will eventually increase the effectiveness of organization in terms of knowledge, skills and efficiency.

The study on this subject provides the information that 80 percent of acquisitions were not gone through well or total failure. How can this commonly practiced business strategy end in complete disaster? Can involvement of SHRM can provide sufficient knowledge, skills and efficiency that such disasters in M&A's can be avoided.

Even 80 percent of such deals end up in disasters; still such M&A's are taking place everyday. There are many reasons of these failures, the most important amongst them is little or poor human side involvement especially strategic human resource management. When two firms merge or one big firm acquire the small one, actually the two different working cultures come side by side. The new culture may be the totally a new one or may be part from one firm and part from other merged firm. Both the higher managements and middle level managements have different level of skills, knowledge and expertise. Most of the mergers fail when these two different cultures collide. My research will identify that can strategic human resource management provide such assistance which can manage the human side of M&As in most effective way that it can provide knowledge, skills and efficiency to the process.

LITERATURE REVIEW

Introduction

To conduct my research I need to take a deep dip into the pool of related information. The information which will provide the base for my research and will give me a deep insight of the work already done on this or related problem area. The information which would be reviewed in this section of my research will come through books, articles, journals and critical reviews.

Mergers and acquisitions are very common and favourite mode of restructuring and growth as stated by Andrew and Milledge (2006, pg.2) According to him, 1980's was the era when almost half of the U.S. businesses restructured themselves. In this wave of restructuring, more than 80,000 companies engaged in merger of acquisition. The extent of popularity of this practice can be imagined with this but most of the mergers and acquisitions were totally or partly flopped due to one or other reason. Why such a huge activity is not well planned, why most of the mergers and acquisitions ends up in disasters. Is there something wrong with the finance side or poor management is the cause of this failure or may be human side of involvement in the process has been neglected. My research will encompass that how an effective human side of involvement in the process can get better results in terms of knowledge, skills and efficiency. The basic aim of this research is to find out various views, ideas and concepts of mergers and acquisitions, causes of their failures especially when strategic human resource management is not actively involved in the process. Along with, the research will review all the SHRM models and their critics, their role in mergers and acquisitions process and how SHRM can provide knowledge, skills and efficiency in the process. As vast data is available on the issue so the research would be narrow down into few headings as below.

- What is merger and Acquisition?
- Need of mergers and acquisitions.
- Main causes of failure of M&As.

- What is Strategic human resource management?
- Different approaches and models of Strategic HRM
- How SHRM can be an effective tool in M&As process in terms of knowledge, skills and efficiency.

What is merger and Acquisition?

Most of the businesses are bound with one sold principle, either they have to grow or leave the market. Growth ensures returns to shareholders, generate profits and gets market share from competitors. On the other hand the businesses without growth lose their market share, lose customers and ultimately they disappear from the market leaving great losses for the shareholders. Mergers and acquisitions actually play a very significant role in strengthening the companies or in case of weak business or entrepreneurs, provide chance to avoid exclusion from the businesses as quickly swallowed by the strong business. M&As are very important for a balanced and healthy economy. Corporate history have seen different roles played by M&As, like “greed is good” role, when corporate businesses buying companies in hostile environment and destroying them and today’s fresh trends in which M&A take place for growth and competitive advantage. Since mid 2004 this activity is mostly based on macroeconomic needs of recovery. (Sherman, et al (2005)

Merger

When two companies or businesses combine in to one unit, its called merger in which only one company survive and the merged company comes to an end only to exist. The surviving company or business is called acquirer which gets all the assets along with all liabilities. Usually in this process large companies are always acquirer or buyers and smaller companies are target but some time businesses with same size and capabilities, both try to cease to exist and they form a new company. Though these mergers take place with mutual agreements, still merger statistics are treating large companies as buyer and smaller as target. (Gaughan, Patrick A. (2005)

J. Reuvid (2007) describes merger as a transaction in which both companies agree to combine and form a new business entity which will issue new shares and on the other hand cancelling all the old individually issued shares. Mergers usually give an impression of equal share of both parties involved in the merger but quite often one company actually enjoys dominance in terms of equity and majority in board of directors. Usually big businesses are predator and smaller ones are known as victim in all most all transitions.

Mergers can face three kinds of scenarios or situations which are beautifully explained by Weston, J.Fred (2001) in his book "Mergers and Acquisitions". According to W.J.Fred the first category is synergy or efficiency in which the efficiency level with combined operation is greater than the sum of efficiencies produced by these two businesses individually. The second category points out the situation when bidders overpay due to Hubris and the value of business remain unchanged. Third category talks about the situation when total value of business is decreased due to mistakes made by managers or agencies. All these three situations lead the business towards new directions.

Acquisition

Mergers and acquisitions are the terms usually used simultaneously. In mergers two companies join together to do business under single business entity but in acquisition, business purchases the other business entity as whole or part of it as explained by Sherman, Andrew J. et al (2005). They claim that companies do it for many reasons like in 2005 Proctor & Gamble acquired Gillette company, Inc. to expand its access to consumer products and some companies acquire other businesses to get access to foreign markets. Usually acquisitions occur to obtain financial or strategic goals.

Stanley F, Reed (2007) defines acquisition as a process by which assets or stocks or both of an organization or business are bought by other organization or business. After acquisitions the buyer becomes the owner of stocks and assets and the target or acquired

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company lose their ownership. It's kind of generic term which explains the transfer of ownership. Its more common then mergers as there's no occurrence of successive mergers.

Need of Mergers and Acquisitions

Why businesses engage in mergers and acquisitions, what are the main reasons, what are the forces working behind this activity which been very popular in last 2 decades?

For almost all businesses the ultimate objective is maximizing profit. Keeping in mind this objective studies shows that traditionally there are two causes of why businesses go for mergers and acquisitions. First one is financial in which prime objective is increasing the share holder's value and second one is based on managerial motive which focuses on knowledge, growth, sale, performance etc. Studies on this subject shows number of reason behind these M&As and the factors involved behind this activity, all will be analysed from various perspective.

M&As are borderless as explained by Sturgess, B. (1989) in " Booming International Mergers and acquisition" . Sturgess describe that mergers and acquisitions can be of local nature or it can go across borders. He explains that local firms can go abroad to acquire foreign businesses or foreign businesses who merge or acquire domestic business.

These M&As can provide short term finances to companies as described by Fluck and Lynch (1999). If the firm is unable to finance profitable projects due to one or other reasons they go for M&As to acquire these funds required to finance the big project which will eventually increase shareholders value.

The managerial motives 'under which mangers try to increase their powers or gains and address other issues like maximizing growth, increasing sale volume etc' has been

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explained by Napier, N.K et al (1989) in “Communication during mergers: the experience of two banks” very elaborately.

Apart from the traditional motives the academic, researchers and other people involved in this process has begun to think other reasons and causes of M&As brought in by the rapid changes in the business over the time. One of them is Angwin (2001) who states that the firms go for M&As to avoid the fear of being taken over or being destroyed by other large firms. To exist they simply want to be merged or acquired by other firms where they can remain operational and in the market. The other reason what he describes is as public motive in which companies merge or been acquired to increase the performance and shareholders value which allow them to gain all competitive advantages to remain active in the today’s competitive markets.

Some time companies reach to their maturity with becoming more bureaucratic, leaving fewer opportunities for the individuals. According to Lenvinson (1970) M&A can help such companies by bringing new ideas, enriched working culture, attitude and fresh knowledge. If such companies will not address there obsolescence on time then they will lose their competitiveness and soon will vanish from the market.

Vermeulen and Barkema (2001) also claim that M&A can be very helpful in bringing up up-to-date knowledge and techniques in the businesses to survive in the market in long run. The new knowledge can be of in different field of operation in which company is not engaged yet but in near future this might be the key knowledge in surviving in business world.

All the causes and reasons behind merger and acquisitions can be categorised into seven heads and are known as theories of mergers and acquisitions. These theories can be easily understandable with the help of a diagram as below and can explain the facts which are active behind almost all M&As.

Efficiency theory explains mergers as the way of getting synergies into three main heads which are financial, managerial and operational. For example if we look into the financial head then we consider that the financial efficiency after merger should be greater than the sum of individual financial efficiencies. But this theory has been criticised by Montgomery and Sing (1984). They claims that in any efficient capital market such synergies like financial synergy cannot be achieved then how businesses can go for mergers only on this ground.

According to monopoly theory the businesses go for mergers and acquisitions to improve and increase the competitiveness but this competitiveness may not be achieved as criticised by Revenscraft and Scherer (1987). He claims that the monopoly theory is comparatively weaker than efficiency theory due to the unfavourable results on businesses.

According to Trautwein, F. (1990) Raider theory is basically a form of acquisition in which a takeover bid is made to gain the control of shares. Theoretically it's not a complex theory as frequently cited in business literature claimed by Thomas Straub (2007) in Reasons for frequent failure in mergers and acquisitions. He states that this form of M&As is regarded as peoples outcome in which these peoples or raiders attempt to get some of the wealth of shareholders for which they have made bid.

Next comes the valuation theory In which Trautwein, F. (1990) claims that mergers and acquisitions are carried out by top management, the people who have more accurate and true information about the real value of the business. This information is more authentic than the information taken from the investment or stock market.

According to the empire building theory the managers are more concerned to maximize their use and that's the only aim in their mind and that's why they plan a merger or acquisition.

The process theory try to explain mergers and acquisitions as the result of decision made by the management which may not be rational as management did not considered the alternatives and have not done any deep analysis. Without a deep and thorough analysis management can't reach on a decision of that critical nature.

The economic disturbances like recent credit crunches actually modify and reshape the behaviours and expectations of individual, individual who made the decision of mergers ad acquisitions. So with the change of economic environment many firms go for alternatives and amongst these alternatives M&As is more popular that's why the business engage in this critical manoeuvre. Trautwein, F. (1990)

Main causes of failure of M&As

Most of the researches and reports shows that almost 60% M&As end up in disaster. There are plenty of reasons of these failures and some are explained by Robert F. Bruner (2009) in his books "Deals from Hell: M&A Lessons that Rise Above the Ashes". He summed up these reasons in six main heads.

1. People involved in these deals were unable to take quick and prompt decisions and actions as they were unable to clearly understand what's happening. The reason of there confusion is that the deals are so complicated and shows a blurry picture.
2. Problems of one department or area would travel to other parts of business as flexibility was at its lower level. Problems were not cordoned off and it effects the whole environment.
3. Some weak decisions and choices were made by management which exposed the risks of the emerged firm. Te new firms can't avoid exposed risks which caused a failure. These choices or decisions were either deliberately or mistakenly made.
4. The decision makers were prejudiced by the past's successes, cost effectiveness, over optimism and pride which led them towards wrong choice

or activity.

5. Companies were not doing businesses as usual. Errors and problems were common and business environments were lacking of something of important nature.
6. The operational teams collapsed or became ineffective. The reasons behind this collapse or ineffectiveness were existence of different working culture of acquirer and target, problem related to political issues and to much stress on operational team individuals. All these problems broke down the operational teams which resulted in failure.

On the other hand Gerhard, P (2002) claims that the main factor of failure of M&A transactions are overestimates of revenue , cost synergies and post-transaction integration efforts which are too slow and having low capacities and are not aggressive enough to address these areas effectively. He explains that these causes are the main problem with M&As which leads these transaction in disaster or some time in total failure.

What is Strategic human resource management (HRM)?

The concept of HRM was developed in USA in 1960s and 1970s with initial academic work done by different authors and then it spread around the world and been adopted by almost all organizations around the world. Brewster (1994, pg.1) The concept of Strategic human resource management or SHRM can be traced back in in1980's and has been distinguished from traditional personnel 'by virtue of the way in which the former ignored , but the later embraces strategy' Guest (1993, Pg.213). This integration of strategy make it distinctive from all personnel management forms as concluded by Purcell (2001, Pg.59) In following words. 'The integration with strategy is central to all models of HRM and virtually all authors are agreed that this is the distinctive feature of HRM, compared with personnel.' Under this concept the HR strategies are integrated with business strategies to achieve the organizational goals. Under this integration, the strategies developed and implemented, lead the organizations to achieve the set goals

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and objectives very effectively. It's a conceptual approach, in which strategists find an ideal point where in long run human resources should be and how to get there. It also explains how a more strategic approach can be adopted by the members of HR on daily basis to monitor that the HR strategies are assisting overall business strategy and they are adding value in it. Armstrong, M (2008)

Earlier concept of SHRM was developed from the two models presented by Harvard Business School in 1980 in which business strategy has been integrated in HRM. These two models are known as "Harvard Matching Model" and "Harvard Framework Model". This was the first time when Mission, Organisation Strategy and HRM were identified as the key player in the success of business. Later on these key players were integrated together to give the right tack to an organisation which leads towards success, effectiveness and competitiveness. (Jain, P. (2005)

The activities which directly or indirectly influence the individual's behaviour to formulate and implement strategically, what ever business needs. As it is a conceptual framework in which individuals are directed strategically to achieve the set goals in most effective way. Schuler R. S (1992) defines SHRM as all the activities affecting the individual's behaviour in an attempt to develop and put into the practice the strategic requirements of the organisation. This academic Schuler, R.S et al (2001 .pg 127) further explains that 'by strategic we mean that HR activities should be systematically designed and intentionally linked to an analysis of the business and its context.'

It's a combination of two concepts, HRM and strategy. HRM models are used by focusing on strategy and these models are integrated with business's overall strategy as explained by Armstrong, M (2006) in his " Handbook of Human Resource Management Practice". This concept deals with the key philosophies of strategy like strategic intent, competitive advantage, strategic fit and strategic capability etc.

He further explains that Strategic HRM is an approach which leads businesses to formulate and implement policies, programmes and practices related to employment relationship, resourcing, performance management, reward etc. These policies and decisions are made on the overall intentions and plans of organization.

Some academic claims that HRM and strategic HRM are almost identical concepts as Mathis & Jackson (1985 Pg.3-4) define HRM as ” the strategic planning and management of human resources for an organization...HRM is more broadly focused and strategic in nature”. Four meanings of strategic HRM has been described by Hendry and Pettigrew (1986) as

- The use of planning ,
- A rational way to the design and management of personnel systems which are based on an employment policy and human strategy along with philosophy.
- HRM activities are matched with overall organisational strategy.
- To achieve competitive advantage ,human resources are viewed as strategic resources

The definitions and statements which explain SHRM, given by different authors and researchers, clearly shows the growing need and importance of strategic HRM in business world. Day by day businesses world is becoming more complex and competitive and strategic HRM can play a vital role in ensuring competitiveness as Jain, P (2005) claims that today the human resources are viewed as the potential contributors in the achievement of organizational goals with the help of available energies and talent these people have. These resources should have four qualities to maintain their competitiveness as suggested by Boxhall, (1996). These suggested qualities are

- That they must increase the value of activities.
- Rarity and uniqueness must be established.
- Hard to copy
- And hard to be replaced by other alternatives like technology.

The people are the assets to the organizations and these assets should be used

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strategically to achieve competitive advantage and business goals and objectives in long run.

Strategic HRM address's some of the critical issues in organizations which deal with the change in culture, structure and knowledge management and how it can be used effectively. These changes can increase the organizational effectiveness and performance. It provides efficient way of matching activities and resources to the future requirement of the organization. It Guide's how peoples skills and abilities can be developed over the time and how the change can be managed. Human capital requirements and development of process capabilities are focused under strategic HRM.

Different approaches and models of Strategic HRM

Human resources play a critical role in the successful achievement of goals and objectives of an organization. The vital importance of managing human resource and strategically deploying these resources can be well understood by the statement of the Managing Director of British Chrome and steel in 1998. He stated that "There is no other source of competitive advantage! Others can copy our investment, technology and scale – but NOT the quality of our people...." Steve, B. (2000 ,pg 222) As the importance is apparent so these resources should be controlled effectively to get the maximum results. To find out how these resources can be used so effectively and strategically different gurus and academics of this subject have presented couple of theories, frame works and models. These Gurus and academics have also described how these approaches and models of strategic HRM can be developed and implemented though implementation of these HR strategies is not that easy as HR mangers need to realize the Strategic human resource requirements not only in numbers but also attitudes, behaviours and commitments. Alan, P. (2007, pg.271) These models and approaches can be categorised into two types: General and Particular approach to the practices of strategic HRM.

Universality, Contingency and Configurational , are the three approaches presented by Delery and Doty in 1996. Universality and Contingency has been renamed as "Best Practice" and Best Fit " by Richardson and Thompson in 1999. These approaches have their own point of view in explaining the strategic HRM development and implementation.

"Best Fit" Approach

These academics claim that the human resource's reward system should be developed to support overall organizational strategy. This alignment of reward system and company's business strategy can lead business towards competitive advantage. This approach is applied mainly to the reward system policy area. This approach claims that organizations can gain effectiveness with the help of an effect reward system. This approach is derived from the Harvard's New York and Michigan models.

David Morris & Maureen Maloney (2009)

The Best Fit along with Best Practice model can be classified as "matching models" as claimed by Sparrow and Hiltrop (1994). As both models have a common goal of matching human resource strategy with the overall business strategy. This approach also explains that no model 'which is combination of HR policies and organizational policies' can fit for every organisation as all organization have different set oof HR policies and business policies. This model claims that one type of HR policies can best fir for one organization but it can be worst for other so this model can not be applied universally. This model advocates the individuality of each scenario as it depends on business environment that which HR policy, system and operational requirements are best fit for its environment.

"Best Practice" Approach

This approach is more concerned with organizational performance. This approach believes that the best HRM practices and policies can lead firms or organizations

towards the maximum and superior performance. This approach has been more elaborated by Pfeiffer's (1994) by giving a list of HR practices which can take the firms towards its best performance. These seven best practices can help to easily understand this model from its core.

- Employment security - The firm should take well care of the job security of its employees. Job securities should not be affected by any means like wrong decisions made by directors or top management or the overall credit crunch of the market.
- Selective hiring - Knowledge, skills and attitudes are the things which can make difference in between employees and these attribute should be well judged while hiring them. The company should know the talent they needed to support their future plans. If the organization succeeds in hiring the employees on this standard then these employees will easily fit into organisational culture and learning would be more effective.
- Self managed teams - Hierarchy which some time waste time in making crucial decisions should be removed and replaced by self managed teams. It will improve performance and efficiency. This self managed teams system will bring new and fresh idea and creativity from employees which will leads towards best possible solutions of problems.
- High compensation and rewards for performance: - Employees with best performance should be awarded with high rewards as it boosts up their motivation and passion to do more. This practice should be used to improve the overall efficiency of the employees which contribute in the over all success of business.
- Training - Another practice is provision of training which is much needed to perform at its best in various departments. This provision will assure that the requested tasks are performed in accordance to the requirement.
- Reducing the status differentials - Some time employees are affected by the status differences in the organization. Reduction is status differentials in

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organisation can improve efficiency as this status differential can force employees to think that they are not valued here. This thought can play a main role in reducing their efficiency.

- Sharing Information - Sharing of information can boost up the efficiency of employees as they think they been trusted by the organization. This sharing motivates them to contribute in the process more effectively.

A number of critics have criticized these ideas even these ideas are common and not new. Best practice school of thought simply focuses on HR policies and practices and Leave Company's overall strategy without discussion as criticized by Purcell (1999).

He claims that this approach is inconsistent in its recommendation and resource based view of HR practices. These practices just talk about intangible assets like HR policies etc which are not enough, as other part, business strategy is as important as these policies. As more criticism came from different critics like Becker et al (1997)

Who claims that organization's high performance and efficiency is actually the result of their unique systems and functions. To develop these systems organizations need extra care and efforts which leads the firms towards the achievement of their ultimate goals and objectives. These schools of thoughts doesn't provide any model to support such effort and care as these models are designed to help organisations to make decisions related to management style , technology and culture.

Though lot of criticism has been faced by these approaches but still its importance can not be ignored as realised by Marchington and Grugulis (2000). He claims that training and development's importance has been increased over the last decade and he sees the more importance of these areas in coming years. He claims that these important tools can be used to gain competitive advantage.

All of the discussion regarding the "Best Fit" and "Best Practice" can be summarized

In short, that both approaches view HR as an important ally to the organizational strategy. This alignment support organization to achieve its goals and objectives and to drive firms towards its competitive advantage. We can see that both approaches agreed on that HR practices and reward system should be consistent. The above discussion gives a good chance to compare them with each other like "Best Fit" as Contingency approach and "Best Practice" as Universal approach and which approach can serve the organization at its best.

The 'Configurational' Approach

Under this approach HRM practices are designed to match business strategy as this approach is more concerned with the combined efforts of HR policies and practices and overall business strategy as described by McMahon et al (1999). He is more concerned with the combined efforts not only the more active involvement of HRM but the business strategy as well. Other academics such as Delery and Doty(1996) agreed with the combined efforts of both HR practices and business strategy. They claim that treating these two edges separately can not bring the desired results so these HR practices and Business strategy should be combined and this combination commonly known as 'Bundling' as described by MacDuffie (1995). He explains that bundles can have great effects on the performance 'as they are internally dependable and interrelated' as compare to the individual which may have low effects. So the effective bundle of HR practices and Business strategy can increase the performance of the business.

Dyer and Reeves (1995), claims that Strategic HRM is an internal consistent bundle of HR practices. These academics believe that individual skills and motivation by management are two major areas which contribute in overall performance of employees. As both areas are of important nature so HR practices should focus on both of them. Links between HRM and Business performance can be easily understood with the help of different models of HR practices. These approaches also point out the activities in which HR can involve like, top level decisions, selection of key employees, reward

systems and training and development.

On the other hand Delaney and Huselied (1996) look into the possibilities of some specific combination or bundles of these practices which can help organization to boost its performance but they could not find any such particular bundles and their effect on performance. Problem with approach is that how to find the best possible way to relate best practices and making their bundles.

The Learning system and Task Model

These models are associated with organization's performance and emphasises on various aspects and elements that enhance the competitiveness of organization. These models focus how these elements help organization to gain competitive advantage. These models have been presented by Phillip et al (2000). The learning system model talks and focuses on the ways of organizational learning orientation and style. This orientation is actually suggests the set of competencies and the common culture which helps organization, gaining unique competitive qualities.

Organizational tasks can be categorised as operational and strategic as explained by Philip et al (2000) in his Task model. According to this model employees are strategic resources of the organization and these resources should be trained and developed according to the requirements. These requirements can either be operational or strategic in nature.

The task model focuses on the idea that human resources should be well enough to accommodate the operational and strategic needs of the organization but on the other hand learning system is more concerned about the idea that HRM works as agent which controls the organizational flexibility of how to negotiate the internal and external human resources.

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More knowledge and skill has been increased by putting learning activities as an input to the process which at the end boost up the competitiveness of the organization and on the other hand task model is reliance on HR development of internal and external fit as mode of input and gets HR flexibility and transferability as out put. This flexibility and transferability increase the competitiveness of the organization.

This idea of internal and external fit of HR resources is taken from concepts presented by Black et al (1992). According to his views, this is the match between the requirements and need of a task, and personnel's skills, knowledge, strength and weaknesses and external fit has been explained as the match in between need and demands of the geographical locality and individual's own cultural limits and sensitivities. The process involve in these models can be well understood by the figures given by Phillip et al (2008, p38) as below.

The High Performance Working Model

This model focuses on the introduction and development of some interrelated approaches which together, can effect the over all performance of the organization. These approaches when working together have ability to make good impact on the performance through its man power. These approaches can be developed in the areas of quality, customer services, productivity and growth. These areas can be improved through people by enhancing their knowledge, skills and motivation. He focuses that improvement in these areas will bring competitiveness for organization. These areas are defined by the US department of Labour (1993) as below.

- Recruitment, selection and training systems should be carefully and extensively developed and implemented.
- Individuals, working in the organization, should be provided with a Formal system of sharing information.
- Job design should be very clear.
- High-level participation process is a necessary.

- System of attitude monitoring should be developed.
- Performance appraisals should be in operation and carefully devised.
- Grievance procedures should be in operation and functioning properly.
- Promotion and compensation schemes should be in operation which will ensure recognition and financial rewarding for the individuals in workforce with good performance.

The good performance of employees can reward the business as the research conducted by Huselid's in 1995 in USA. He wants to show relation between quality HRM system and firm's performance. For this purpose he collected his research data from 968 US companies. The results shows that with one purposeful change in HRM system to increase its efficiency, the businesses can enjoy almost 20 % of increase in the value, 2.2 % increase in profits and 16 % increase in total revenue.

This relationship is also been appreciated and discussed by Arthur (1994). His research also supports this relationship of Good quality RM system and business performance. This idea is further supported by Kalleberg & Moody (1994) so the importance of this relationship is apparent. Becker et al (1997) pg.45 illustrates the conventional model which clearly shows the relationship in between HRM system and business's performance. This model explain the resource based view of the business's growth and the role of high performance working model. In this figure, the HRM system in action is evident.

How SHRM can be an effective tool in M&As process in terms of knowledge, skills and efficiency

Pomeroy Ann is a senior writer who wrote for HR magazine. In 2005 she wrote an article with a theme which shows the importance of SHRM in mergers and acquisitions. She claims that "Strategic HRM is helping business puzzle through the difficult process of a successful merger or acquisition." If we look into the new technological developments the most apparent thing which we can consider behind these

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developments is the changes in the way this work is managed and employees are monitored and motivated. From the SHRM perspective the above mentioned changes can be in the shape of flattened hierarchies or may be decentralize decision making or may be in the shape of M&As.

As per the results drawn out of the surveys by consulting companies, almost 80% companies enjoy the success in M&As and it actually happened with the active involvement of HRM as compare to the M&As which took place in-between 1995 to 2000 as per claim made by researchers that when HR was not actively involved in the M&As process and people were thought to be obstacle in the success of this process. But now with the active involvement of HRM in M&A process, the success rate has risen up to 80% which is good sign for strategy makers. (Pomeroy, A. (2005)

The importance of HRM and its involvement in M&As process especially in the early stages has been admitted by many academics and researchers. The need and importance of the involvement of HRM In this process is claimed by Geoff Armstrong (2006) Director General of CIPD (Chartered Institute of Personnel and Development) in a conference held in Killarney, Ireland on 18th -20th May 2006. According to him, HR should excel into a more strategic role in the organizations.

He further explained that this new role will ensure the best value and distinctiveness in all business processes which will lead towards a firm control on the capabilities of employees from office. The involvement of this role can be applied to the process of M&As. Like Be proactive, be a coach and be there.

The main thing which needs to be coordinate is coordination. If there is no coordination then things can go bad anytime. Only changing the organisational structure does not assure that there would be coordination as well, as claimed by Robert, R. (2006) in his article 'Better management, not Better Organization Charts'.He explains that organizations stays almost same either they merge or they stay independent even the

organizational structure has been changed. The only thing which can bring some good result is coordination among people, among departments and among policies. Systems like recruitment or payroll, hierarchies and power needs integration with each other. One organizational culture needs to be integrated into the other organizational culture. So in case of acquisition if the Acquirer's HR has the valued experience then it can have a favourable impact on this integration not after merger but before or in early stages. The acquirer's HR should know the fact that people should be treated as assets to the organization.

As Strategic HRM can assist the M&As process in different ways like one aspect of this assistance is providing enhanced knowledge about the company 'which need to be merged or acquired' and current market position, as explained by the Jeffery A.S. (2001) in his book 'Making Mergers Work, The Strategic Importance of People'. He further states that Strategic HRM can play a very powerful role in pre and due diligence stages of the Mergers and Acquisitions. He further explains that in pre-deal stage, strategic HRM can locate and identify the main talent, skills, knowledge and capabilities of the HR of the company to be acquired. These elements will add a great value in the success of this process and the organization will enjoy competitive advantage in coming days. But identifying such elements in HR is not an easy task. This identification is harder when firms operate on large scale and even in global environments. To overcome this problem, organizations sometime hire consultation firms which are engaged in such practice. These bodies provide related information like talent, experience and knowledge of HR's key personals, to the management, which make policies and decision and these successful decisions lead the organization towards competitive advantage.

In mergers and acquisition process, due diligence stage is very crucial stage where strategic HRM can play a great role of investigating the accuracy of preliminary data gathered. It also investigates that does this data showing the true picture of the company as the management have to decide whether to go for this merger or acquisition or not.

Recent fast growth of technology has developed the economies where knowledge is the key source to gain competitive advantage. If an organization is applying the latest knowledge successfully, he is ahead of all competitors as described by Gloet, M. (2006). So if we analyse the statement made by Jeffery A, S. and Gloet, M, we can conclude that authenticated knowledge about the target company is very crucial in making a decision of such importance and SHRM is providing and assisting organizations in fulfilling this need.

The same concept of utilizing knowledge has been explained by Teresa and Gary (2001). They explained that every organization try to use the knowledge of their employees to achieve the set goals and objectives. The terms used for human is 'human capital' and for knowledge is 'knowledge capital' in their book. According to them knowledge can be produced in different shapes and forms but real connection between merger and acquisition and knowledge capital is identifying which and how that specific knowledge is important for organization and where and how that knowledge can be achieved and how that knowledge can be transformed into the desired results. That relation is explained by a figure as below which clearly shows how that process of knowledge works.

Now a day's knowledge is wide spread and every body has access to knowledge data bases which are available in different forms. Now the competition is on the bases of how to use this knowledge to produce product and services at their best. So the Strategic HRM is an important aspect of M&As process as it provides the knowledge of the deal and ensures that acquirer gets the right choices.

The involvement of SHRM in M&As has been explained by Teresa and Gary (2001, pp 111-128) in six stages. These six major stages are:

1. Target screening
2. Planning for pre-acquisition strategy discussions

3. Due diligence
4. Negation
5. Integration planning
6. Post deal Integration process

Gathering of the preliminary information of the company 'which is a potential target' is the initial role of SHRM in M&As and its called target screening. In this stage SHRM try to find out the bases on which the organization will decide to go for this potential M&As. Will this deal makes the organization unique. And if yes then how it works? Majority of firms can't point out their own weaknesses so the views from the HR people of other organization much needed to be taken as they can point out the weaknesses and gaps and how the potential merger or acquisition can fill these gaps or overcome these weaknesses. Majority of M&As fails due to cultural differences so the SHRM provide assistance to the top management to understand these differences and manage them accordingly.

When both organizations which have decided to merge are of same scale then it's really hard to find who would be target or which organization will have a upper hand in this deal. If you HR team is competent and think strategically then you can expect a good response or upper hand in the deal.

SHRM assist top management in making decision about selection, retention, benefit, performance appraisal, performance management, outplacement and relocation in planning stage. Elaine, D.P. (2009, Pg. 15) explains that competency models provides the base for performance management, which can be a great tool in assessing the competencies of employees But the questions is what sort of competencies. She define competencies are personal characteristics like knowledge, skills, efficiencies and abilities. When organizations adopt competency-based human capital systems it provides a great deal of personal traits, which are very helpful in achieving set business goals. These personal traits like knowledge, skills, efficiencies and abilities will assist personals on key position to contribute in the organizational success. Personal with right

competencies can make right and appropriate decisions and can plan well ahead in case of M&As. These personal characteristics can be seen in the competency model presented by Elaine, D.P. (2009, Pg. 16).

SHRM provides key information about hiring people for key positions. Integration leader is key figure in M&As process and SHRM provides detailed information about the duties, responsibilities of these integration leaders and the techniques which could be employed to reduce the cultural differences. According to Teresa and Gary (2001) these leaders should have skills, knowledge and capability to strongly communicate to the people, especially the people involved in this process.

The most critical stage is 'due diligence' where SHRM can assist top management in providing the checklist for this process which should be very accurate and perfectly matches the requirements of process. The process's like, getting familiar with nature of business and market value of business, Strategy understanding, goals and objectives understanding etc.

Negotiating groups who negotiates the deal with other organizations gets information from SHRM. Information related to future concerns. Though some time SHRM is not directly involved in the negotiation but still they provide very useful information to negotiation groups.

In integration and planning stage, HR managers can take lead in the process to increase employee satisfaction, performance and good working culture. Managers should be provided the active participation and information about expected redundancies, selections, training and development of new workforce, educating employees about the psychological influence of M&As, audit conducted to balance the cultural differences etc.

Research Methodology

Research methodology plays very critical role in conducting research as unsuitable method can lead the whole research towards a disastrous end. Inappropriate techniques can put really negative affects on the findings and results of the research. Accuracy of the results can be maintained only with appropriate method. Avison and Firtzgerald (1995, pg.23) explains methodology as "A method is a collection of procedure, techniques, tools and documentation aids...but a methodology is more than merely a collection of these things. It is usually based on some philosophical paradigm; otherwise it is merely a method, like a recipe".

Research and its purpose

The art of identifying and finding new things out and generating new thoughts and idea's, called research. Research generates knowledge. It is kind of systematic investigation of any issue or thought which will bring results. Swann, J. (2004, Pg. 12) This is not a very simple process as it look like at the starting point as when the researcher, 'the person who conduct research' go deeper and deeper, its becoming more and more complicated as explained by Dunne et al (2005 , Pg.10) It should be designed in way that you survive and thrive in this process but this does not mean that you stay only in familiar waters as added by Blaxter ,L, et al (2006, Pg.15) He explained that research is actually trying to know what you or other people don't know. If you are familiar with some thing then there's no need of any research.

Auerbach and Silverstein (2003, pg.16) states that 'Research begins with curiosity' and without curiosity no research can achieve its set goals and objectives.

Hague, P. et al (2006, Pg.6) states that there are two types of researches, Market Research 'in which information is collected to solve business problem' and Social research, 'in which information is collected to solve social issues and problems.

There can be various purposes of conducting research, like for adding some new in a discipline, informing new policies or solving problem as claimed by Wilkinson, D (2000. pg 19). The earliest research thoughts come from the Greek philosopher's era and called Epistemological Orientations and Ontological Orientations. These approaches mainly deal in development of knowledge and theory as stated by Crowther, D and Lancaster, G (2009) There are two main approaches of research methodology as claimed by Burney, S.. M.. Aqil et al,(2006). These are Deductive and Inductive approaches.

Deductive / Quantitative Approach

In this form of research theories and hypothesis are developed and tested through empirical observations. In this kind research researcher need to develop a theory of hypothesis, may be based on some previous experience, to address some issues and problems. This method is more relevant to the consultancy type of research as explained by Crowther, D and Lancaster, G (2009).

Inductive / Qualitative Approach

Bryman and Bell (2003, pg.25) explains qualitative research as 'Qualitative research is the strategy that usually emphasis words rather than quantification in the collection and analysis of data'. This research focuses on qualitative factors because of the qualitative topic of the research it self though some quantitative factors were considered, inducted and used for the final results.

My Research Plan

My dissertation's research is qualitative and the out come could not be explained in numbers or percentage though quantitative approach is used on some occasions in shape of annual reports , companies internal data, etc which will provide findings for final results. Qualitative approaches usually gather loads of data and material which is useful for accuracy in final findings.

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That fact of using a bit of quantitative approach in Qualitative approach as main approach has been explained by Ticehurst and Veal (2000, pg.15). According to them Quantitative factors are some time involved in qualitative research topics as in business research we collect data in shape of statistical information, analyse it and then present its findings. E.g we need to know how many training courses for employees has been conducted in a year, this is quantitative data but actually we are relating this data to the impact of Strategic HRM on the overall business performance, and that is qualitative data. So I will assist my final findings with both approaches and qualitative as main approach.

As every research work has some objective to be fulfilled so what my dissertation has some objective which would be successfully achieved by employing most appropriate methods and techniques. These methods and techniques include interviews, questionnaire and analysing the data to get the most appropriate and accurate results from research. These analyses are based on trend philosophy as mainly human beings are involved in my research.

Proposed dissertations aims and objective would be achieved by employing the Qualitative method of research. Under this research method I will collect data with the techniques like conducting interviews, through studies of annual reports, organizational archived data, discussion with top and middle management, questionnaire from employees etc. These techniques will help to understand the impact of Strategic HRM on organization at the time of M&A's, any related development and changes in over all structure.

This data will provide help in understanding the top management's views about integrating strategic HRM with the overall business strategy and how SHRM will assist organization in case of M&A's. It will provide help in understanding the related obstacles in merger and past merger stages. On this stage, quantitative method would

be applied to know the changes within the company in merge and post merge phases. During the integration of SHRM with overall business strategy, we will measure effectiveness and efficiency of the process. In next step we will compare these findings with the data collected from top management, middle level managers and employees. The end stage would be analysis in which data would be analysed with the SHRM theories and practices and its impact on M&A's process.

My Research Philosophy

Positivism and phenomenological are the two main philosophies working behind all the Research projects which are deeply involve in helping researchers to gather accurate data and information. These two philosophies has been explained by Collies & Hussey (2003, p.52-54) in these words. "positivism are founded on a belief that the study of human behaviour should be conducted in the same way as studies conducted in natural sciences". And on the other hand , "phenomenological paradigm is concerned with understanding human behaviour form the participant's own frame of reference and it is focused in the meaning and not in the measurement".

My Research philosophy is based on phenomenological, as main characters of dissertation are human and I will focus on their behaviour, attitude and preferences in different situation. Especially the research related to cultural issues and problems when two organization merger and both organizations have their own working culture. If the mergers are cross border then these issues may need some more attention as along with working culture we need to address social cultural issues as well.

The suitability of philosophy adopted for the research and how it can help researcher has been explained by Maylor & Blackmon (2005, Pg.52). as 'research philosophy describe ontological assumptions about the nature of reality- what is consider to exist and, just as important, what does not exist in the environment we are studying'. These ontological assumptions can be further divided in to two main streams, Objectivist and

Subjectivist. Researchers can study and research physical things under objectivist and non physical things like attitude, behaviour etc can be studied under subjectivist.

As my research's main characters are human beings so subjectivist approach is employed as it deals with non physical things like knowledge, performance, efficiency, skills etc.

Research Design and Strategy

While conducting a research we need to design our logic that how to focus on collecting data and on later stages, analysing it. It is a frame work in which we collect data and analyse it as explained by Bryman and Bell (2003) in his book 'Business Research Methods. He further adds that this frame work provide the guidelines for choosing the process and dimensions of your research project. They suggest that reliability, replication and validity are three important criterion of researches related to business and management. According to these academics all researchers adopt one of the five suggested research design which includes experimental, cross sectional, longitudinal, case study and comparative. Kumar, R. (2005, Pg.106)

All the researches are based usually on surveys, case studies, experiments, archive analysis and history. This base is known as research strategy and these are the most common forms as claimed by Yin, R.K (1994) in his book 'Case study research: Design and methods'.

As my chosen topic is concerned with the impact of SHRM on organization especially in the process of M&As so it's purely a qualitative nature so why the interviews and questionnaire method has been employed. The main reason of adding interview strategy is based on the fact that without interviews we can't know the point of view of top management on the issue so we have to adopt this strategy as well as only the questionnaire can't collect all information from respondents.

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Sources of Data Collection

All research works comes under two main headings, primary and secondary sources. These two types of data or sources can be distinguished by the way the data is actually collected.

Primary Data Source

This type of research data is actually collected by direct and first hand observation. This data is directly collected by the researcher which contains firsthand and most recent information about the research topic. The main types are collecting data by conducting interviews or through questionnaire. Rozakis, L. (2007)

My Primary data would be collected from interviews and questionnaires as that data would be fresh and up to date and will help my research in knowing the point of view of Top management, HR mangers and the mangers involved in merger and acquisitions through direct interaction. Data about general attitude and behaviour, issues and problems and cultural differences would be gathered by Questionnaire.

Secondary Data Source

Secondary data is collected from indirect knowledge. That data is collected by someone else not directly linked with the research. The main types of such data are books, journals, abstracts, book reviews, indexes, encyclopaedias, government documents, newspapers, company annual reports, company records etc. Secondary source are broader in nature, easy to collect and less immediate. Rozakis, L. (2007)

My secondary data will come through company's annual reports before and after merger. It will clearly show me the impact of merger. The internal records will show me the affects of involvement of HRM in the process and how the knowledge and skills were injected into the process to increase the efficiency.

A good research work is consisted of both primary and secondary data which provide a right balance to the research and accuracy to findings. As far my research concerns, I will look into both data sources to collect the information and to analyse and draw conclusions.

Interviews

"Get your facts first, and then you can distort them as much as you please". Mark Twain (1835-1910)

According to Gillham, B (2000, Pg.2) Reserch interviews are conducted 'to obtain information and understanding of issues relevant to the general aims and specific questions of a research project.' Usually direct interaction is involved in interviews and usually having open ended questions.

According to Leary, Z (2004, Pg. 162) 'interview is a method of data collection that involve researchers asking respondents basically open ended question'. Descriptive data can be collected with this form and is very useful in qualitative researches.

As my research is qualitative so why that technique would be very helpful in a way that the maximum related information can be collected through open ended questions from the top management, HR managers and mangers involved in the process. During the interviews, discussion provides more flexibility as they are interactive in nature and questions can have answers in detail. This technique will provide me another edge of finding more information even from informal questions. These features can provide me up to date information as explained by Gillham, B. (2005) in his book 'Research Interviews'. The main types of interviews could be Structured, Semi-structured and Unstructured as explained by the below stated table.

The Verbal Data Dimension

In my dissertation research I will conduct interviews with top management, Top level HR managers , middle level managers and managers 'actively involved in the M&As process' which can provide sufficient required information, like the role of SHRM in merger and acquisition, consequences of poor HRM involvement etc. These interviews will provide me the view point of these people and up to date information about my proposed topic.

Hypothesis

Usually researchers develop and establish assumption and hypothesis for their researches. These hypotheses actually vary from actual research questions. Research questions are all about learning new thing but on the other hand hypotheses are actually the uncertain and provisional answers of the research questions. These hypotheses are based on the theory and experience. These hypotheses can be formulated under qualitative researches as most of the academic thinks that it's only for quantitative research. Maxwell, J.A., (2005, Pg.69)

So under Maxwell suggestion of formulating hypothesis under qualitative research, I have formulated a few hypotheses for my research as below.

- If strategic HRM is not involved in the process of mergers and acquisitions that will put negative effects on the process.
- Competitive advantage can be achieved when SHRM will provide knowledge and skills to increase the efficiency of the Process of M&As.
- Strategic HRM is inevitable during and after mergers and acquisition in this dynamic business world
- Future mergers and acquisition has very strong tie up with Strategic HRM

Company Overview

History

On 8th of June 2007, a company called Multi Group Plc changed its name as SERVOCA Plc and continued its business with new name. This company, Multi Group Plc, founded in 1991, was initially engaged in construction equipment business. In 2000 the business engaged in other rental markets. In 2005 the company changed its direction towards staffing in medical sector.

http://www.hoovers.com/company/Servoca_Plc/ryyxfxi-1.html retrieved on 27-12-09 at 3:15 AM)

Even engaging in new business and changing directions of operations, the company suffered significant losses. The year ended 31 March 2007 was the second year of such losses and reasons behind these losses were underperformance of acquisitions in 2005 and especially the case of Global Medics Limited (2006) which was acquired and then subsequently disposed off. In 2007, another company Dream Group Limited was incorporated in Multi Group Plc and this integration formed a new business entity called 'SERVOCA Plc' on 8 June 2007.

www.servoca.com/.../SERVOCA%20March%202007%20prelims%20-%20FINAL.pdf.
retrieved on 27-12-09 at 4:00 AM)

SERVOCA... a Glance

SERVOCA Plc is basically a holding company based in UK. Mr. Bob Morton is the Chairman and Mr. Andrew Church is Chief Executive Officer. It provides secure solutions to the organizations and recruits staff for medical and education industry. It is a leading company providing staffing solutions and outsourced services through well established operation. It is listed on London stock exchange and trading for AIM (Alternative investment Market). The specific markets are targeted through a number of individual brands which have ability to serve these markets at its best.

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Secure solution section deals in recruitment, training and outsourcing staff for security industry. It's medical and care section recruit people for health care sector and education division recruit's people for education sector.

These services are provided through Firstpoint Healthcare Limited, Academics Holdings Limited and International Security and Surveillance limited along with (ISS) Special Projects (SP) Limited.

Firstpoint Healthcare Limited was acquired on 01 October 2007. The company provides services related to recruitment of different positions of nursing, care services, doctors and medical professional for health care industry.

International Security and Surveillance limited (ISS) and (ISS) Special Projects (SP) Limited and was acquired by SERVOCA plc on 07 December 2007, which deals mainly in Provision of security services like manned security solutions, CCTV, Alarm monitoring, access control, security interventions ,investigations and special police services like major enquiries, investigations, training, enforcement and litigation support etc.

Academics Holdings Limited was acquired by SERVOCA Plc on 28th March 2008. The main business of Academics Holdings Limited is providing temporary and full time teachers to the different educational organizations.

(<http://www.google.co.uk/finance?q=LON:SVCA> retrieved on 27-12-09 at 2:40 AM)

Strategy

In 2008, the company made a few new acquisitions. The results were not too good so the company's will concentrate on organic growth in existing principal markets like

education, healthcare and secure solutions. Profit delivery and realization of company's potential are the main areas which are focused by management.

www.servoca.com/reports/pdf/Interim%20Report%202009.pdf retrieved on 30-12-2009 at 07:42

Vision & Values

Hardworking and extremely knowledgeable staff is very committed at SERVOCA Plc and well aware of providing outstanding services, emphasized by our business values, to the clients.

Our qualified professionals are providing solutions, with a sense of pride in serving and satisfying customer. We are pragmatic and innovative, focusing on our customers needs.

Trust is our vitality and so why honest and knowledgeable assessment of our capabilities is on display at all times through our staff.

Internal and external communication is very effective to ensure that each and everybody are well aware of its role in the process of providing a solution to our clients successfully.

Being a valued partner, SERVOCA Plc will assist its clients in providing solutions to achieve their goals and objectives with innovative and highest level of customer services.

- Customer Services
- Trust
- Communication
- The Solution

International Security Group

(International Security and Surveillance (ISS) Limited & ISS (SP) Special Projects Limited)

Introduction

ISS security group was founded in 1997 by Mr. Paul Cassie (Managing director). The company provides guarding services for private houses, commercial buildings, aviation, logistics, industrial and commercial sectors etc. Besides that the company was offering integrated services like CCTV, access control, alarms, maintenance services, monitoring etc. In special services they were offering all sorts of close protection, investigations like accident, incident, fraud etc and surveillance services. In addition they were offering vehicle escorts and information security services as well. The company has its offices in Slough (England)and Edinburgh (Scotland) and was operating across UK, north Europe, North America, Middle East and Far East. Mr Tim Whitfield was group Commercial director.

<http://investing.businessweek.com/research/stocks/private/snapshot.asp?privcapId=39400067> Retrieved on 28-12-2009 at 01:13

Company's Aim

Company's aim is to lead the security industry in managed security services. These services are based on the requirements of company's clients.

Company's Accreditation

The group is accredited to ISO 90001: 2000 quality management systems in BS7984 (Key holding and response services) , BS 7499 (Static site guarding and mobile patrol services) and BS7858 (Security Screening of Individual employed in security industry). The company is inspected by BSI (British standard Institute) which shows the quality of services they are providing.

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Training Facilities

The company provides training to its own employee through SITO (Security Industry Training Organization) approved training facility and this facility is also used for Government supported security training courses. Company is an approved security contractor.

Main Clients

Major embassies, big corporate organizations, blue chip companies in Aviation industry and private residential estates are the main clients of company. All clients are happy with the provided services through well trained security personals and effective management.

<http://www.security-int.com/companies/iss-security-international-security-surveillance-ltd.asp> retrieved on 28-12-2009 at 01:15

Company Staff

At the time of acquisitions the company had 150 staff altogether including guards, office staff and management.

SERVOCA's Source of Funding for Acquisition

Royal Bank of Scotland Plc provided £4.7 million for acquisition as short term fiancé and for working capital. This short term finance was issued against the security of company's assets. Southwind Limited which owns the 10.4 % of company's issued share capital provided the guarantee for this loan.

CEO's Comment's on Acquisition

The chief executive officer, Mr. Darren Brown, commented about the acquisition on 07-12-2007 in the following words.

"We are delighted to have completed our first two acquisitions in the security sector. The acquisition of ISS and ISS (SP) will allow SERVOCA to provide wider service offerings to our existing client base as well as gaining an entry into the manned guarding, protection and surveillance services markets, which will provide SERVOCA with visibility of earnings which are profitable."

Mr. Glenn Swaby was appointed as Director to the SERVOCA security division. The CEO expressed his pleasure in welcoming ISS and ISS (SP) to SERVOCA and working with its employees to strengthen and develop the business.

<http://www.servoca.com/071207.asp> retrieved on 27-12-09 at 3:30 AM)

Examples Provided by JK Essay

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