

## Post Mergers And Acquisitions And Its Effect On Organizational Behaviour - A Study With Reference To Manufacturing Companies In India

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### Abstract

The Objective Of This Research Is To Examine The Effect Of Merger & Acquisitions On Organizational Behaviour Of Manufacturing Firms. The Research Was Done On 5 Selected Companies That Have Undergone Consolidation In Recent Time. The Independent Variables Of The Study Are Policy Change, Structural Change And Process Change Meanwhile The Dependent Variables Are Reaction To Change And Overall Performance. The Study Employed Multiple Regression And Correlation Analysis For Measuring The Impact Of M&A On Organization And The Result Illustrated That The Variable Is Positively Correlated To Overall Performance.

**Keywords:** Merger & Acquisition, Process Change, Organizational Behaviour, Structural Change, Policy Change.

### 1. Introduction

Any Corporation Or Business Entity Is Subject To Constant Change. Sometimes, The External World Forces These Changes Upon The Organization. Increased Competition, Introduction Of A New And More Efficient Technology, Advent Of New Competitive Goods, Markets Or New Classes Of Customers, Business Cycles, And So On Are Examples Of External Factors That Influence A Company's Ability To Operate. Smarter Businesses Anticipate External Developments And Adjust Their Operations Accordingly. And Though They Are At The Top Of Their Game And Have A Sizable Market Share, They Take Constructive Measures To Improve. These Companies Make Adjustments In Order To Gain A Competitive Advantage And Strengthen Their Market Position. Today's Business Landscape Is Experiencing A Paradigm Change, From Growth And Diversification To An Ever-Increasing Number Of Mergers And Acquisitions (M&A). Following The End Of The Depression In 1883, Merger Waves Began. A Limited Number Of "Mega" Transactions Involving Large Corporations Dominated The Initial Mergers And Acquisitions Trend.

Today, However, The Whole Situation Has Changed. M&A Have Begun To Be Recognized As A Way For Businesses To Increase Their Value In Today's Competitive Climate. M&A Has Evolved Into A Strategic Tool For Acquiring Existing Brands As Well As Expanding Into Low-Cost Markets. As A Result, Mergers And Acquisitions Play A Critical Role In A Company's Sustainability And Vitality. M&A Is Still A Popular Strategy For Increasing Profits, Market Share, And Stock Prices Today. M&A Will Assist In Responding To International And Domestic Rivalry. It Can Also Assist In Attracting New Customers, Gaining A Technical Advantage Over Rivals, Enhancing Bottom Line Results, And Many Other Things. As A Result, Businesses Are Realizing That Mergers And Acquisitions Are Here To Stay.

#### 1.1 Concept Of Merger And Acquisition

When It Comes To The Expansion Of Large Corporations, There Are Two Points Of View. Some Claim That Growth Occurs Primarily Through Internal Expansion, While Others Argue That It Occurs Primarily Through External Expansion, Such As Restructuring, Mergers, And Acquisitions. A Company's Diversification Can Also Contribute To Its Growth, Which Can Be Diversified Or Not. One Of The Magnitudes Of Diversification Is Mergers And Acquisitions. The Terms Mergers, Acquisitions, And Takeovers Are Often Used Interchangeably In The Corporate World. It Is Critical To Distinguish These Terms.

#### 1.2 Merger

A Merger Is A Merger Between Two Or More Organizations/Corporations In Which The Buying Entity Takes Over The Assets And Liabilities Of The Selling Company. The Firm With Low Importance Must Cease To Exist And Merge With The Firm With Superior Importance, Which Will Continue To Exist In The Future. Following The Merger, The Buying Firm May Exist As A Separate Corporation Or Organization With Its Own Unique Identity. Merger Refers To The Merging Of Two Entities By The Sale Of Stock In Order To Form A Single Entity. A Merger Is Often Distinct From The Merger Between Two Firms That Lose Their Individual Identities And Form A New Firm Or Entity. A Merger May Take Place In One Of Two Ways: By Restructuring Or Absorption. Absorption Is The Process Of Merging Two Or More Companies Into A Single Active Entity. Except For One, All Of The Companies Would Lose Their Recognition During Absorption. Consolidation Is The Process Of Merging Two Or More Organizations Into A Single New Entity. In The Legal Sense, A Merger Is Referred To As Amalgamation In India. From The Standpoint Of A Merger, All Businesses Or Firms Are Legally Dissolved, And A New Business Concern Is Created. As A Result, The Targeted Company's Assets, Liabilities, And Equity Must Be Transferred To The Bidder Company In Exchange For Shares, Cash, Or Other Activities.

Acquisition: A Merger Is Not The Same As An Acquisition Or Takeover. In General, Acquisition Refers To The Act Of Taking Ownership Of A Piece Of Land. This Is The Acquisition Of A Majority Interest In A Company's Share Capital From Another Company Already In Existence. The Words "Takeover" And "Acquisition" Are Interchangeable. Acquisitions Are Referred To As Friendly When They Are Friendly, And Hostile Takeovers Are Referred To As Unfriendly. In Basic Terms, An Acquisition Occurs When One Company Purchases The Target Firm's Assets Or Shares.<sup>1</sup> The Acquisition Is Referred To As One Company Purchasing The Assets Of Another By The Exchange Of Cash Or Stock For The Value Of The Vendor Business. However, During The Merger Process, Two Or More Companies May Have Different Legal Entities And Be Autonomous, But There May Be A Shift In The Control Of The Firms. A Lawful And Complete Control Is Not Needed For A Takeover Or Acquisition. A Business Can Be Owned By A Company That Owns A Minority Stake In It. In Terms Of The MrtP Act, The Term "Takeover" Means That A Corporation Must Have At Least 25% Voting Rights.

### 1.3 Types Of Corporate Mergers

The Following Are The Various Forms Of Corporate Mergers:

- **Horizontal Merger:** A Merger Between Two Direct Competitors That Produce The Same Goods For The Same Market.
- **Conglomeration Merger:** Competitors From Different Sectors Come Together For A Common Goal.
- **Product-Extension Merger:** A Product-Extension Merger Occurs When Two Or More Companies Offer Goods From The Same Category.
- **Market-Extension Mergers:** When Two Companies Sell The Same Commodity In Separate Markets, It's Called A Market-Extension Merger.

Purchase Of Assets, Purchase Of Common Stock, Exchange Of Shares For Assets, And Exchange Of Shares For Shares Are All Options For Mergers.

### 1.4 Mergers And Acquisition – Pros And Cons

The Benefits And Drawbacks Of A Merger Or Acquisition Are Determined By The New Company's Short- And Long-Term Plans And Efforts. This Is Due To Factors Such As The Consumer Climate, Differences In Corporate Culture, Acquisition Costs, And Shifts In Financial Power Affecting The Captured Business. The Following Are Some Of The Benefits And Drawbacks Of Mergers And Acquisitions<sup>2</sup>:

#### 1.4.1 Advantages

- The Most Popular Reason For Businesses To Combine And Acquire Is To Increase Their Market Strength And Influence.
- Another Benefit Is Synergy, Which Is The Magical Force That Allows For Improved Value Efficiencies Of The New Company In The Form Of Returns Enrichment And Cost Savings (Richard Et

<sup>1</sup> Chandrashekar Krishnamurti & S. R. Vishwanath (2008) Mergers, Acquisitions and Corporate Restructuring, SAGE Publications India Pvt Ltd, DOI:<http://dx.doi.org/10.4135/9788178299730>

<sup>2</sup> <https://www.ukessays.com/essays/economics/advantages-and-disadvantages-of-mergers-and-acquisition-economics-essay.php>

Al, 2007). The Merger Between Two Companies, Results In Overall Cost Savings And A Strategic Advantage, Which Is Possible Due To Increased Purchasing Power And Longer Manufacturing Runs.

- Risk Reduction By Creative Financial Risk Management Approaches.
- In Order To Remain Competitive, Businesses Must Be Forced To Stay On Top Of Technical Advancements And Their Applications. A Big Corporation Can Keep Or Gain A Competitive Advantage By Acquiring A Small Business With Unique Technology.
- Tax Advantages Are The Most Significant Gain. Financial Incentives Can Prompt Mergers, And Businesses Can Make Full Use Of Tax Shelters, Increase Financial Leverage, And Take Advantage Of Alternative Tax Benefits (Hayn, 1989).

#### **1.4.2 Disadvantages**

- Apart From Staff In Leadership Roles, There Has Been A Loss Of Seasoned Workers. This Type Of Loss Invariably Results In A Loss Of Market Understanding, And On The Other Hand, It Would Be Difficult To Swap Or Substitute At A Reasonable Price.
- Employees Of The Small Combining Firm May Need Extensive Re-Skilling As A Result Of The M&A; The Company May Face Significant Difficulties As A Result Of Frictions And Internal Rivalry That May Arise Among The Combined Companies' Employees. In Certain Units, There Is Also A Possibility Of Having Excess Staff.
- Merging Two Companies That Perform Similar Tasks Can Result In Duplication And Overcapacity Within The Business, Necessitating Retrenchments.
- If The Proper Management Of Modification And The Execution Of The Merger And Acquisition Contract Are Delayed, Costs Can Rise.
- Confusion On Whether The Merger Would Be Approved By Proper Guarantees.
- In Many Cases, The Return On The Stock Of The Company That Forced Other Companies To Be Bought Out Was Less Than The Sector's Overall Return.

Mergers And Acquisitions (M&A) Limit Your Options. Shift Is Difficult If A Competitor Makes A Revolution And Can Now Sell Vital Resources That Are Of Higher Quality. The Main Difference Between The Particular Merger Worth And The Merchandising Benefit Of The Company, Which Can Be Of Greater Distinction, Is The Shift Price.

#### **1.5 Hr Issues In The Post-Merger Phase**

Cultural Differences, Which Are Often At The Heart Of The Difficulties Encountered By Merging Firms, Leadership Problems, Coping With Physiological And Psychological Effects On Individual Workers, Harmonization Of Pay Policies, Restructuring And Optimum Staffing, And Inadequate Communication Are All Likely To Occur During This Process. For A Successful Merger And Acquisition, Human Resource Techniques Must Be Identified. There Were A Specific Vision, Task, And Priorities, A Proper Business Strategy And Plan Of Action, Cultural Mapping And Involving Human Resource In Negotiation Cycles, The Development Of A New Organizational Chart, An Hr Audit With Tasks, Duties, And Skill Sets Of Staff, And The Creation Of A New Organizational Chart. The Establishment Of A Shared Corporate Culture Would Aid Workers In Working Together To Achieve The New Organization's Business Goals, As Well As Good Cooperation Between Management Levels. It Would Be Preferable To Provide A Shared Culture For The New Organization<sup>4</sup>, Involve Workers In Productive Work, Maintain Their Motivation / Engagement Levels At The Highest Possible Levels, And Eradicate The Them-Us Syndrome Among Employees By Providing Them With Appropriate Training And Growth, As Well As Individual Counselling If Necessary.<sup>3</sup>

#### **1.6 The Effects Of Organisational Mergers On Employees Behaviour**

Employees Of Merging Companies May Wonder And Worry About What, If Any, Role They Will Play In The New Corporate Structure. Employee Efficiency, Productivity, And Mood Can Be Affected By A Merger In A Variety Of Ways, Ranging From Optimism And Enthusiasm To Apprehension And Resentment. The Way Executives Interact With Workers During The Transformation Process Sets The Stage For The Modern Organizational Culture That Is Emerging.

During Mergers And Acquisitions, Workers Are Affected In Three Ways:

<sup>3</sup> Veeraselvam, M., (2014). Impact of Mergers and Acquisition in Corporate Sector: Issues in Human Resource Management, Shanlax International Journal of Commerce, 2(3), 65-71

- **Stress:** Change Is Difficult For Employees All Over The World, Particularly If They Are Not Involved In Decision-Making Processes. Mergers And Acquisitions May Have A Negative Impact On Organizational Cultures. If This Isn't Dealt With Properly, There Might Be A Ruckus That Causes Disruptions. Organizations Are Encouraged To Share As Much Information As Possible About What Is Going On And How Changes Will Affect Individual Employees.
- **Fear Of Job Loss:** When Two Or More Companies Merge, A Cultural Clash Is Inevitable. Rarely Do Two Organizations Share The Same Community. There Will Unavoidably Be Disagreement Or Tragedy On Both Sides As These Groups Get To Know Each Other. Employees May Be Concerned About Losing Their Jobs Or Openings That They Previously Had. This Fear Can Have A Negative Impact On Morale And Even Lead To Employees Leaving The Company To Look For Work Elsewhere. Organizations, As Well As Their Directors And Hr Staff, Must Recognize This And Provide Opportunities For Workers To Get To Know One Another, To Publicly Discuss Issues, And To Collaborate Toward The Development Of A New Culture That Combines The Best Of Both Worlds.<sup>4</sup>
- **Competitiveness:** When Workers Are Concerned With Their Own Professional Security, They Are More Likely To Become Noticeably Centred On Others, Which May Lead To Confrontation, If Not Outright Abuse. During Mergers And Acquisitions, Administrators And Human Resource Experts Must Be Aware Of Signs Of Negative Competition And Ensure That Employees Are Kept Informed About The Implications For Their Employment And Future Opportunities With The Company. Although Some Competition Is Beneficial, Rivalry Is Harmful When It Causes Stress And Negative Conflict Within The Organization.

## 2. Review Of Literature

**Naeemy (2020)**<sup>5</sup> Investigated The Implications Of Radical Changes In The Banking Industry Of The United Arab Emirates, Relating The Results To The Current Literature And Building On Previous Cases Addressed In Western Studies. The Study Focuses On The Psychology Of Workers Following Mergers, Their Commitment To Corporate Culture, And Their Productivity At Work. The Merger Of The Uae's Two Largest Banks, National Bank Of Abu Dhabi And First Gulf Bank, Is The Subject Of This Report. **Soundarya (2019)**<sup>6</sup> Mentioned That There Is An Expectation That When Two Companies Merge, The Combined Value Will Be Greater Than The Value Of The Two Companies Operating Separately, I.E., Synergy. Due To Increased Competition Among Corporations In Both The Domestic And Global Markets, Mergers And Acquisitions Are Gaining Traction. The Topic Of Mergers And Acquisitions, As Well As The Motivations Behind Them, Has Been Explored In This Article. Due To Issues Such As Financial, Marketing, And Operational Issues, Some Mergers And Acquisitions Fail. Mergers And Acquisitions Have Also Failed Due To Human Resource Issues In The Merged Businesses. As A Result, This Article Proposes To Address Hr Issues At Each Stage Of Merger And Acquisition, As Well As Methods For Resolving The Issues. According To **Shang And Lin (2012)**<sup>7</sup>, Various Stakeholders, Such As Ceos, Cios, Business Managers, And Customers Of The Merged Firms, Perceive The Success Of It Merger From Merging With Other Companies Differently, And Therefore The Standards Used Vary From Process Improvement To Customer Satisfaction. This Study Looked At The Effectiveness Of Post-Merger It Integration From Both A Strategic And Operational Standpoint, As Well As The Efficiency Of The Integration Using A Variety Of Market Metrics. It Is Hoped That The Resulting It Integration Calculation Would Serve As A Useful Test For Assessing It Integration After M&A Ventures.

## 3. Statement Of The Problem

It's Critical To Recognize That A Firm's Growth And Development Are Influenced By Organizational Behavioural Elements Such As Structured Organizational Structure, Internal Communication, The Presence Of Appropriate Support Structures, And Operations. Changes In Organizational Strategy, Systemic Changes, And Process Changes, It Is Noted, May Have An Effect On Overall Performance Depending On How Workers Respond To Change. Changes In Certain Conditions That An Acquisition Typically Entails Might Potentially Jeopardize Employees' Skill. Additionally, Key Employees Can Leave Following An Acquisition. The Majority

<sup>4</sup> Richards, L. (2010). The Effects of Mergers and Acquisitions on Employee Morale [online]. Available from: <http://smallbusiness.chron.com/effects-merger-acquisition-employee-morale-3196>.

<sup>5</sup> Naeemy (2020) Consequences of Mergers and Acquisitions and Their Effect on Employees: A Case Study from the Banking Industry in the UAE, Human Capital in the Middle East (pp.179-223)

<sup>6</sup> Baby soundarya, s. Moghana lavanya and s. Hemalatha (2019) Merger and Acquisition of Business Organization and its Impact on Human Resources

<sup>7</sup> Shang and Lin (2012) An examination of the success of post-merger IT integration

Of Previous Research Has Shown The Effects Of M&A On Purchasing Companies In A Variety Of Industries. Some Researchers Argue, For Example, That Post-Acquisition Integration Disrupts Existing Routines And Thus Diverts Managers' Attention Away From The Task At Hand. There Are Not Many Studies That Highlight The Effect Of The Acquired Firm's Actual Organizational Behaviour And How It Impacts Both Workers And The Company. This Paper Emphasizes On Post-Merger And Acquisition Among Manufacturing Companies And Its Impact On Organizational Behaviour.

#### 4. Scope And Significance Of The Study

There Is Fierce Competition In The Market All Over The World, And It Has Become Increasingly Difficult For Manufacturing Companies To Stay Afloat. Companies Prefer Mergers & Acquisitions In The Modern Age Because They Believe It Is The Best Way To Extend Their Company Internationally, Achieve Strength, Reduce Competition, And Increase Market Share. In Terms Of Empirical Research, There Are A Number Of Studies Related To Mergers And Acquisitions, But No Published Study That Focuses On The Various Sectors Included In This Area. As A Result, The Following Points Must Be Understood:

- The Research Would Aid The Researcher In Understanding The Effect Of Mergers And Acquisitions On Various Growing Industries.
- The Researcher Will Be Able To Determine The Effect Of Mergers And Acquisitions On The Results Of Selected Sector-Wise Companies With The Aid Of This Report.
- The Study Is Needed To Learn About The Progress Of Company Mergers And Acquisitions, As Well As The Current State And Future Prospects Of Mergers And Acquisitions, Based On Company Success Before And After Mergers.

#### 5. Objectives Of The Study

- To Determine The Factors That Affect Organizations And Employees Post-Merger And Acquisition
- To Find The Impact Of Post-Merger And Acquisition On Organizational Behaviour Among Selected Manufacturing Companies

#### 6. Research Methodology

The Research Is Mostly Observational In Nature. Secondary Data From Reputable Sources, As Well As Primary Data, Were Used In The Study Methodology. Books, Related Publications In Journals, Newspapers, Authorised Websites, And Electronic Sources Are All Used To Gather Extensive Secondary Data. The Researcher Created A Self-Structured Questionnaire With A Five-Point Likert Scale Of 1 To 5 (Where 1 Indicates Strongly Disagree And 5 Indicates Strongly Agree) For Primary Data Collection. For Data Collection In The Form Of Interviews Among The Population, About 187 Respondents Were Chosen Using A Simple Random Sampling Process. The Current Study's Target Population Consisted Of Managers And Workers From Five Combined Manufacturing Firms In India (I.E., Arcelormittal, Tata Steel-Corus, Mahindra & Mahindra- Schoneweiss, Hindalco-Novelist And Ranbaxy-Daiichi Sankyo). The Data Was Then Transferred And Analyzed With Spss Software Version 20 Using Various Statistical Methods Such As Multiple Regression And Correlation To Determine The Relationship Between The Study Variables. The Collected Data Was Analysed And The Findings Were Interpreted Using These Statistical Methods.

#### 7. Analysis

##### Multiple Regression

##### Analysis Of Overall Performance

Multiple Regression Analysis Is Concerned With The Creation Of An Effective Mathematical Expression For Determining The Values Of A Dependent Variable Based On The Independent Variable. The Dependent Variable In This Study Is Overall Performance, And The Independent Variables Are Policy Change, Structural Change And Process Change Which Are Discussed Below:

Dependent Variable : Overall Performance (Y)

Independent Variables: 1. Policy Change ( $X_1$ )  
2. Structural Change ( $X_2$ )  
3. Process Change ( $X_3$ )

Multiple R Value : 0.647

R Square Value : 0.419

F Value : 43.949

P Value : <0.000\*\*

**Table - 1: Variables In The Multiple Regression Analysis**

Variables	Unstandardized Co-Efficient	Se Of B	Standardized Co-Efficient	T Value	P Value
(Constant)	1.747	0.856		2.042	0.043
Policy Change (X <sub>1</sub> )	0.299	0.054	0.377	5.564	0.000
Structural Change (X <sub>2</sub> )	0.479	0.074	0.377	6.438	0.000
Process Change (X <sub>3</sub> )	0.096	0.065	0.101	1.486	0.139

**a. Dependent Variable: Overall Performance**

The Multiple Correlation Coefficient Of 0.647 Calculates The Degree Of Association Between Real And Expected Overall Performance Values. The Coefficient Value Of 0.647 Suggests That The Relationship Between Overall Performance And The Independent Variables Is Very High And Optimistic Since The Expected Values Are Obtained As A Linear Combination Of Policy Change (X<sub>1</sub>), Structural Change (X<sub>2</sub>) And Process Change (X<sub>3</sub>).

Thus, The Value Of R Square Is 0.419, Which Simply Implies That Policy Change (X<sub>1</sub>), Structural Change (X<sub>2</sub>) And Process Change (X<sub>3</sub>) As Independent Variables Explains Approximately 41.9 Percent Of The Variance In Overall Performance, And The R Square Value Is Significant At The 1% Stage. The Regression Equation Is  $Y = 1.747 + 0.299 X_1 + 0.479 X_2 + 0.096 X_3$  Is The Multiple Regression Equation.

**Correlation Coefficient Between Study Variables**

**Table – 2: Pearson Correlation Coefficient**

Factors	Policy Change	Structural Change	Process Change	Reaction To Change	Overall Performance
Policy Change	1	.255**	.546**	.477**	.517**
Structural Change	-	1	.249**	.426**	.487**
Process Change	-	-	1	.242**	.401**
Reaction To Change	-	-	-	1*	.701*
Overall Performance	-	-	-	-	1**

The Correlation Coefficient Between Policy Change And Structural Change Factor Is 0.255, Indicating A 25 Percent Positive Relationship Between Policy Change And Structural Change That Is Significant At The 1% Level. The Correlation Coefficient Between Structural Change And Process Change Is 0.249, Indicating A 24 Percent Positive Relationship Between Structural Change And Process Change And Is Significant At The 1% Level. The Correlation Coefficient Between Process Change And Reaction To Change Factors Is 0.242, Representing A 24% Percentage Positive Relationship Between Process Change And Reaction To Change Which Is Significant At The 1% Level. The Correlation Coefficient Between Reaction To Change And Overall

Performance Factors Is 0.701, Indicating A 70% Positive Relationship Between Reaction To Change And Overall Performance Which Is Significant At The 1% Level.

## 8. Findings

- The Multiple Regression Result Shows That The Value Of R Square Is 0.419, Which Simply Implies That Policy Change ( $X_1$ ), Structural Change ( $X_2$ ) And Process Change ( $X_3$ ) As Independent Variables Explains Approximately 41.9 Percent Of The Variance In Overall Performance, And The R Square Value Is Significant At The 1% Stage. The Regression Equation Is  $Y = 1.747 + 0.299 X_1 + 0.479 X_2 + 0.096 X_3$  Is The Multiple Regression Equation.
- Correlation Analysis Depicts That There Is Significant Relationship Between Policy Change And Structural Change, Structural Change And Process Change, Process Change And Reaction To Change Factors Finally Reaction To Change And Overall Performance.

## 9. Recommendations

- Post-Mergers And Acquisitions Have A Negative Impact On Employees, And In Order To Mitigate These Effects, An Organization Should Take Careful Measures For The Benefit Of Employees. At The Time Of M&A, The Decision Should Be Made With The Aim Of Ensuring That Company Workers Are Safe In Their Jobs And Working Environment, Avoiding Tension And Cultural Shock.
- Mergers And Acquisitions Leaders Must Not Place A Premium On Quality At The Detriment Of The Employee. To Match Workers With Efficiency, Change Management Principles Must Be Applied.
- Mergers Must Integrate The Cultural Dimensions Of Change Management Into The New Establishment To Ensure That The Human Aspects Of These Mergers Are Taken Into Account.
- Uncertainty In A New Work Culture Is A Type Of Negativity That Employees Of The Organization Must Recognize And Cope With. To Deal With This Negativity, Employees Should Engage In Various Activities That Will Help Them Maintain Their Jobs And Clarify Their Career Paths.
- M&A Has A Slow Impact On Staff, And Post-Merger And Acquisition, The Need To Stabilize Company Operations Is Critical. As A Result, The Organization Must Define The Employee Requirements For Growth And Plans So That They Can Make A Significant Contribution To The Company's Long-Term Success.
- Furthermore, During The M&A Phase, Organizations Must Ensure That Critical Elements Of The Company, Such As Employees/People, Are Not Overlooked And Receive Sufficient Consideration.

## 10. Conclusion

Financial And Physical Resources Alone Cannot Increase An Organization's Performance. Human Capital, On The Other Hand, Is One Of The Most Important Resources For A Good Merger Or Acquisition. In Terms Of Consolidation, Downsizing, Harmonization Of Remuneration Policies, Psychological And Physiological Plans, The Success Of Mergers Is Primarily Determined By How Well People Problems Have Been Discussed, Treated, And Resolved. As A Result, Human Resource Concerns Should Be Reviewed And Corrected At Each Point Of The Merger And Acquisition Process, Resulting In New Hr Techniques And Policies. As It Pertains To Job Benefits, Attendance, Fringe Benefits, Promotions, Transfers, Training, And Insurances, Hr Policies Have A Direct Effect On The Individual Employee. As A Result, A Stronger Hr Approach Leads To Greater Merger And Acquisition Performance.

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