

# **Talent Management During Mergers and Acquisitions**

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**CITATION:** Galpin, T.J., 2021. Talent Management During Mergers and Acquisitions. In Ibraiz Tarique (Ed.), *Contemporary Talent Management: A Research Companion (1<sup>st</sup> edition)*. Routledge: NY, New York.

**KEY WORDS:** Mergers, Acquisitions, Talent, Management

**ABSTRACT:** Mergers and acquisitions (M&A) continue to be a key component of companies' growth strategies. However, research continues to find that M&A have failure rates ranging anywhere from 50-90%, and talent management has been found to be a key reason for the high failure rates. This chapter addresses talent management in the M&A environment by providing a synopsis and integration of existing academic, theoretical, and practitioner literature addressing: the importance of talent management to general firm and M&A success, the scarcity of research into talent management in the M&A environment including an overview of past research and a summary of several recent studies on the topic, the complexities in the study and practice of talent management in M&A, three key components of talent management in the M&A setting (talent retention; talent engagement; and talent staffing, selection, and deselection), talent management in cross-border M&A, and proposed areas of future research.

## **Introduction**

Mergers and acquisitions (M&A) continue to be a key component of companies' growth strategies. Global deal making, although slowing slightly from the record pace of the past few years, remains strong. The doubling of cross-border transactions from 2012-2017 (Tarabrina, 2017) and more recently a number of large transactions (Fontanella-Khan, Massoudi, & Weinland, 2019) have continued to drive the current M&A wave. However, research continues to find that M&A have failure rates ranging anywhere from 50-90% (Deloitte, 2019; McMorris, 2015). For example, a KPMG study found that 83 percent of deals analyzed had not improved shareholder returns, with another study by A.T. Kearney finding that total returns on M&A were negative (Heffernan, 2012).

Moreover, talent management has been found to be a key reason for the high failure rates of M&A (Creasy, Stull, & Peck, 2010). Likewise, the importance in gaining access to management and technical talent as a deal objective has more than doubled from 15% in 2013 to 33%, yet there has been a 20% decline in achieving this goal from 36% in 2013 to 29% (PWC, 2017). Looking ahead, buyers, including both corporate and private equity, report that talent challenges will remain a significant issue in future M&A transactions, with employee retention cited as the number one perceived risk, followed by cultural fit (Financier Worldwide, 2018).

This chapter addresses talent management in the M&A environment by providing a synopsis and integration of existing academic, theoretical, and practitioner literature. The discussion begins by addressing the importance of talent management to general firm and M&A success. Then, the

scarcity of research into talent management in the M&A environment is identified and considered by presenting an overview of past research culminating with a summary of several recent studies on the topic. To explain the lack of research in the area, the complexities in the study and practice of talent management in M&A are then identified. The discussion subsequently moves to three key components of talent management in the M&A setting, prevalent across the literature on the topic: talent retention; talent engagement; and talent staffing, selection, and deselection. The chapter then addresses talent management in cross-border M&A. Finally, the chapter concludes by proposing areas of future research, along with fundamental questions that can help shape future research agendas. The reader should note that there is no one globally accepted definition of talent management (Mayo, 2018). Consequently, for the purposes of this discussion, talent management in the M&A environment is defined as – *a set of processes and programs within the combined organization, designed and implemented in order to gain, develop, and distribute talent, to achieve the strategic intentions of a merger or acquisition and contribute to the success of the combined entity.*

### **Talent management in the M&A environment – An overview of research to date**

The general literature proposes that talent management is the greatest challenge in the scope of human resources management (Tafti, Mahmoudsalehi, & Amiri, 2017; Wang & Sun, 2018), and can represent a source of sustainable competitive advantage in the dynamic and uncertain market of the twenty-first century (Cascio & Boudreau, 2016; Meyers & van Woerkom, 2014). Indeed, universally, organizations today are faced with serious questions about how to attract and retain the best talent, in order to advance organizational strategies (Taneja, Sewell, & Odom, 2015). Moreover, ensuring that suitable people, with suitable skills, are placed in suitable places and

activities within the organization is fundamental to achieving desired results (Saadat & Eskandari, 2016). Improving talent management has been found to create a more positive organizational climate consisting of higher levels of trust, cooperation and workforce engagement; improving the non-financial performance of an organization as measured by customer satisfaction and workforce engagement (de Waal, 2016). Increased non-financial performance, in turn, leads to higher financial performance by the organization. Research has revealed that companies with exemplary talent management processes experience higher returns on sales, investments, assets and equity (Kalaiselvan & Naachimuthu, 2016). Beyond the general literature, talent management has also been identified as an important factor in M&A success (Goulet & Schweiger, 2006; Nikandrou & Papalexandris, 2007; Budhwar, Varma, Katou, & Narayan, 2009; Melkonian, Monin, & Noorderhaven, 2011; Zhang et al., 2015). While important to M&A success, several authors have noted that the M&A environment intensifies a firm's typical talent management challenges (Gomes et al., 2011; Weber & Fried, 2011; Zhang et al., 2015).

#### *A scarcity of studies of talent management in M&A*

While important to M&A success, talent management in the M&A setting is a relatively new area of study. A search for the terms “mergers”, “acquisitions”, and “mergers and acquisitions”, combined with the terms “talent”, “talent management”, and “human resources” resulted in the first research studies appearing in the late 1980s. One of these studies (Bastien, 1987) appeared in *Human Resources Management*, the oldest premier scholarly publication in the HR discipline, some 26 years after it was first published in 1961; suggesting talent management in M&A was not a topic of inquiry in early HR research. The investigation focused on communications during

M&A, reporting the results of structured interviews with 21 individuals in the acquired company in three separate acquisitions (Bastien, 1987). Bastien found that three central issues existed among the study participants: personal uncertainty at levels of the organization is pervasive and must be managed through communication management; the individual and social processes of coping with this uncertainty involve sudden switches between the opposites of organization commitment or rejection, rather than gradual change from one state to another; and, culture contact and culture shock are present in M&A, and must be managed. Although Bastien acknowledges the lack of a theoretical foundation for the study, he identifies talent management as a key factor in M&A success stating, “Issues of employee motivation and retention, and communication are central aspects of the post-M&A organizational process. It is during this process that critical organizational problems arise” (Bastien, 1987: 18). A second seminal study from the same period was also identified (Schweiger, Ivancevich, & Power, 1987). The researchers conducted structured interviews with 166 employees from acquired manufacturing and service firms in four industries—energy, engineering and construction, financial services, and insurance. The participants interviewed included 35 managers and employees who were involuntarily terminated, 71 who voluntarily quit, 42 who remained in approximately the same or a better job, and 18 who were placed in a less prestigious and lower-paying position. They found that the participants repeatedly and openly discussed five areas of concern that exacerbated their sense of loss of attachment, with none of the five appearing to be more important than any other: loss of identity, lack of information and anxiety, survival becomes an obsession, lost talent, and family repercussions. The authors of this study based their inquiry on the clash of cultures theory, described as “numerous differences in how seemingly similar units from two firms are managed” (Schweiger et al., 1987: 135-136). Prior to these two studies, in his review of research

about “merging human resources” during M&A, Marks (1982) found only scattered reports on organizational and human aspects of M&A, with serious methodological flaws. He notes, “The main method used to collect data is the questionnaire...but as a whole, they have been plagued by low response rates, usage of weak measures, and a disregard for how employees below management levels experience mergers” (Marks, 1982: 42).

Other studies testing theories associated with talent management in the M&A environment appeared in the 1990s. For example, two theoretically grounded seminal studies in the area of talent management in the M&A setting focus on top management turnover (Hambrick & Cannella, 1993; Lubatkin, Schweiger, & Weber, 1999). Each of these studies based their investigation on the theory of relative standing originally introduced by Frank (1985), which suggests that acquired executives may feel, or be made to feel, a loss of status at their job after a merger or acquisition. Both studies reported a significant increase of acquired top management turnover. Lubatkin et al (1999), in their sample of 69 acquired firms, found significantly higher top management turnover rates over the first four years after the year of acquisition. Likewise, Hambrick & Cannella (1993) reported significantly higher executive turnover rates, for their sample of 97 acquired companies. Another seminal study (Weber, Shenkar, & Raveh, 1996) investigating talent management in M&A found that “high differences” in corporate culture “result in lower top management commitment to and cooperation with the acquiring top management team, and thus may be a major barrier to the harnessing of synergy through successful integration” (Weber et al., 1996: 1223). The researchers based their study on the theory of cultural distance between two firms, which purports that a need for knowledge transfer

exists on the one hand, while barriers to knowledge flow exist on the other hand (Beugelsdijk, Kostova, Kunst, Spadafora, & van Essen, 2018).

Since the initial research on the topic, a scarcity of empirical studies has been conducted to date about the interaction between the M&A process and talent management practices. Indeed, Gomes et al note that, “although human resource problems during the [M&A] process have been identified and conceptualized...there is a dearth of studies” (2013: 26). Subsequent to Gomes et al’s observation, some recent studies have been conducted examining talent management in the M&A setting, which are summarized in Table 1.

**Table 1**

Study	Summary
How communication approaches impact mergers and acquisitions outcomes (Angwin, Mellahi, Gomes, & Peter, 2016)	<ul style="list-style-type: none"> <li>• A systematic empirical study to evaluate the link between communication approaches and M&amp;A outcome.</li> <li>• Applies communication theory, and data drawn from a single clearly defined M&amp;A wave in the Nigerian banking sector, in order to relate different communication practices to M&amp;A outcomes.</li> <li>• Findings confirm the importance of communication practices in M&amp;A, extending earlier findings on the importance of post-acquisition integration communication beyond the US and European contexts and show the importance of communicating throughout the whole M&amp;A process.</li> </ul>
Linking Merger and Acquisition Strategies to Postmerger Integration: A Configurational Perspective of Human Resource Management (Brueller, Carmeli, & Markman, 2018)	<ul style="list-style-type: none"> <li>• Conceptual study identifying three generic M&amp;A strategies—annex &amp; assimilate, harvest &amp; protect, and link &amp; promote—matched with three well-known PMI outcomes (i.e., absorption,</li> </ul>

	<p>preservation, and symbiosis).</p> <ul style="list-style-type: none"> <li>• Using a configurational perspective and drawing upon ability-motivation-opportunity (AMO) theory, a conceptual framework is developed revealing why and how AMO-enhancing human resource management (HRM) practices can link M&amp;A strategies and PMI outcomes.</li> </ul>
Untangling micro-behavioral sources of failure in mergers and acquisitions: a theoretical integration and extension (Friedman, Carmeli, Tishler, & Shimizu, 2016)	<ul style="list-style-type: none"> <li>• Provides an in-depth review of mechanisms contributing to M&amp;A failure and developing a processual framework, by applying behavioral theory.</li> <li>• Argues that behavioral factors at the individual and organizational levels impede rational and effective decision-making before, during and after an acquisition.</li> <li>• Suggests that communication climate plays a vital role in facilitating effective integration and may serve as a platform to improve M&amp;A performance.</li> </ul>
Cultural influences and the mediating role of socio-cultural integration processes on the performance of cross-border mergers and acquisitions (Hajro, 2015)	<ul style="list-style-type: none"> <li>• Applies social capital theory, reporting findings from a longitudinal case study (2005–2011) of a merger between an Austrian and a German energy provider.</li> <li>• Findings suggest that the relationship between national and organizational cultural differences and M&amp;A outcomes is mediated by socio-cultural integration processes defined in terms of the formation of interpersonal relationships, trust and shared identity.</li> </ul>
Linking leaders' identity work and human resource management involvement: the case of sociocultural integration in Chinese mergers and acquisitions (Xing & Liu, 2016)	<ul style="list-style-type: none"> <li>• Examines the sociocultural integration in M&amp;A and HRM involvement in the acquisition of state-owned enterprises (SOEs) by privately owned enterprises in China using qualitative data from three M&amp;A case studies.</li> <li>• Applies identity theory to explain the influence of state-owned enterprises in private Chinese firms' M&amp;A endeavours and the role of leaders' identity work.</li> </ul>



<p>The effect of leadership style on talent retention during Merger and Acquisition integration: evidence from China (Zhang, Ahammad, Tarba, Cooper, Glaister, &amp; Wang, 2015)</p>	<ul style="list-style-type: none"> <li>• An in-depth examination of an M&amp;A case study, investigating the effect of leadership styles on talent retention strategies and on the effectiveness of post-M&amp;A integration in a Chinese context.</li> <li>• Proposes that authoritative, coaching, task-focused and relationship-focused leadership approaches each uniquely have a positive influence on talent retention and effective post-M&amp;A integration in a Chinese context.</li> </ul>
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### *Complexities in the study and practice of talent management in M&A*

The lack of empirical inquiry in the area may be due to the complexities presented by the M&A environment. The M&A setting presents significant challenges to both researchers and managers alike because the integration of two merging organizations is a multifaceted and multistage process (Zhang et al, 2015). The theoretical underpinnings of research and management difficulty in the M&A setting can be found in the concepts of social systems, complexity, and bounded rationality. Social systems theory proposes that a system (such as a business) is necessarily less complex than its environment (Valentinov & Pies, 2018) because, to operate efficiently, a system selects only a limited amount of all the information that is available outside its boundaries. The resulting “complexity differential” between a system and its environment is the defining element of all social systems (Schneider, Wickert & Marti, 2017:183). If the complexity differential becomes too large (as can often be the case in the M&A setting), a social system may no longer have sufficient information or the knowledge to process available information in order to make informed decisions (Luhmann, 1995). Likewise, with its roots in explaining natural phenomena such as the properties of molecules and the creation of biological systems, as it applies to organizations complexity theory suggests that due to the multifaceted

nature of their internal and external environments (exacerbated in the M&A setting) managers often bring their organizations to the “edge of chaos” (Grobman, 2005: 370). Similarly, originally described by Simon (1948) the theory of bounded rationality proposes that management of complex organizational environments experience limits in formulating and solving complex problems and in processing (i.e. receiving, storing, retrieving, and transmitting) information. Indeed, M&A is a task that requires management to sort, interpret, prioritize and act upon vast amounts of constantly shifting information coming from the merging organizations and their environments (Uzelac, Bauer, Matzler, & Waschak, 2016). In view of the complexity associated with the integration of two organizations, it is no shock that managers’ information gathering and processing capacities are often exceeded and the boundaries of rationality experienced. In addition to the difficulties presented to managers, it can also be argued that the fundamentals of social systems, complexity, and bounded rationality theories may also apply to research in the M&A setting, where researchers’ information gathering and processing capacities are often exceeded and the boundaries of rationality are also encountered. Consequently, researchers face a formidable challenge in attempting to collect knowledge about M&A process management in general and talent management practices in the M&A environment in particular (Weber & Fried, 2011). Due to these challenges, there are ample opportunities for further research in the area.

*Key Premise:* Due to the complexity of the M&A environment, the study and practice of talent management in the M&A setting is differentiated from the study and practice of talent management during the typical day-to-day running of a firm.

### **Three key components of talent management in the M&A setting**

Across the literature on talent management in the M&A environment, three key themes emerge:

1) talent retention is important to M&A success; 2) beyond retention, talent engagement is also crucial to M&A success; and 3) effective talent staffing, selection, and deselection is essential to M&A success.

#### *Talent retention in the M&A setting*

The resource-based view posits that the basis for competitive advantage of a firm exists primarily in the application of valuable resources uniquely available to a firm (Collis & Montgomery, 2008). Moreover, the resource-based view proposes that in order to transform a near-term advantage into a longer-term competitive advantage requires that these resources are not entirely mobile. Therefore, the resource-based view, as it relates to the M&A environment, suggests that retaining talent (i.e. individuals possessing unique outstanding skills, a high level of competence, particular abilities, strong motivation, who gain extraordinary results) can provide competitive advantage to the combined entity. Indeed, supporting the resource-based view of talent in the M&A context, talent retention during M&A has been found to positively influence the effectiveness of post-M&A integration (Zhang et al., 2015), and has a significant positive impact on deal performance (Brahma & Srivastava, 2007; Krug, 2003; Schuler & Jackson, 2001). While talent retention is important to transaction success, a survey conducted by The American Management Association found that typically 25 percent of top performing employees in an organization leave within 90 days of a major change event such as a merger or acquisition, regardless of the fact they still have a job (Withenshaw, 2003).

The reasons talent most frequently cite for leaving a newly combined organization include poor communications between management and employees of the combining firms (Angwin, Mellahi, Gomes, & Peter, 2016) and a feeling of inferiority and a loss of status on the part of acquired employees (Cannella & Hambrick, 1993). Likewise, employee intentions to leave during M&A are often based upon “relative deprivation”, defined as individuals’ feelings of resentment and dissatisfaction due to the perception that they are worse off in comparison to their previous situation before the transaction (Lee et al., 2013: 945), for example in their title, pay, and benefits. Furthermore, as previously discussed, relative standing (Frank, 1985) has also been used to explain top management turnover in the M&A environment. To address these deficiencies, managers in charge of an M&A process can provide clear and regular communication. Management can also establish mechanisms to promote a feeling of importance and status among acquired employees and management such as appointing acquired talent to the management team of the new entity or involving various acquired talent in the integration decision-making process. Likewise, management can ensure that identified talent are no worse off in their title, pay, and benefits compared to their previous situation. Moreover, studies have found that employees experience an unstable period during post-M&A integration and leave the company because of uncertainty, which may decrease the value of the newly merged company (Gomes et al. 2011; Schuler, Tarique & Jackson 2004). Consequently, management can focus on lessening uncertainty by clearly communicating integration priorities and progress, or by accelerating the post-M&A integration period to shorten the period of uncertainty.

Key Premise: Retaining talented individuals during the M&A process provides competitive advantage to the combined entity.

### *Talent engagement in the M&A setting*

Early research in the area of talent management during M&A identified that simply keeping key talent from leaving the newly combined company is not enough. Managers need to make a concerted effort during the M&A process to regain the commitment of key individuals to their work and to the overall success of the new organization, in short, to *re-engage* them (Bastien, 1987; Weber et al., 1996). Although retention and engagement are recognized as being related, they have been identified as separate constructs (Bhatnagar, 2007; Frank, Finnegan, & Taylor, 2004; Jacob, Bond, & Galinsky, 2008). Employee retention is related to employer efforts to keep desirable workers in order to meet business objectives. Engagement, on the other hand, goes beyond simply retaining employees; it fosters employee interest and enthusiasm for work, so that people bring discretionary effort, which can include extra time and energy (Frank, et al., 2004). In a formative paper, Kahn (1990) defined employee engagement as the degree to which individuals invest their physical, cognitive, and emotional energies into their role performance. According to Kahn, engaged individuals are psychologically present, attentive, connected, integrated, and focused in their role performances. More contemporary definitions offer similar descriptions of employee engagement (see for example Ababneh & Macky, 2015; Mackay, Allen, & Landis, 2017; and Megha, 2016).

Talent engagement has been found to be vital to the success of M&A in that it has a significant relationship with productivity, profitability, safety, and customer satisfaction (Bhuvanaiah & Raya, 2014, Fernandez & Jomon, 2016; Gupta & Sharma, 2016; Kumar & Pansari, 2016). Furthermore, commitment to the newly formed organization is often slow to develop (Love, 2009; Schweiger & DeNisi, 1991; Ulrich, Cody, LaFasto, & Rucci, 1989).

A key framework that can be applied to increase talent engagement in the M&A environment is Ability – Motivation – Opportunity (AMO). The AMO theory is assembled from basic concepts of psychology, where ability is comprised of the skills and capabilities necessary to the performance of a behavior; motivation is the drive toward a behavior; and opportunity is the contextual and situational characteristics pertinent to the performance of the behavior. The relationships in the AMO framework are hypothesized as motivation being a direct influence upon behavior, which is moderated by both ability and opportunity (Chin, Yean, & Yahya, 2017). In the M&A context, AMO suggests that managers could implement incentives to inspire motivation, provide training to newly acquired talent to enhance ability, and present opportunities for talented individuals to participate in the M&A planning and integration process. Finally, it has been suggested that astute managers employ tactics customized to fit the needs of the individual talent they seek to engage (Brittain, 2007).

Key Premise: Engaging talented individuals during the M&A process provides competitive advantage to the combined entity.

#### *Talent staffing, selection, and deselection in the M&A setting*

Talent staffing, selection, and deselection (SSD) in the M&A setting ensures that suitable people, with suitable skills, are placed in suitable places and activities within the organization to achieve desired results (Saadat & Eskandari, 2016). However, a survey of 74 managers and executives from 23 different industries found that 78% of respondents considered themselves to be very poor, poor or average at using an objective, well-managed process to decide and implement

organization SSD during a merger or acquisition (Galpin & Herndon, 2014). Furthermore, research has found that poorly implemented SSD in the M&A setting to be costly in terms of the loss of institutional knowledge, a reduction in productivity, and lower profitability (Abor, Graham, & Yawson, 2011; Goergen, O'Sullivan, & Wood, 2014).

Several theories apply to the SSD issues encountered in the M&A environment. First, is the conception that SSD should support the intended business strategy of the combined company (Kalaiselvan & Naachimuthu, 2016). Second, is the notion that core business competencies, defined as a combination of resources and skills that distinguish a firm in the marketplace, should be used to identify required workforce competencies (Pick & Uhles, 2012; Prahalad & Hamel, 1990). Third, is organizational justice (Karam et al, 2019), defined as an individual's perceptions of management action or decisions as being fair or unfair (such as management's SSD actions and decisions in the M&A setting), which can in turn negatively or positively influence the individual's subsequent attitudes and behaviors. Finally, the concept of survivor syndrome purports that how staff reductions are handled is important to maintaining organizational productivity (Clemens, 2009; Hickey, 2001; Leana & Feldman, 1989). When people are let go from an organization, the employees that remain are just as attentive to how the process of separation is being handled, as are the exiting employees. The people remaining in the organization – known as survivors – view the handling of separations as a clear indicator of the value a firm places on its workforce. This has a direct effect on their continued motivation, attitude, loyalty, and commitment to the new organization and its management (Marks & Vansteenkiste, 2008; Ryan, 1989).

Key Premise: Effective talent staffing, selection, and deselection during the M&A process provide competitive advantage to the combined entity.

### **Talent management in cross-border M&A**

A number of researchers have noted that cross-border M&A add even more complexity to the talent management aspects of transactions (Gomes et al. 2013; Pathak, 2016; Stahl et al., 2013; Weber et al., 1996). While there is a paucity of studies investigating talent management in the M&A setting, talent management in cross-border M&A has been examined even less. The studies that have been conducted provide conflicting results (Marks & Mirvis, 2011).

On the one hand, cross-cultural differences have been identified as a key hurdle in cross-border M&A. With the theory of cultural distance as a foundation for explaining the issues presented by cross-border cultural differences, Weber et al. (1996) found that differences in corporate culture resulted in lower top management commitment to and cooperation with the acquiring top management team. Likewise, in their study of cultural differences for cross-border acquisitions of Eastern-European targets, Bauer, Matzler, & Wolf (2016) found that human integration had a negative effect on innovation outcomes. However, other studies, have found that differences in national cultures between parent and target firms can have a positive effect on product synergies and sales growth (Morosini, Shane, & Singh, 1998) as well as on reducing employee resistance (Larsson & Finkelstein, 1999). Likewise, Ahammad & Glaister (2011) found limited support for the views that employee retention positively influences and organizational cultural differences negatively influence cross-border acquisition performance. The rationale behind these results may be that cross-border combinations are successful, despite their complexity, because the



integration challenges are more obvious, provoking leaders to pay closer attention throughout the integration process (Stahl, Pucil, Evans, & Mendhall, 2005). Clearly, more research needs to be done on talent management in cross-border M&A settings.

Key Premise: Research on talent management in cross-border M&A is inconclusive.

### **Suggestions for future research in M&A talent management**

Four core themes found in the extant academic, theoretical and practitioner literature offer abundant opportunities for future research into talent management in the M&A setting. The first is talent retention during M&A. Theories to underpin future examination in this area include: the resource-based view, relative deprivation, and relative standing. Potential future research questions to study this topic include: Which tactics have the most positive or negative impact on talent retention within the M&A environment? What information do managers need to make effective talent retention decisions during M&A? What differentiates effective from ineffective talent retention during M&A?

Building on talent retention, another key area of inquiry is talent engagement during M&A. A key theory to support this inquiry is the Ability – Motivation – Opportunity (AMO) framework. Prospective future research questions to assess talent engagement in M&A include: Which tactics have the most positive or negative impact on talent engagement within the M&A environment? What information do managers need to make effective talent engagement decisions during M&A? What differentiates effective from ineffective talent engagement during

M&A? Should talent engagement tactics during M&A be customized to fit the needs of individual talent?

A third area in need of further study is talent staffing, selection, and deselection (SSD) during M&A. Theories to support this investigation include: core competencies, organizational justice and the survivor syndrome. Potential future research questions to evaluate SSD in M&A include: Do firms' approach SSD during M&A differently from deal to deal, based on the strategic intent of each transaction? Do management base their M&A SSD decisions on the core business and workforce competencies needed in the combined firm? Which tactics have the most positive or negative impact on employee perceptions of organizational justice within the M&A environment? Which tactics have the most positive or negative impact on the survivor syndrome within the M&A environment? What information do managers need to make effective SSD decisions within the M&A environment? What differentiates effective from ineffective SSD during M&A?

Finally, a fourth area requiring further investigation is cross-border talent management during M&A. A key theory to support this inquiry is cultural distance. Possible future research questions to evaluate cross-border talent management in M&A include: Do firms' approach talent management during cross-border M&A differently from domestic M&A? If so, how do domestic and international talent management practices during M&A differ? Which tactics have the most positive or negative impact on talent management in the cross-border M&A environment?

## Summary

Support for the value of effective talent management in the general firm environment appears widespread. Although some evidence exists to reinforce the benefit of effective talent management in the M&A environment, it is inadequate. Moreover, existing evidence is even less sufficient in cross-border M&A settings. It is clear, then that talent management in M&A is a relatively new and under-examined area, creating ample opportunities for further research.

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