

Foreword

Mergers & Acquisitions (M&A) has almost become an emotive phrase in academic research and business practice in recent years, especially due to the large number of studies that report on their failure. One of the most prominent reasons for the low success rate of M&A transactions is the insufficient involvement of employees in such transactions. Although in recent years human resource issues have increasingly been addressed in M&A due diligence, the specific employee competence requirements that ensue from M&A transactions have to date hardly been investigated in academic research and business practice.

Daniela Peterhoff develops a concept for Human Resource Due Diligence (HRDD) in M&A that addresses the context-specific employee competence requirements resulting from such transactions. In developing her concept, the author presents a three step HRDD process. In step one she develops focus areas for HRDD based on the objectives underlying an M&A transaction. The second step shows how the HRDD information identified as relevant in step one can be generated. The author develops indicators to break down employee competences, and identifies valuation tools through which these indicators can be assessed. In the third and final step, she compiles the HRDD information generated in step two based on controlling ratios and human resource portfolios.

An expert survey carried out with both company representatives and consultants in the context of this thesis shows that practical HRDD still seems to be very much focused on past and present human resource information. Competence assessments have so far rarely been included in HRDD, but according to the majority of the practitioners interviewed, they should be in the future, in order to determine M&A specific human resource requirements. Two case studies at the end of the thesis show how the HRDD concept developed in this study can be applied to business practice. These case studies underline the fact that the specific human resource requirements of an M&A transaction determine the focus areas for HRDD and, as a consequence, the choice of indicators, tools, controlling ratios as well as the design of human resource portfolios.

This thesis presents a major contribution to ongoing research on human resource issues within the context of M&A transactions. It provides professionals intending to conduct a future-oriented HRDD in the course of an M&A transaction with a valuable concept. Still, whilst being of use for business practice, the concept is general enough to be adapted to the specific M&A context in which it is applied.

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