Human Resource Management on Enterprise Merger

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Abstract
In our country enterprise merger, people often concern in factors such as consideration fund, debt, fixed assets and so on. The human resources factor considered little. This article has analyzed human resource management on enterprise merger in the overseas enterprise, pointed out the domestic enterprise’s erroneous zone on enterprise merger and proposed the corresponding improvement measure.

Key Words enterprise merger, human resource management

1 Introduction
Enterprise merger is an important expanding the scale and enhancing competition strength method. In our country enterprise merger, people often concern in factors such as Tax burden, capital stock, goods in stock, machine equipment, soft property, not full estimate debt and so on. The human resources factor considered little. Actually, the enterprise only then strengthen the human resource conformity, they have the possibility to be successful in particular.

Text
Enterprise merger is an important expanding the scale and enhancing competition strength method. If the enterprise stems from the market behavior completely, the goal of merger is realization wealth and the value increase through the coordination effect. The so-called coordination effect is the 1+1>2 effect which is usually said, after merger the enterprise to produce management the overall benefit to be bigger than the sum of the effect of two independent enterprises. In our country enterprise merger, people often concern in factors such as Tax burden, capital stock, goods in stock, machine equipment, soft property, not full estimate debt and so on. In fact, the human capital may create the income, the profit and the stable cash class, but the hard property cannot actually. In other words, these are recorded the property in the property debt table has the depreciation trend, but human capital—although is not recorded as the property—tends to actually in the increment or leaves the enterprise.

2 Erroneous zone and corresponding improvement measure in our country
2.1 Only pays great attention to the property finance conformity not to pay great attention to the human resources conformity
In our country, in the enterprise merger process, the purchase side often pays more attention to the aspect of property, finance, sale, production factor, but has neglected the both sides of human resources effective conformity. In fact, to reserve the outstanding talented person and maintain their enthusiasm and the professional spirit, will cause the bilateral personnel closely to coordinate, to enable the human capital to be possible to create the income, the profit and the stable cash flow. That is the key to the successful merger.

According to P·Pritchett and D·Robinson's investigation, in the first year of merger, some 47% management personnel will resign, in three years, 72% of these people will finally leave, in the remained human, will have many people no longer to be earnestly works. By now, purchaser often spends the massive time and the energy to seek the substitution person. But at present seek a new person in the employment advertise which has the correlate experience is not an easy matter, the enterprise's benefit have the possibility to drop during the accommodate period. Moreover, the personnel can carries off the technology and the customer, even has the possibility strengthens the competitor the strength. Therefore, it’s very important to effectively merge the bilateral human resources. If you neglect this
2.2 Have no cultural compatible investigation before the merger

When many companies seek the goal enterprise which they want to buy, mainly from aspect such as investment environment, company scale, industrial scope, finance, technology, but they often neglected the bilateral cultural compatibility. Objectively speaking, the cultural difference usually has the extremely important influence to the transaction conformity, but few constitute "the severance enterprise operation factor" in some situations or have the influence to the price. In these situations, if the cultural element becomes stops the transaction the determining factor, then usually is between the high level leaders not the accommodating result, or indicated huge difference in system in moral values. US manages Master Drukker point out that, is same with all successes multiplex management, a successful merger needs a common unity core, must have "the common culture" or has "in the cultural cause" at least. Coopers & Lybrand (1,992) has studied 100 failed merged companies; they discovered that 85% chief executive officers to acknowledge that the main reason of failure is the difference of culture and style.

In view of the fact that the cultural compatibility play a successful significance to merged enterprises, it is necessary to seek in the process in the goal company carries on the investigation, the analysis and the appraisal to the candidate company and parent company's cultural compatibility. And then after the bilateral culture fusion situation to carry on the judgment, finally makes whether carries on the decision-making which and buys, like this may reduce the risk greatly.

2.3 Only depends on the merged company's achievement to decide its high level manager's remove or retain

In the process of merger, it’s very common to decided the high level manager’s remove or retain only depends on the merged enterprise’s achievement. But this is actually wrong. Merged enterprises’ good finance performance has the possibility of economic environment. They should consider that at economic environment not booming time whether does he cause the enterprise to display good, and after merger he whether does the enterprise well. The merged enterprises’ good achievement is possible the existing leader’s short-term behavior result. If reduce the research and develop expense, staff's training expense, it might cause the company short-term financial report form to be more attractive, but it will be seriously harm to the company’s actually the development potential; Many enterprises’ outstanding achievement perhaps attribute to the environment lacking competition. This cannot attribute to the business management personnel's ability, cannot attribute to the head of undertaking management level like the present our country's some monopoly professions good achievements to the same; Some data are possibly false.

Therefore, only according to merged enterprise’s achievement to judge its management's ability has very many flaws. We should carry on a comprehensive appraisal to them, and then determined if we can let them continue to hold the enterprise's high level manager.

2.4 lacking the systemic plan to appraise and detain the administrative personnel

Besides the high level management, other administrative personnel and the technical personnel is the important human resources similarly. They should be positively detained. In fact, in many merger processes, the merge sides pay more attention to them in order to retain them, but the buyers' side didn’t carry on the systemic appraisal. They also didn’t formulate a comprehensively detaining plan. They just rely on the owners or the high level manager's evaluation to appraise managers, such as exterior organization of consultation specialist's opinion, and buyers’ side management level to their impression. The buyers’ sides draw a conclusion which who is good who to bad, and according to the above make some surfacing but systematically detaining measure. In fact, using any kind of these three aspects opinion to appraise personnel is wrong. According to an integrative material about the communication, the humanities concern, the salary drove to formulate a comprehensive talented person’s detaining plan, only then has the possibility to retain them and maintains their enthusiasm and the professional spirit.

2.5 The misunderstanding for definition of reducing objective staff

The dismissed objects in the merged enterprise mainly include four sorts of staffs: opposite factions
and intentional obstructionists, the same functional staffs who need to be removed, personnel who don’t fulfill the responsibility and superfluous personnel. The new integrated enterprise should determine the dismissed objects reasonably, and then carry on reduction of staff according to the enterprise’s concrete situation after the merger. However in many merger processes of our country enterprises, some unreasonable standards of staff reduction are often adopted so that many talented employees who is necessary for the enterprise are dismissed. On the contrary, some mediocre staffs are still remained, some of them are even harmful for the development of enterprise. Even worse in some companies, the age is regarded as the standard, who is above the age will be dismissed directly, as a result, the enterprise has to suffer the extremely negative effects.

2.6 The misunderstanding for management in the practical process of staff reduction

To reduce the employees can bring about more benefit for the enterprise. In the real process of staff reduction, the supervisory works is close related to efficiency of remained staffs. Because only when remained staff still trusts and is loyal to the enterprise, when still maintains the high enthusiasm and the professional spirit, after merger, enterprise's benefit only than possibly to enhance, the goal which reduces staff only then has the possibility to achieve. Therefore, the aspects below have to be paid attention in staff reduction:

Besides the opposite faction and the intentional obstructionists must be removed firmly, regarding other staffs’ reduction is an extremely thorny question in fact. Leader group must use training as far as possible, is transferred to another post and so on to arrange the reduced staff. If they cannot solve in the question situation in these substitution methods, to reduce staff cannot be considered as well. Communication in the reduce staff process also should be paid attention, the reason to reduce and standard of object selection should be told staffs so that the dismissed object can be selected fairly and transpacificus. Mangers may consider through the establishment if interior labor force market, carries on the internal employment advertise. These measures will respond to a call for recruits not to carry on as the reduction object way, such staff will be able to think the entire process will be fair. Company should provides help for employees by reduction to find job again, includes the employment training plan and provides employment information and so on; According to the legal stipulation, for the staff who is dismissed, the company should provide proper compensation. In this aspect, the company should be mean spirited, generously. Such methods will influence the loyalty of remained staff in positive way.

However, these aspects are often ignored in our country’s enterprise’s merger process. As a result, reduced staffs feel angry, and remained ones feel disappointed as well. Meanwhile, the staffs to enterprise's loyalty drop and the efficiency decrease. Some enterprise and reduced staff even step into the court because the disagreement of compensation, which will damage the enterprise’s prestige seriously.

2.7 Promotes the bilateral fusion by the slow integration

At present many enterprises adopt the quite slow conformity method in their merger. The merger managerial group hopes to spend some time to understand administrative personnel and technical personnel's ability, potential, management style, disposition which and buys the company and so on. By such way, it is benefit to rearrange the personnel after merger, at the same time; the staff of original gets an opportunity to show them. Based on such consideration, the purchasers frequently except in starts to adopt 1 or 2 adjustments measures, as far as possible maintains the manner which one kind does not intervene in the other part of merger process.

This method seems very good, but there is a big problem. First of all, in this slow familiar process, there are some possibility to occurs the error which the wrong decision and originally may avoid, after causes " and buys the possibility increase which decline " occurs, the degree is more serious. On the other hand, after the news of merger announced, the merged company will appear a great confusion, the staff generally exists the huge pressure, their work enthusiasm and the professional spirit will reduce, the work benefit also have a drop. While worrying about their own future, the staff also anticipated company will have the significant transformation, and they expect that kind of resolute transformation. Therefore, the fast conformity not only from the service aspect but also from the human resources
conformity have more advantageous than the slow speed conformity.

3 Human resources and its inspires of merger in developed country enterprise
As a representative, enterprise merger in USA has developed nearly one hundred years, now has become the fifth stage. The enterprise merger displays many distinct characteristics: the scale of domestic and international enterprise merger is enlarging increasingly, and mergers mainly occur in the colleague industry, which is in one kind of strategic strengthened union and the supplement of superiority. So the influence brought by such mergers is extremely profound.

3.1 The management of manpower became the pivot of enterprise merger
One authoritative survey demonstrates, 75% of senior managers from Brazil, China, Hong Kong, Philippine, Singapore, Korea and USA agree that the pivotal point of merger between enterprises is to keep talented person after mergers.

Joseph Caratlick point out that to discover the fatal flaw in the investigation of objective enterprise is the primary and also most important step to avoid the failure of merger, which includes the investigation of interior and the exterior fatal flaw. The internal fatal flaw mainly has: (1) the drains or soon drains of the enterprise core personnel, (2) one either more main clients recently drained or soon drain, (3) financial crisis faced before long by the enterprise. He considers the losses of manpower as the enterprise interior most fatal flaw in the process of merger. As a result, the loss of clients is brought by the manpower losses in some way. It is well known, the market competition in the final analysis is competition of talented person. Human resource, especially the outstanding talented person, is the enterprise's intangible asset and the precious wealth. The enterprise which has the excellent personnel will be able to grasp the untouched priceless wealth so that it can occupy the market firstly and win the initiative in the harsh market competition. Therefore, the basis of running a enterprise successfully is to firmly keep and unceasingly attract the outstanding talented person, so certainly it cannot be the exception in the merger as well. If the core personnel leave the objective company after the merger, then the enterprise can obtain merely the hard property fixed asset through merger. One entrepreneur said that after merger by this way, the enterprise only achieve the pork but is not pig itself.

3.2 In the enterprise merger the nature and the quantity of the human resource all changes dramatically
Firstly, it is not in the original company interior, the management rules and style can be changed so that the original personnel is able to play a better role. Although the quantity of people doesn’t change, the quality has been improved, which is to excavate the original manpower own potential. Meanwhile if it is also not the management of new personnel, the key point is to make new personnel adapt enterprise’s management rules and style as soon as possible, then melt into the new enterprise culture. Manpower changed in quantity, but the manpower capital management interior doesn’t change at all, which is the integration of new human resource. However in the enterprise merger, not only the quantity of personnel has obvious changes whichever method the merger adopt, but the quality of personnel also change dramatically, which is because the people n the new integrated union come from different enterprise culture and background. Once the come together, they have to face the completely different management mechanism and management system, and due to the different enterprise culture they need to pass through the unceasing collision and mutually wears in. As a result, the management difficulty on the other hand increased sharply.

3.3 The new personnel management just starts after the completion of enterprise merger
Regardless of merger in the process maintains the original company the operation, or takes over control or the merge is purchased the company, or establishes the new company, must cause and buy activity truly has coordination effect and conformity effect, all needs to establish the unified business management system and the outstanding enterprise culture atmosphere. Even if the talented person can be kept, it doesn’t mean that the original culture of merged enterprise and the management system and so on are approved by the new enterprise's staff. Whether they accept or not adapt and obey original
and merged enterprise’s culture and the management pattern is the key which the coordination effect could produce in the merger. Analyzed in some way, the new manpower management actually only then just started after the enterprise complete the merger. After that, manpower capital management duty lie in through the establishment effective drive and the restraint mechanism, causes the new enterprise culture as soon as possible to melt into to inside the new staff's motion.

In the concrete implementation, and managers in the enterprise merger should adopt the scientific procedure in the selection of employment and new staff. Perhaps merger means the enterprise is seeking positively the opportunity by which the service development and the scale expand can be realized. So that the enterprise can improve its own quality, enhance the operation efficiency; promote it in our country and even in the global scope core competitive ability. Thus enterprise is able to handle the stern challenge effectively which brought by the technological progresses and the economical globalization, which indicates the enterprise will enter one new fast growth time. But this is only the superficial phenomenon. Whether the positive influence can be achieved after the merger depending on the overall effect, also called coordination effect. In particular and merger will causes the integration of manpower capital, whether it can promote the manpower capital reasonable effective disposition and the optimized combination, so as to enhance the manpower capital the disposition efficiency, which is the pivotal indicator to point out the success of merger or not.

3 Conclusions
This article elaborated the erroneous zone which is in the process of human resources exists in our country enterprise merger, the essence of modern enterprise competition is talented person's competition, the talent person is enterprise's important resources, especially administrative personnel, technical personnel and skilled worker. In the enterprise merger, how the conformity does well is the most important topic which the enterprise must solve.

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