Developing an Organization Development Theoretical Lens in Mergers and Acquisitions

Mychal Coleman  
The University of St. Thomas, USA  
Gary N. McLean  
The University of Minnesota, USA

There is a lack of congruency within the academic field with regard to determining what defines a successful merger or acquisition (M&A). This divergent dilemma is explored, resulting in a theoretical position in which OD perspectives are embraced. The article entails three sections: a review of the literature on the many approaches to defining a successful merger or acquisition, ways in which OD may support and reconcile divergent theoretical perspectives, and an Organization Development theoretical perspective and model that defines M&A success.

Keywords: Mergers & Acquisitions, Strategic HR and Organization Development.

When academics and theorists explore mergers and acquisitions (M&As), they are usually faced with the need to determine what makes for a successful outcome. There are, however, numerous theoretical lenses, perspectives, approaches, and terminologies associated with M&As, each staking out differing criteria for defining success and failure. Gaughan (2005) suggested that, in order to conduct such research, researchers must first agree on the criteria for defining M&A success.

Statement of the Problem

There are many theoretical perspectives informed by different academic disciplines providing definitions of a successful M&A. Although these perspectives have similarities, there are also differences in terminology and conflict over the constructs that are applicable. Moreover, the predominant approach has been reductionist, in which attempts to determine success or failure focus primarily on the acquisition phase while neglecting the other phases. This fragmentation is problematic, creating a number of barriers in studying M&As. From a disciplinary perspective, when researchers in one area (e.g., strategic management) claim success, it is possible for researchers in another area (e.g., finance) to claim failure in the same acquisition (Larssen & Finkelstein, 1999). There is also no apparent standard terminology; what some may call human integration (Birkinshaw, Bresman, & Harkanson, 2000), others may call cultural integration (Cartwright & Cooper, 1993).

Short-term and long-term approaches offer little in the way of determining success and failure. Each perspective tends to measure success and failure ex post facto, meaning that there is little the acquirer can do to make adjustments in real time. Further, there appear not to be linkages between perspectives. Consequently, each analytical approach, taken alone, falls short in outlining an intervention for change or offering support for practitioners. The finance and economic perspectives overlook the human resource perspective, apparently ignoring the contributions to be made by organization development on M&As.

This paper, then, explores the organization development (OD) perspective and suggests that not only can it enhance the other theoretical perspectives by serving as a connector between them, but it can also offer interventions and possible solutions to be considered by both the academic community and the M&A practitioner.

Literature Review

To address the problem statement, this literature review summarizes the literature exploring theoretical approaches to defining success in M&As. Literature attempting to synthesis these approaches will also be explored.

Copyright © 2007 Mychal Coleman & Gary N. McLean
M & A Waves: Short-Term and Long-Term Approaches to Assessing M & A Success

Gaughan (2005) proposed that academics examine whether acquisitions are successful or unsuccessful from either a short-term or a long-term approach. In this approach, M&As are explored in time sequence from when the deal was announced to when the deal was completed. Studies within the short-term approach tend to focus on the narrow time frame around events that encompass analyzing stock prices of the acquiring firm before and after a given acquisition. Theorists may also examine the movement of the markets after the deal. Academics who advocate the long-term approach evaluate the performance of deals over a longer period and determine whether M&As create value during and after post integration. Value in the long-term approach is seen in synergies, market shares, and strategic positioning (Gaughan, 2005; Hitt, Harrison, Ireland, & Best, 1998).

These theorists are also said to study M&As in cycles or waves (Andrade & Stafford, 2004; Gaughan, 2005). Some volumes of M&A activity always exist, but there are periods when a very high volume of deals is followed by a period of lower volume (Gaughan, 2005). Attempts have been made to understand why M&As cluster over time by economic cycles and by industries. They have argued that understanding these trends can create overall themes and may unveil why mergers occur. Whether these themes are efficiency-related, economies of scale, synergies, recession, intense competition, or the creation of market power, all appear to be relevant to certain decades and time periods.

Theoretical Lenses for Assessing the Success of Mergers and Acquisitions

Birkinshaw, Bresman, and Hakanson (2000) posited four schools of thought by which academics from several disciplines have created their own theoretical roots, objectives, functions, and central hypotheses regarding the success of M&As: capital markets, strategic management, organizational behavior, and process perspectives. The financial, economics, or capital markets discipline is usually associated with the short-term approach and focuses on wealth creation. Researchers in this area analyze such criteria as stock price returns, takeover premiums, and market movement after the event announcement. The strategic management school examines mergers and acquisitions by analyzing the gains in economies of scale, scope, and market dominance within the industry that will, in turn, lead to superior performance. The strategic management school is associated with both short- and long-term approaches as assessment can be made at both the strategic decision point and the post-merger or acquisition performance of the decision. The organizational behavior school is a long-term approach and examines the human side of mergers and acquisitions. The recurring theme in the organizational behavior school is that professionals intent on capturing financial goals often neglect cultural integration. Success within the organization behavior strand depends on cultural due diligence and whether cultural fit between both organizations has been achieved. The process perspective focuses on the creation of value in the post acquisition integration process. Success in this area largely depends on creating best practices, innovative processes, and clear synergies through the combination and melting of both organizations’ processes. Both organization behavior and the process perspectives can be associated with the long-term approach because of the lengthy time required to achieve success.

Larssen and Finkelstein (1999), on the other hand, argued that M&As have been studied through five theoretical lenses: strategic management, economics, finance, organizational, and human resource management. Similar to Birkinshaw et al. (2000), Larssen and Finkelstein (1999) concurred that theorists examine M&As from a strategic management, finance, and organizational behavior perspective. At the same time, they diverge from Birkinshaw et al. (2000) in several key areas. First, Larssen and Finkelstein (1999) argued that researchers examine M & A success from both a financial and economic theoretical lens instead of just a capital markets perspective. Second, they added a human resources lens. In the view of Larssen and Finkelstein (1999), researchers studying M&A success with the financial lens, study stock market movement from announcement and day one events similar to the capital market perspective (Birkinshaw et al., 2000). The added economic lens examines such factors as the success of economies of scale achieved by the combination. Both research groups find convergence within strategic management and organizational behavior. Larssen and Finkelstein (1999) argued that researchers within the strategic management approach examine M&As as a method of
diversification focusing on both the motives for different types of combinations and the performance effects of those types of combinations. Similar to Birkinshaw et al.'s (2000) perspective on organization behavior, Larssen and Finkelstein (1999) suggested that the organizational lens examines the post-acquisition process by highlighting cultural clashes and conflict resolution. Finally, human resources management theorists study the psychological issues in M&As, including the effective use of communication and how M&As affect careers, compensation, and laws governing the employment contract. Table 1 illustrates the numerous theoretical perspectives put forth by theorists from several academic disciplines.

Table 1

<table>
<thead>
<tr>
<th>Lens</th>
<th>Short-Term: Capital Market Perspective</th>
<th>Short- and Long-Term: Strategic Management Perspective</th>
<th>Long-Term: Organization Behavior Perspective</th>
<th>Long-Term: Process Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Management Behavior</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Organization Behavior</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resources</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Not all perspectives connect across both long-term and short-term approaches. Although the financial or capital markets perspective analyzes whether the acquiring firm’s stock increases once the announcement is made, it is not applicable to what may occur within the long-term approach. The economic perspective can be analyzed with both the long-term and short-term approach; however, it is only useful within the capital markets and financial perspectives. The economic perspective has no utility within the organizational behavior or human resources perspectives.

It can also be observed that each perspective makes inquiries through a reductionist lens, conducting research in parts and not examining the acquisition as a whole (Cummings & Worley, 2001; Gaughan, 2006; Schmidt, 2002). These myopic views limit applicability across perspectives and account for why one academic perspective can judge an M&A as a success, while another perspective can deem the same merger as a failure (Larssen & Finkelstein, 1999). This reasoning is incongruent with the possibility that, if the capital markets or financial approach concluded that an acquisition failed because of a loss of shareholders’ wealth (stock), this same merger cannot be turned around because of superior strategic management or the creation of unique processes that produce a competitive advantage in the long term. What is missing from these perspectives is a connection between perspectives, a connection that allows all of the theoretical strands to become reconciled.

Reconciling the Divergent Theoretical Perspectives through Organization Development

Although researchers in finance, economics, organizational behavior, and strategic management have made profound strides in advancing the literature and developing new knowledge within the study of M&As, there are several limitations within these theoretical strands. Further, academics have tended to overlook the field of organization development. This oversight has limited the possible integration of the theoretical strands so that a broader array of perspectives can account for the success or failure of M&As. This section will examine the shortcomings within the current perspectives and how the theoretical nature of organization development can reconcile the long-term and short-term approaches and the relevant theoretical perspectives.
As referenced earlier, scholars have analytically researched the M&A phenomenon through a reductionist lens, thereby reducing the process into parts, stages, processes, or life cycles (Cummings & Worley, 2001; Gaughan, 2006; Schmidt, 2002). Cummings and Worley (2001) suggested that there are three phases: pre-combination, legal combination, and operational combination. The pre-combination phase consists of the selection of a target firm, developing the M&A team, and performing due diligence. The legal combination involves both the legal and financial aspects of the transaction. The operational phase involves day 1 activities, as well as operational, technical, and cultural integration.

Schmidt (2002) argued that the M&A process is similar to a life cycle and consists of a pre-deal stage, the due-diligence stage, the integration planning stage, and the implementation stage. In Schmidt's (2002) version, the pre-deal stage consists of selecting a suitable target, developing a growth strategy, and creating an action plan for executing the deal. The due diligence stage begins after an offer is made, and both the acquirer and the target begin an extensive audit of each other. The integration stage consists of developing plans to merge both firms into one entity. The implementation phase requires the execution of the integration plan. Within these fragmented M&A processes, academics have positioned their theoretical perspectives. Notice how these M&A processes support the short-term and long-term approaches posited by Gaughan (2005). Each of the five perspectives can also appear inside one or two of the stages.

Examining the M&A process in analytical parts instead of as a whole enables academic researchers to stake out claims within their own discipline (Andrade & Stafford, 2004; Birkinshaw et al., 2000; Gaughan, 2005; Larssen & Finkelstein, 1999). For example, the short-term approach or the finance perspective must be researched after the day 1 activities and before the integration stage (Cummings & Worley, 2001). The organization behavior, human resources, and process perspectives must be examined within the integration and implementation phase. Subsequently, each strand cannot account for each other's cause for failure or success. In other words, each theoretical perspective assumes that only their perspective accounts for the failure when, in fact, one or several of the perspectives may cause M&A failures. For example, if the strategic management perspective concludes that an acquisition was successful because of its relatedness or strong strategic fit (Daly, Pouder, & Karbanoff, 2004; Deepak & Puia, 1995; Ollie, 1994), the financial perspective can conclude that the acquisition was a complete failure because of its destruction of shareholder wealth. (Andrade, Mitchell, & Stafford, 2001; Bradley, Desai, & Kim, 1988; Gaughan, 2005; Jensen & Ruback, 1983; Lang, Stulz, & Walking, 1989). Both perspectives can conclude that the acquisition was successful because of different reasons, or different perspectives can conclude that, if an acquisition fails in the short term, it cannot be successful in the long term or vice versa. This construction of methodologies examines M&As through an analytical scope and tends to fragment the phenomenon at the expense of examining the acquisition as a whole. It is this fragmentation that accounts for the lack of integration between perspectives and the conflict in academic findings.

Table 1 illustrates the difficulties of the theoretical perspectives to connect and integrate with each other, thus supporting the conflicts in reaching agreements on success and failure in M & As (Larssen & Finkelstein, 1999). Clearly, no perspective links and integrates the other perspective, so that each may be considered as possible causes of either success or failure. Hitt et al. (1998) are known for their work in the strategic management approach that has found a myriad of attributes leading to successful and unsuccessful acquisitions. Moreover, Hitt et al. (1998) determined that acquisitions exhibiting certain traits are successful or unsuccessful. They determined that, if an acquisition had complimentary assets (strategic management), low to moderate debt (financial/capital market), change management experience (process), and was a friendly acquisition (organization behavior), the combination was more likely to be successful. This work brings to life the possibility that a number of perspectives interact to determine an M&A outcome, while it fails to suggest a moderating perspective that could integrate them. The research overall neglects a holistic approach that allows participants in the M&A process to anticipate each perspective through the M&A process.

Organization development appears to have been largely overlooked by academics in determining cause and effect in the field of M&A and it is rarely considered by M&A practitioners (Burke & Bradford, 2005; Jeris, Johnson, & Anthony, 2002; Waight, 2005). This is unfortunate because advocates of organization development apply logic to phenomena with a holistic lens. In
other words, the field applies an open systems solution that examines the nature of change in its wholeness (Burke & Bradford, 2005; Cummings & Worley, 2001; Rothwell, Sullivan, & McLean, 1995). This systemic approach is important for two reasons. First, open systems is an underlying practice of OD, and any organization must be considered in terms of having inputs from its external environment (Burke & Bradford, 2005). Second, system’s theory is another practice of OD that requires the organization to analyze operations and sub-operations in terms of the long view and their interdependencies.

Unlike the reductionist approach taken by other theoretical perspectives, OD examines the whole M&A process from start to finish (Burrell & Morgan, 1979). By dismissing the reductionist ideology, OD practitioners can examine an M&A from both short-term and long-term approaches, along with the effects on the external environment, on each of its systemic parts, and on the target’s systemic parts. The action research methodology employed by OD practitioners serves to integrate each of the five perspectives previously noted so that acquirers can consider each as the M&A process unfolds. Further, if an effective planned change process such as the action research model is utilized, it can gain congruency among the conflicting perspectives because academics are then able to determine which of the perspectives impacted what phase of the M&A process. Moreover, as OD methodology is flexible; a number of intervention techniques may be employed during different stages of the M&A. Table 2 illustrates the flexibility of possible OD intervention techniques.

Table 2
Possible OD Interventions at Each Stage of the M&A

<table>
<thead>
<tr>
<th>Pre-Deal Stage</th>
<th>Due Diligence Stage</th>
<th>Integration Planning Stage</th>
<th>Implementation Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Transformation</td>
<td>Organization Effectiveness</td>
<td>Traditional Organization Development</td>
<td>Evaluation</td>
</tr>
</tbody>
</table>

Table 2 details possible interventions that may be implemented to assist the acquirer during each of the integration phases. OD interventions deal with the human element and, as such, are considered fluid, meaning that no two diagnoses will ever be the same. Therefore, Table 2 is a scenario that demonstrates the potential of OD. Organization transformation (OT) was selected as a possible approach during the pre-deal stage because it is usually used in response to, or in anticipation of, major changes in the firm’s environment. Moreover, practitioners recommended OT when significant alterations are required of the organization’s business strategy that will eventually affect its culture, internal structure, and processes that will support the new direction (French & Bell, 2005). The OT method can complement the pre-deal stage by surfacing problems by selecting a suitable target, brainstorming, developing a growth strategy, and concluding with the creation of an action plan for executing the deal (Schmidt, 2002). During the due diligence stage, organization effectiveness (OE) might be used. According to Hanson and Lubin (1995), the theories and methodologies of OE utilize OD methodologies; however, chief concerns involve the measurement of outcomes of various functions and levels of the organization. OE examines the difference between espoused values and what is actually happening in productivity, financial, efficiencies quality, and controls. Focusing the intervention or preparing the client for the OE method during this phase may prove useful when auditing a proposed target. The classical OD and whole-scale approach advocates role clarification, improved communication, and team building. Attention is given to making each part of the whole function better within an open system (Burke & Bradford, 2005). The whole-scale change technique advocates getting large numbers of employees into one setting to create the future (Dannemiller, Tyson, & Associates, 2000). The third stage requires the development of both task and cultural integration plans, and the classical OD approach may share certain attributes to assist in developing a blueprint for action. Finally, the end stage of any OD intervention requires an in-depth evaluation of the process, such as the implementation stage where both task and culture are integrated into one entity.

Although the OD practitioner can utilize any number of intervention methods within the action research model, the holistic nature of OD does not break from one phase of the M&A process to
the next phase, which allows it to be viewed as one complete intervention. Therefore, the action research model can serve to moderate the other theoretical perspectives.

Table 3 illustrates how the organization development holistic approach can serve to moderate and connect each of the five theoretical perspectives. After the diagnosis has been performed, the OT technique can prepare the acquirer to anticipate the financial and capital markets, while the OE technique can serve to intervene and address the economic perspective and the strategic management perspective. Finally, the classical approach is suitable for the process, organization behavior, and human resources approach.

Table 3

<table>
<thead>
<tr>
<th>Theoretical Perspective</th>
<th>Pre-deal Stage</th>
<th>Due Diligence Stage</th>
<th>Integration Planning Stage</th>
<th>Implementation Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theoretical Perspective</td>
<td>Financial Capital Markets</td>
<td>Strategic Management Economic</td>
<td>Process</td>
<td>Organizational Behavior Human Resources</td>
</tr>
<tr>
<td>OD Approach</td>
<td>Diagnosis/OT</td>
<td>OE</td>
<td>OD/whole scale</td>
<td>Evaluation</td>
</tr>
</tbody>
</table>

While the theoretical perspectives have significantly advanced the literature and our understanding of M&A research, significant areas of concern have been identified for acquirers in executing a combination. The analytical nature of the M&A process combined with the reductionist approach to the theoretical perspectives has created conflicting findings on both successful and unsuccessful combinations. Consequently, there is a failure to connect each perspective to each stage in the M&A process and to each other. We have argued that the holistic approach, applied behavioral science theories, and planned change methods of organization development can reconcile and moderate each of the theoretical perspectives proposed by competing academic fields. Accordingly, we have provided OD interventions to assist the acquirer in combining the human side and the mechanistic or technical side in an M&A. In the next section, we introduce OD as a theoretical perspective that will align the practitioner with academic research.

Organization Development: The Sixth Theoretical Perspective in Mergers and Acquisition Research

The field of organization development is at a crossroad between the past and the future (Bradford & Burke, 2005). There is conflict between OD practitioners and OD researchers resulting in disconnects between practice and theory (Benedict-Bunker, Alban, & Lewicki, 2005). Furthermore, we are facing an identity crisis. We are no longer playing a central role during this era of preemptive change, and we now find ourselves relegated to performing second and third level process tasks, such as team building, coaching, and functional analysis (Burke & Bradford, 2005). Still, another part of this crisis is the emergence of conflicting philosophies between the ideological humanistic traditions of OD and the reality of the business orientation of change management (Marshak, 2005). It is small wonder why the OD theorist has been overlooked in the academic and theoretical strands of M&A, and the OD practitioner is rarely welcomed to the table during M&A planning (Burke & Bradford, 2005; Jeris et al., 2002; Marshak, 2005; Schmidt, 2002).

To re-establish the foundations of organization development and to reassert its place as a viable research perspective and a practical method to provide business solutions to improve organizational efficiencies, we outline the roots of OD research methods. We then discuss how the field of OD has applied research methodologies to its academic inquiries. We then propose a theoretical research perspective as it applies to M&A research. Finally, we conclude this paper by discussing limitations and avenues for improvements.
Organization development research took shape with Lewin’s (1951) seminal model that described change as a process of unfreezing, moving, and refreezing in a context of inertia or resistance to change (Ferdig & Ludema, 2005). Thus, the majority of OD theories and practices assume linear movement from one state of equilibrium through a period of disequilibrium and turbulence to a revised state of equilibrium in which new structures and ways of behaving are reinstitutionalized (Lewin, 1951; Nadler, Shaw, Walton, & Associates, 1995; Weick & Quinn, 1999). From this theoretical perspective, the role of the change agent is to guide organizational members through the process of disrupting current patterns by introducing new patterns and reestablishing a stable balance as quickly as possible (Finkelstein & Hambrick, 1996). These guiding principals contribute to the positivistic orientation rooted in the mid-twentieth century of applied social science research methodologies (Marshak, 2005). Consequently, organization development’s whole premise has rested on data-based change that presumes the existence and validity of an objective, discernible reality.

In short, most of the early theoretical perspectives grew out of the positivistic epistemology. Accordingly, a plethora of research streams influenced how the OD theoretician acquired new knowledge, (i.e., through survey research, analytical descriptive, historical, clinical descriptive, case study, and most notably applied action research) (Cummings & Worley, 2001; Marshak, 2005; Schein, 1990). Some of the most notable research using objective-based methodology was done by Lewin (1951), Cummings, Molloy, and Glen (1977), and Real and Poole (2005). By the 1980s, constructionist and postmodern approaches began to influence the social sciences with ideas about multiple realities and the inherent subjectivity of experience (Berquist, 1993). These interpretive streams include appreciative inquiry, narratives, case studies, and the like (Creswell, 2003; Marshak, 2005). Perhaps influences of mental models and inquiries into consciousness gave OD the reputation of being touchy feely and not bottom-line oriented (Marshak, 2005). Likewise, the notion that OD presents soft versus hard data further pushed the field away from strategic processes (Cartwright & Cooper, 1995; Jeris et al., 2002; Marshak, 2005). Such claims are far from the reality of the contributions made by the emergence of this postmodernist approach, and it should not be overlooked for its power to bring meaning. Further discussion of OD methodologies is beyond the scope of this paper. What is important is to establish the origins of the epistemological strands and the research methodologies used in OD in order to move forward.

There is room in OD for both the objective epistemology and the interpretive approach, as both are important in different settings, and neither can meet all of the needs presented by organizations. However, the interpretive approach, although valid in its own right, is not intended to provide generalization. Further, from a practitioner approach, it is time consuming, presents ex post facto analysis, and is without a great number of cases (Cummings et al., 1977; Schein, 1990).

Organization development theorists and practitioners believe that interventions assume a linear movement. Consequently, there is a period of calm during entry and diagnosis, followed by disruption, and concluding with a new, preferred state of calm. This philosophy is the chief characteristic that distinguishes it from the other five perspectives. Consequently, it resembles the complexities and temporary chaos of the merger and acquisition phenomenon while recognizing a holistic process. The equilibrium-disequilibrium model is also similar to an experimental treatment design in that the OD model can easily allow for a pretest–posttest design before, during, and after the period of disequilibrium, though the use of a control group almost never exists. Unlike the philosophy of linear movement and other research methods, action research, the underpinning of OD, offers flexibility when dealing with outcomes. Similarly, it has the ability to make inquiries of the other five research perspectives during the design of the intervention.

Using the action research method, the theorist begins the entry and start up stage. Next, the theorist diagnoses the pending M&A transformation, begins action planning, and prepares for the intervention. During the first three phases of the action research model, the theorist has the ability to inform the client of the financial, economic, and strategic management perspectives as these perspectives are most closely aligned to the short-term perspectives. In fact, the holistic nature of the action research method allows the theorist to apply treatment or make observations during each of the M&A phases. In other words, the theorist can apply treatments during both short-term
and long-term approaches. They may study the pre-deal and due diligence stage together, or they may isolate one of the stages in combination with one of the five perspectives. There are several possible research observations. Theorists can study one or each of the five theoretical perspectives. They can study specific OD change methods applied in the intervention process, such as OT, OE, and future search. They can also study all phases or one specific phase of the intervention process. For instance, they can isolate a specific OD technique during the integration stage.

Table 4 is a model of the OD theoretical perspective and the types of possible interventions. The reader can observe that the treatment is introduced inside the intervention and that any number of inquiries can be studied.

Table 4

<table>
<thead>
<tr>
<th>OD Theoretical Model Applied to M&amp;A Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Test</td>
</tr>
<tr>
<td>OD Diagnosis &amp; Feedback</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Conclusions and Limitations

We believe the OD perspective offers promise in several areas. The holistic nature of the action research model provides applicability across each stage of M&A. This applicability may serve as a moderator between the theoretical perspectives where each may recognize the other approach, thereby achieving congruency. It may also allow theorists to isolate one or two perspectives in order to study a relationship between the two. While each of the theoretical perspectives details symptoms, the organization development perspective provides assistance to the M&A practitioner. Finally, the action research model addresses M&As from a proactive perspective.

We acknowledge that this proposal is conceptual and that significant work needs to be done in order to develop it further. Measurement is also a concern. There is yet a need to construct valid units of analysis and criteria for success (Real & Poole, 2005). Another limitation is the difficulty in assessing experimental variables, such as productivity and improvements (Cummings et al., 1977). Similarly, there are still problems in understanding and measuring when implementation has taken shape (Real & Poole, 2005). Work is needed in refine the “development change process theory” in which attempts to explain the dynamics through which the firm changes in response to the intervention (Porras & Robertson, 1987, p.34).

Recommendations for HRD Practice and Research

Research and practice need to be done to test whether the model suggested here may have merit. We believe that there have been plenty of conversations about why OD has not been accepted as a viable partner in M&As. What is needed now is action to test whether we can isolate other theoretical perspectives. As researchers and practitioners, we can start incrementally by simply testing one phase within the M&A life cycle. There are countless possibilities but what is needed is action. Specifically, we encourage theorists to take up this challenge to integrate the strategic management, finance, and economic perspectives into the action research methodology. We recommend this course for two reasons. First, we find many similarities and overlaps within the organizational behavior, human resources, and process
strands, so much so that this research would not require much to add to the body of knowledge. Moreover, these perspectives are still considered the soft side of M&As (Cartwright & Cooper, 1995). Second, what is needed is research to show how we can affect the bottom line through finance, strategic, and economic perspectives. Therefore, we must develop OD interventions and methodologies that can account for each perspective and connect them across the M&A cycle. To do this we recommend developing experimental units of analysis that draw from each of the three theoretical perspectives.

References


