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Title	KEY PERSONS IN CROSS-BORDER ACQUISITIONS – How to identify, retain and commit them		
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Abstract

Acquisitions have become part of the everyday business life, and they represent major challenges to managers. Human resources are often neglected, although in many cases human resources represent the core knowledge and the core competence of the company. Acquisitions can be stressful events for employees, and can lead to decreased job satisfaction, lower commitment, increased level of stress, and increase in absenteeism and turnover of employees. Much of literature regarding brain drain has been on the turnover of the top management of the acquired company, but key persons can be found at all organizational levels. Key persons embody the intellectual capital of the acquired company, and losing them can be very damaging and costly to the acquirer. However, retaining key persons is not enough in order to maintain the business successful. Committing key persons to the acquirers' organization will enhance the achievement of the long term objectives of the acquisition.

The main purpose of this research was to explore the phenomenon of key persons in the context of cross-border acquisitions. The main research problem *'How to prevent brain drain in cross-border acquisitions'* will be examined through the following sub questions;

- *How the risk of brain drain relates to other risks in cross-border acquisitions?*
- *How the acquirers define and identify key persons?*
- *How to retain key persons?*
- *How to commit key persons?*

These research problems were examined through several theories, such as human resource and knowledge management theories, motivation theories, organizational commitment theories, and literature and theories related to acquisitions. This qualitative research was conducted by using the collective case study approach. The empirical data was gathered through semi-structured interviews in five case companies: Hackman Metos Oy, Karl Fazer Oy, TietoEnator Oyj, UPM-Kymmene Oyj and Wärtsilä Oyj.

The main findings of this research were that brain drain was not perceived as a risk as such but rather as a consequence of other risks related to acquisitions, and the phenomenon of key persons appeared to be complex. Various factors affect who the key persons are in the acquired company. According to the results there are several methods available to identify, retain and commit key persons, which can be found in literature as well. Although the results are not generalizable, this research provides a better understanding of the problems related to key persons in the context of cross-border acquisitions.

Key words	Acquisitions, brain drain, key persons, organizational commitment, committing
Further information	