A Study of HR Practices and Cultural Adaptability of Employees during Mergers and Acquisitions

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Abstract

While the cultural adaptability of employees is acknowledged as a crucial factor in cross-border mergers and acquisitions (M&As), it has not been rigorously tested. Consequently, its relationships with other HR aspects in M&As remain underexplored. This study examines the role of HR practices—(a) training opportunities, (b) communication, (c) HR support, and (d) job autonomy—in predicting employees' cultural adaptability during M&As. A causal survey methodology was employed to capture employee perspectives through quantitative data analysis. Data were collected from a sample of 388 employees across five M&As that occurred within the past two years in the Delhi-NCR region of India. Communication, training opportunities, and HR support emerged as significant predictors of cultural adaptability. The findings highlight the importance of HR practices in facilitating cultural adaptability during M&As. Organisations should prioritise structured communication, targeted training, and HR support in cross-border integration processes. This study contributes to the limited empirical research on cultural adaptability in M&As by establishing its key HR practices. The findings provide actionable insights for HR practitioners involved in managing cross-border M&As.

Keywords: *culture adaptability, cross-border M&As, cultural*

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1. Introduction

Mergers and acquisitions (M&As) have become increasingly common in the business world today. Many companies embrace cross-border M&A transactions as a vital growth and development strategy (Deng & Yang, 2015). M&A facilitate business growth by combining resources, expanding market presence, and fostering innovation (Cheng & Yang, 2017). They enable cost synergies, economies of scale, and improved competitiveness. M&A can also provide access to new technologies and talent and diversify revenue streams, enhancing organisational resilience and shareholder value (Gaughan, 2017). Over the past 10 years, the volume and value of M&A transactions have increased significantly, generally reflecting the health of the world economy (Statista, 2023). However, a dip is observed in 2022 due to high inflation, increased interest rates, geopolitical tensions, and increased regulatory oversight in the global markets (Baird, 2023). Compared to other regions, the volume and value of strategic M&A deals hit record highs in India in 2022 (Singh & Chandrashekhar, 2023). This has been due to notable adjustments to several regulations and administrative procedures by the Indian government, including the ongoing relaxation of foreign exchange laws for inward and outbound investors and the drive towards digitisation (Anthony et al., 2023).

Despite the increase in M&As, most face significant challenges and fail to achieve the intended objectives. The causes of failure are many, like clashing organisational cultures, disjointed marketing tactics, excessively optimistic financial expectations, and the absence of capable and devoted leaders who look after all the integration efforts and manage employees' concerns (Fealy & Kompare, 2003; Sagner, 2011). In terms of talent retention, in comparison to the 30% global average, 38% of executives headquartered in India reported frequent trouble keeping talent on board after the deal was completed (Singh & Chandrashekhar, 2023). Cultural differences and resistance to cultural change are frequently cited as barriers to post-M&A integration success in the extant literature (Rottig et al., 2014; Bijlsma-Frankema, 2001). Culture represents an important element of the M&A process, and its full strength is seen during a cross-border deal when two divergent cultures have to become one. Acculturation is the commonly used term for denoting the merging of diverse cultures (Rottig et al., 2013). Culture formation is neither a random event nor an action dependent solely on the personalities of founders or current leaders, but it is an internal reaction to external imperatives (Schraeder & Self, 2003). It is hardly surprising that multiple studies imply that M&As fail mostly because managers underestimate the people aspect and cultural fit (Lodorfos & Boateng, 2006; Razzetti, 2023). Despite its wide recognition by academicians and practitioners, no studies provide a framework to effectively manage and integrate culturally diverse organisations (Rottig et al., 2014).

Many cultural constructs are identified in the literature, such as cultural fit, cultural distance, cultural clash/conflict/shock, cultural difference, cultural compatibility, cultural adaptability, culture alignment, and multicultivation during M&As. While cultural shock, cultural clash, and cultural conflict represent adverse normal employee reactions to an alien cultural environment, cultural fit, cultural distance, cultural difference, cultural compatibility, and cultural alignment are the efforts of organisations to align the culture of the merging organisations to embrace the differences. Cultural adaptability is often considered broader in scope compared to cultural compatibility and cultural alignment, as cultural compatibility and cultural alignment focus on the degree of similarity or congruence between individual or organisational cultures. In contrast, cultural adaptability encompasses the ability to navigate and thrive in diverse cultural environments, regardless of whether there is perfect compatibility or alignment (Corritore et al., 2020). Cultural adaptability embodies a proactive stance towards embracing diversity and fostering cohesion amidst differences. In cross-border M&As, cultural adaptability is crucial because it enables employees to manage cultural diversity, resolve conflicts, and foster collaboration across cultural boundaries (Bijlsma-Frankema, 2001). It allows for a more inclusive and dynamic approach to cultural integration, recognising that diversity can be a source of strength and innovation (Fantaguzzi & Handscomb, 2024).

Human resource practices can be crucial in managing cultural issues and increasing the cultural adaptability of employees during cross-cultural M&As (Muhammad, 2020). Marks & Mirvis (2011) outlined HR strategies for four different cultural scenarios: pluralism, where partner companies coexist; integration, where cultures merge; assimilation, where one company absorbs another; and transformation, where companies adopt new values and norms while abandoning some existing cultural elements. However, there is no literature study analysing the impact of HR practices on the cultural adaptability of employees during M&A in one frame. HR practices like cross-cultural training opportunities, cross-cultural affective communication, providing job autonomy, flexible HR policies and support can help employees navigate cultural clashes (Hofer, 2022; Villalobos et al., 2020; Vasilaki et al., 2016; Huang et al., 2023). Hence, our study aims to unravel the best human resource management practices to effectively deal with cultural issues and ensure cultural adaptability in one framework. Based on this, the present study has the following research questions:

RQ1: How do HR practices influence employees' cultural adaptability during cross-border M&A integration?

RQ2: Which HR practices are the most significant predictors of employees' cultural adaptability during cross-border M&A integration?

2. Review of Literature

The literature surrounding the role of HR practices in fostering cultural adaptability during M&A is fragmented and lacks a comprehensive framework. While cultural integration is often highlighted as a critical success factor in M&A, studies rarely offer a structured approach to understanding how HR practices facilitate cultural adaptability in this context. Although existing research acknowledges that HR interventions such as cross-cultural training, communication, and job autonomy can enhance cultural adaptability (Mandal, 2024; Borderlesshr, 2024; Half, 2023; Villalobos et al., 2020), these insights are often dispersed across different fields and not specifically tailored to post-M&A integration. This gap in the literature makes it difficult to draw conclusive connections between HR practices and the successful cultural adaptation of merged organisations. The present study structured the review into two distinct but interconnected sections: a) cultural adaptability and b) the role of HR practices in supporting the cultural adaptability of employees. By examining these areas separately, the study aims to show how organisations can better manage the complexities of cultural integration and how strategic HR practices can influence cultural adaptability during the M&A process.

2.1. Cultural Adaptability

Cultural adaptability is *"the ability to understand one's and others' cognitive biases and to adapt, as necessary, to ensure successful team performance"* (Sutton et al., 2006, p. 144). It is the expertise of organisations involved in the transaction to understand, manage, and integrate the diverse cultural elements of their respective organisational cultures (Fantaguzzi & Handscomb, 2024). It is the capacity to swiftly absorb and adhere to changing organisational values (Talent Intelligence, 2023). Cultural adaptability comprises three elements: a) competence, b) teamwork, and c) adaptability. Cultural competence involves acknowledging that thoughts and actions often stem from cultural influences; teamwork involves individual and team competence, accountability, and rewards; and the third component, adaptability, entails recognising culturally based behaviours, understanding their implications, and actively choosing to adjust one's behaviour when working with individuals from different cultures (Sutton et al., 2006).

In the context of M&As, the challenge of cultural adaptation arises from merging diverse cultures into a cohesive structure that ensures productivity within the newly established organisation (Bijlsma-Frankema, 2001; Ahern et al., 2015). Employees from previously independent entities must familiarise themselves with each other's cultural norms and seek methods to reconcile differences, thereby preventing conflicts that could undermine the integration process. Employees who are adapters maintain a close cultural fit even when the organisational culture changes as a result of M&As. It emphasises aligning values, communication styles, and work practices to ensure a smooth integration

process (Luckner, 2016). Successful cultural adaptability includes assessing cultural compatibility during due diligence, identifying desired cultural fit, building ownership structure, and incorporating management throughout the transition process (Luckner, 2016). Cultural compatibility in M&A can improve collaboration, employee engagement, and overall integration success (Horne Capital, 2024). Cultural adaptability is a skill that can be learned by employees with the help of HR practices like imparting cross-cultural Training, communication, and job autonomy (Mandal, 2024; Borderless hr, 2024; Half, 2023; Villalobos et al., 2020). Therefore, the following section discusses the roles of Training, job autonomy, communication, and HR support in predicting employees' cultural adaptability during M&A. The proposed framework of the study is provided in Figure 1.
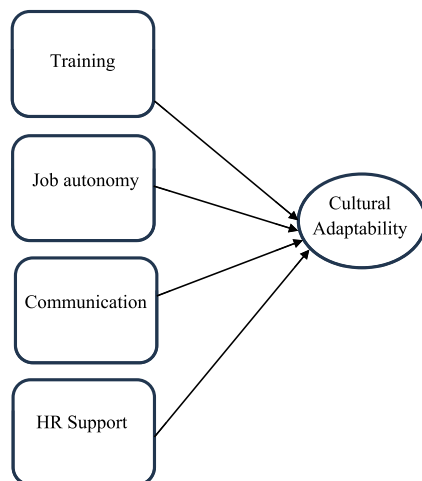

Figure 1:

Proposed framework

2.2. Training Opportunities and Cultural Adaptability

Training during M&As fosters cultural adaptability and ensures smooth integration (Hofer, 2022). When merging, companies often undergo significant cultural shifts, combining different organisational structures, values, and work cultures. Training programs to enhance cultural adaptability should focus on several key areas. Firstly, educating employees about both merging entities' cultural backgrounds and values can foster understanding and empathy (Rober, 2024). Secondly, providing cross-cultural communication

training helps employees navigate differences in communication styles, norms, and expectations (Mandal, 2024). By investing in comprehensive training initiatives, companies can promote a culture of collaboration, respect, and adaptability, which is essential for successful M&A and long-term organisational success (Thakur & Bansal, 2015).

H_a1 - There is a significant relationship between training opportunities and the cultural adaptability of employees

2.3. Job autonomy and cultural adaptability

Autonomy in job roles promotes cultural adaptability through empowerment, allowing employees to make decisions aligned with their strengths and preferences (Villalobos et al., 2020). Personal flexibility fosters creativity and innovation, aiding in navigating cultural shifts (Nguyen et al., 2010). Additionally, a sense of ownership and commitment emerges, encouraging integration into new cultural environments (CCL, 2024). Moreover, autonomous employees are better equipped to self-regulate and navigate cultural differences with self-awareness (Gagné & Bhave, 2011). Autonomy in job roles cultivates adaptability by empowering individuals, fostering creativity, instilling ownership, and enabling effective self-direction amidst cultural changes (Villalobos et al., 2020; Gagné & Bhave, 2011).

HA2 - There is a significant relationship between job autonomy and the cultural adaptability of employees

2.3. Communication and cultural adaptability

During M&As, both factual information (managing logical concerns) and identity communication (handling cultural and identity questions) are required (Goodman & Balle, 2008). The stress caused by M&As is driven by job insecurity, discontinuity, uncertainty, and lack of autonomy. Previous researchers have stressed the importance of management communication in reducing stress anxiety, creating easy transition, creating a shared vision, providing a sense of meaning and reducing the detrimental reliance on gossip and rumours (Vasilaki et al., 2016; Jimmieson & White, 2011). Employees who believe they have received timely and accurate information about the change reported stronger intentions to

engage in change-supportive behaviours involving adaptive and proactive intentions to support the change (Jimmieson et al., 2008). It is connected to cognitions like uncertainty reduction, better self-efficacy to cope with change and awareness about the cultural diversity of the merging entity (Balle, 2008; Bordia et al., 2004; Jimmieson et al., 2004). HR professionals mediate, bridging cultural gaps and promoting transparent communication within merging teams. Through a deep understanding of cultural intricacies, effective HR communication can promptly resolve misunderstandings, avert potential conflicts and improve the cultural adaptability of employees (Borderlesshr, 2024; Half, 2023).

HA3 - There is a significant relationship between communication and the cultural adaptability of employees.

2.4. HR support and cultural adaptability

During M&As, HR support significantly impacts employees' cultural adaptability and overall integration success (McCarthy, 2020). Flexible HR policies, such as personalised training programs and adaptive work arrangements, help employees navigate the changes smoothly (Huang et al., 2023). HR support encompasses a broad range of services and activities that the Human Resources (HR) department provides to assist employees in various aspects of socio-cultural integration, like international experience, get-togethers, and navigating employee cross-cultural concerns (TigiHR, 2023). Culture-sensitive HR practices, including effective communication, culture exchange programs and accessible counselling services, address employee concerns and foster trust. This, in turn, enhances cultural adaptability by encouraging openness to new practices and values (borderlesshr, 2024). Employees who feel supported and empowered are more likely to embrace the post-merged entity's culture.

HA4 - There is a significant relationship between HR support and the cultural adaptability of employees.

3. Method

3.1. Procedure and data collection: A cross-sectional survey was conducted to gather quantitative data from a selected sample of M&As that took place in India over the past two years. The survey was designed to assess the influence of four HR practices-communication, training, job autonomy, and HR support on the cultural adaptability of employees involved in these M&A processes. This approach allows us to evaluate the direct impact of specific HR interventions on fostering cultural adaptability within the unique context of Indian M&A activities.

3.2. Sample and response rate: To test the hypothesis, the researcher contacted the HR managers of five cross-border M&As in Delhi-NCR in the last two years. Each M&A belongs to a different sector (bank, IT/consulting, aviation, railways, and healthcare). HR managers facilitated the collection of responses from their employees. The response rate was 80%, and there were no missing values. The final sample collected is n=388.

3.3. Measures: All the test measurement tools are on a five-point Likert scale from 'strongly disagree' to 'strongly agree'. For cultural adaptability, we have adapted four items from the Cultural Intelligence Scale by Ang et al. (2007); for instance, the items included "I am able to adapt to new cultural environments" and "I am comfortable working with individuals from diverse cultural backgrounds". We have adapted five items from Dass (2008) for communication, like "During the M&A, I felt adequately informed about the merging company" and "During the M&A, I was given adequate information about what to expect when working with employees from the merging company". Regarding training opportunities, we have adapted five items from Thakur et al. (2016), such as "I have been given cross-cultural training opportunities during the M&A process" and "I have been given awareness training opportunities (knowledge and information about the changes taking place) during M&A process". For job autonomy, we have adapted three items from Peccei & Rosenthal (1997), for example, "I can use my personal judgement in carrying out my job" and "I have the freedom to decide what I do on my job". Lastly, for HR support, we have adapted six items from Wickramasinghe & Karunaratne (2009) and Thakur et al. (2022), like "My HR department introduced integrated HR plan for the M&A", "My HR department organized staff events such as get-togethers and trips involving employees from both companies that intended to M&A", and "My HR go

out of its way to help employees during M&A". Table 1 shows mean, standard deviation (SD), composite reliability (CR), average variance extracted (AVE), and correlation matrix for each construct in the study. The mean values indicate average responses for each construct, while the standard deviation shows the variability in responses.

Table 1.

Reliability and Validity of Measurement Tools

Construct	Mean	SD	CR	AVE	CA	TR	COM	JA	HRFS
Cultural adaptability (CA)	3.6	1.05	0.95	0.770	**0.878**				
Training (TR)	3.4	1.04	0.87	0.690	0.610	**0.830**			
Communication (COM)	3.4	1.06	0.86	0.640	0.779	0.236	**0.800**		
Job Autonomy (JA)	2.9	0.98	0.93	0.734	0.508	0.276	0.400	**0.857**	
HR Support (HRS)	3.2	1.24	0.85	0.769	0.678	0.267	0.703	0.541	**0.877**

Cronbach's Alpha values range from 0.85 to 0.95, indicating good to excellent internal consistency and reliability for all constructs measured. The Correlation Matrix shows the correlations between the constructs (CA, TR, COM, JA, and HRFS). Diagonal elements (bold in Table 1) represent the square root of AVE for each construct, used to assess discriminant validity through the Fornell-Larcker Criterion. Off-diagonal elements represent the correlations between different constructs. According to the results, there is no issue in the correlation matrix, and all the values are significant at $p < 0.001$. There is no issue under the reliability and validity metrics as well.

4. Results

4.1 Employee Demographics: Table 2 presents the demographic composition of the sample (n=388), delineated in percentages. Within the sample, a majority of 74% are male. Regarding the organisational hierarchy, 49% occupy non-managerial positions, and 31% hold mid-level managerial positions. Regarding the sectoral distribution, 25% of the sample emanates from the IT/Consulting sector, and 20% originates from the banking sector. Additionally, 45% of the sample belongs to 50-50 merger companies. Tenure-wise, 24% of respondents served 1-2 years in the company when M&A was announced, and 20% served less than a year.

Table 2:

Employee Demographics

		Per cent
Tenure when M&A was announced	Less than 1 year	20
	1-2 years	24
	2-3 years	13
	3-4 years	12
	4-5 years	11
	5-10 years	12
	More than 10 years	7
Gender	Male	74
	Female	26

	Lower-level manager	10
Manager level	Mid-level manager	31
	Top-level manager	10
	Non-managerial	49
	50-50 merger	45
Merger Type	Acquired (Selling) Company	27
	Acquiring (Buying/Purchasing) Company	28
	Banking	20
	IT/Consulting	25
Industry	Aviation	18
	Healthcare	19
	Railways	18

4.2. HR Practices and Cultural Adaptability:

The entire sample response was divided into training and testing data sets with an 80:20 split. A generalized linear model was then applied to the training data set (Table 3). Based on the model analysis, the RMSE (Root Mean Square Error) value was determined to be 0.0598863. This optimal value was achieved after performing regression analysis and eliminating variables that were not significant. Variable selection was based on the p-values obtained for each variable and their intercept values from the regression model. A significance level of 0.05 was used to determine the significance of the predictors. The significant predictors for recoverability, ranked in decreasing order of significance, were Communication, Training, HR support, and job autonomy. The reduction in deviance from null to residual, along with the AIC value, suggests the model improves the fit over a model with no predictors, balancing predictive power with model complexity.

Table 3.

Linear Regression of Cultural Adaptability and its Predictor using RStudio

Call:					
Glm (formula = = CA ~TR+ COM + JA+ HRS, data = train_1))					
Deviance Residuals:					
Min	1Q	Median	3Q	Max	
-1.4537	-0.4579	0.0129	0.4355	1.9221	
Coefficients:					
	Estimate	Std. Error	t value	Pr(>|t|)	
(Intercept)	0.783326	0.134166	5.838	3.53e-0.6	***
TR	0.186350	0.070843	2.630	0.0028202	**
COM	0.277381	0.0402451	6.892	3.65e-0.8	***
HRS	0.223311	0.080577	2.771	0.00593	**
JA	0.091981	0.051690	1.779	0.07617	.

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1					
(Dispersion parameter for Gaussian family taken to be 0.23129576)					
Null deviance: 190.73 on 311 degrees of freedom Residual deviance: 124.30 on 301 degrees of freedom					
AIC: 422.28 Number of Fisher Scoring iterations: 2					
AIC: 422.28					

Four predictors were used in the model, which was trained on 80 per cent of the data, leaving 20 per cent for testing. In the RandomForest model, two key hyperparameters needed optimization: the total number of regression trees (ntree, with a default value of 500) and the number of predictors per node (mtry). The default value for mtry is typically 1/3 of the total number of predictors, which in this case was approximately 1 (since 4/3 ≈ 1.33). Other mtry values were also tested (mtry = 2, 3, and 4) to check for optimal RMSE or R-squared values. RMSE (Root Mean Squared Error) is a metric that gives more weight to more significant errors, making it helpful in understanding the impact of outliers. A lower RMSE suggests good predictive accuracy. R-square indicates the proportion of variance in the dependent variable that is predictable from the independent variables. After multiple iterations, the optimal values for ntree and mtry were selected based on the lowest RMSE obtained. The RMSE values for different mtry values are in Table 4). The optimal mtry value was determined to be 2, as it resulted in the lowest RMSE value (Wang et al., 2016). The corresponding R-squared value was 0.8170848, which means that the model explained about 82% of the variability in the outcome. MAE (Mean Absolute Error) is 0.1378766; it measures the average magnitude of errors in the model's predictions without considering their direction. A lower MAE indicates better model performance.

Table 4:

Random Forest Model Fit & Error Metrics of Cultural Adaptability using RStudio

312 samples			
4 predictor			
No pre-processing			
Resampling:Bootstrapped(25 reps)			
Summary of sample sizes:282,282,282,282,282,282,......			
Resampling results across tuning parameters:			
Mtry	RMSE	Rsquared	MAE
1	0.2316322	0.8167867	0.1398787
2	0.2308567	0.8170848	0.1378766
3	0.2320564	0.8157869	0.1423787
4	0.2400023	0.81490808	0.1498090

Table 5 shows hyper-parameters indicators like mtry (Number of variables randomly sampled as candidates at each split: 2, 3, 5). The value of mtry used in the model was 2. This means that two variables were considered at each split in the decision trees. Number of trees (ntree) is 500 which means that the model used 500 trees to make predictions. More trees generally improve the model's performance but increase computational cost. Min_samples_ leaf (minimum number of samples required to be at a leaf node) is set as 5 to prevent overfitting by ensuring that leaf nodes have at least five samples. Min_samples_split (minimum number of samples required to split an internal node) is set as 3 to control the minimum number of samples required to split a node. It helps in controlling overfitting. The significant predictors for cultural adaptability were communication, Training, HR support, and job autonomy, ranked in order of significance. According to the model, these variables are the most influential in predicting cultural adaptability. The correlation between testing and Training data is 0.826. This value indicates how well the model predictions correlate with actual values. A high correlation suggests that the model generalises well from Training to testing data.

Table 5:

Random Forest and Predictor Analysis of Cultural Adaptability using RStudio (Result with relevant hyperparameters, error metrics, and leading features)

Error Metrics (at mtry=2)	MAE	0.1378766
	RMSE	0.2308567
	Rsquared	0.8170848
Hyper-parameters	mtry(Random Variable selected)	(2,3,5)
	No. of trees(ntree)	500
	min_samples_leaf	5
	min_samples_split	3
Significant predictors	Most significant variable	Communication
	The second most significant variable	Training

	Third most significant variable	HR Flexibility & Support
	The fourth most significant variable	Job Autonomy
Model Accuracy	Correlation between testing and training data	0.8262502

5. Discussion and Conclusion

Employees' Cultural adaptability is crucial for successful cross-border M&A integration, where divergent organisational cultures must merge seamlessly (Rottig et al., 2013). However, the literature lacks a comprehensive framework for managing cultural issues during M&As, leaving organizations vulnerable to integration pitfalls (Rottig et al., 2014). The concept of cultural adaptability encompasses the capacity of organisations to understand, manage, and integrate diverse cultural elements, ensuring successful team performance and organisational cohesion (Sutton et al., 2006; Fantaguzzi & Handscomb, 2024). Successful cultural adaptability involves aligning values, communication styles, and work practices to facilitate a smooth integration process (Luckner, 2016). To address RQ1, the study concludes that HR practices, such as cross-cultural Training, flexibility, support, communication, and job autonomy, play a crucial role in enhancing employees' cultural adaptability during M&As (Mandal, 2024; Borderlesshr, 2024). Training programs educate employees about cultural backgrounds, values, and communication styles, fostering collaboration and respect (Rober, 2024). Job autonomy promotes adaptability by empowering individuals, fostering creativity, and instilling ownership amidst cultural changes (Villalobos et al., 2020). Effective HR communication reduces stress, promotes shared vision, and enhances employees' awareness of cultural diversity, improving cultural adaptability (Vasilaki et al., 2016).

Additionally, through personalised training programs and socialisation activities, HR support encourages openness and trust, facilitating employees' embrace of the culture of the post-merged entity (TigiHR, 2023; McCarthy, 2020). To address RQ2, the study identified significant predictor variables for cultural adaptability, such as Training, communication, job autonomy, and HR support. The model results

support HA1 and HA3 by highlighting the significance of predictors related to Training and communication on cultural adaptability. HA4 is partially supported, indicating a significant but lesser role of HR support. HA2 cannot be confirmed or denied based on the available data since job autonomy was not explicitly identified as a significant predictor. Therefore, the present study contributes to the academic literature by highlighting that cultural adaptability is not solely an individual characteristic but rather a skill that HR can nurture and develop by implementing best practices.

6. Implication

6.1. Theoretical Implication

This study highlights a gap in existing research concerning best HR practices and cultural adaptability within the M&A context, suggesting avenues for future investigation. By identifying communication, training, and HR support as significant predictors of cultural adaptability, this study offers insights that could prompt researchers to delve deeper into the HR dimensions of cultural adaptability during M&As, potentially enriching the discourse on this subject. Furthermore, if job autonomy is not a significant predictor, it raises questions about its relevance in cultural adaptation, warranting further academic inquiry.

6.2. Practical Implication

This research sheds light on vital considerations for organizations navigating M&As. Given the prevalence of M&As in today's globalized business landscape, it underscores the expanded role of HR in facilitating the cultural adaptability of employees. Since communication and training emerge as significant predictors of cultural adaptability, organizations should focus on improving communication strategies and training programs. Effective communication and targeted training can enhance employees' ability to adapt to diverse cultural environments. Additionally, the significant role of HR support in predicting cultural adaptability suggests that HR practices should be adaptable and responsive. Organizations may benefit from flexible HR policies that address diverse employee needs and support cultural integration.

7. Limitation

First, self-reporting questionnaires utilized in the current study are susceptible to social desirability bias, where respondents may tailor their responses to align with societal expectations rather than providing accurate accounts of their experiences or behaviours. Additionally, self-reported data are prone to common method bias, further complicating the interpretation of results. Second, the scarcity of the literature on HR practices and cultural adaptability from the M&A context limits the generalizability of the results. Third, only the role of HR practices is studied, while cultural adaptability is also influenced by individual factors like education, upbringing, culture awareness, cultural intelligence and travel experience.

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