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AN INVESTIGATION
OF THE PERCEIVED HUMAN RESOURCE
FACTORS THAT CONTRIBUTED TO THE SUCCESS OF THE ACQUISITIONS OF THE MALAYSIAN DOMESTIC BANKS

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DOCTOR OF BUSINESS ADMINISTRATION
UNIVERSITI UTARA MALAYSIA
AUGUST 2016
AN INVESTIGATION
OF THE PERCEIVED HUMAN RESOURCE FACTORS
THAT CONTRIBUTED TO THE SUCCESS OF
THE ACQUISITIONS OF THE
MALAYSIAN DOMESTIC BANKS

By
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Dissertation Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Partial Fulfillment of the Requirement for the
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: An Investigation of the Perceived Human Resource Factors That Contributed to the Success of the Acquisitions of the Malaysian Domestic Banks

Program Pengajian
(Programme of Study)

: Doctor of Business Administration

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ABSTRACT

Acquisition activity is common among firms and banks as this is one of the strategic tools they use for their expansions and organizational growth. However, the government directed acquisitions on Malaysian domestic banks to date, is still an exceptional case as no such exercise has been practised by any country at the national level. Although several studies have been conducted to measure the success of directed bank acquisitions using financial indicators, not many studies have been carried out to measure the influence of factors such as human resource competencies, human resource development programmes, corporate work culture and leadership style, on the success of the acquisitions. For the purpose of this study, a total of 139 respondents were randomly sampled from 8 Malaysian domestic banks. The respondents included chairperson and those who are directly or indirectly involved in the acquisitions of the Malaysian domestic banks. Using SPSS, the data collected were analysed descriptively, tested using normality tests, Cronbach’s Alpha Reliability Test, Pearson Correlation Analysis and Multiple Linear Regression Analysis. The Pearson Correlation Analysis showed that all the 4 Independent Variables and the one Dependent Variable are all positively correlated and significant. The Regression Analysis proved that all the 4 hypotheses are significant and accepted. The findings proved that all the 4 predicting Independent Variables, namely human resource competencies, human resource development programmes, corporate work culture and leadership style positively and significantly contributed to 55.9 per cent of the criterion Dependent Variable, that is the success of the acquisitions of the Malaysian domestic banks. The findings also discovered two most significant factors, namely human resource competencies and human resource development programmes. The implication of the overall findings suggested that human resource elements play significant roles in ensuring the success of the banks’ directed acquisitions.

Keywords: Bank acquisitions, Asian Financial Crisis, Human Resource success factors.
ABSTRAK


Kata kunci: Pengambilalihan bank, krisis kewangan Asia, faktor kejayaan sumber manusia.
ACKNOWLEDGEMENTS

I wish to record my most heartfelt gratitude and sincere thanks to my supervisor, Professor Dr. Nor Hayati Ahmad, Professor of Banking and Risk Management at College of Business, Universiti Utara Malaysia Sintok, Main Campus, for her continuous guidance, motivation and constant supervision of my BDMZ 8024 Dissertation module, in developing my Research Proposal and the completion of this dissertation. I also thank my co-supervisor Dr. Jasmani bte Mohd Yunus (Human Resource Lecturer at Universiti Utara Malaysia Kuala Lumpur Campus) for her helpful supervision in developing the instruments and the methodology for this study.

As a Godly, devout and practicing Anglican Christian, I also want to thank my God (my Lord Jesus Christ) and my beloved wife, Ms Lai Fong Moy, for supporting me (financially, morally and emotionally) to do my Doctoral Dissertation and to study for my Doctor of Business Administration (DBA) at Universiti Utara Malaysia.

I also would like to express my appreciation to the staff of the banks who had been very cooperative in giving their feedback, without which it would not be possible for me to complete this dissertation in time.

My thanks also go to Dr. Ahmad Rizal bin Mazlan (Director of UUM Kuala Lumpur Campus), Datuk Professor Dr. Mohd Yusof Kasim (former Director of UUM Kuala Lumpur Campus) and Mr. Mohmad Amin bin Mad Idris (former Director of UUM Kuala Lumpur Campus), all of the administrative staff (particularly Ms Hamidah and Dr. Ruzita) and all my lecturers, who have helped me throughout this arduous journey.
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CHAPTER ONE

INTRODUCTION

1.0 Background of the Research

The activities of acquisitions are frequently carried out by organizations, corporations and also banking and financial institutions. These activities are significant because they highlight both the intrinsic value and market value of the acquirer and acquiree, resulting in a significant increase or decrease in the share prices of the two organizations/corporations/banking institutions. In other aspects, acquisitions also result in changes to the human resource requirements of the affected organizations.

According to Hitt, Hoskisson and Ireland (2007), an acquisition of a domestic bank is defined as “a business strategy whereby the acquiring domestic bank buys a controlling stake or a 100 per cent interest and makes the acquired bank its own subsidiary”. An acquisition or a take-over is a corporate strategy, corporate finance and management strategy that deals with an acquiring company buying and combining different acquired companies that can help a company to grow and expand rapidly in its sector or location of origin, or a new location, without creating a new subsidiary or using a joint venture and without growing organically by setting up its own new branches (Jeyapalan Kasipillai, 2003; Malaysian Stock Exchange, 2013; Securities Commission, 2013).
The contents of the thesis is for internal user only
REFERENCES


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