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Strategic Talent Management in Cross-Border Fintech Acquisitions: The Case of an African Fintech Acquiring an American Firm

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Abstract

In the fast-evolving African fintech industry, cross-border acquisitions present unique challenges, particularly in aligning talent expectations and organizational culture. This study explores the role of the talent management function before, during, and after an acquisition, focusing on the case of an African fintech (Company A) acquiring an American fintech (Company B). Unlike mergers, acquisitions often create power asymmetries, requiring strategic talent interventions to manage leadership transitions, employee retention, and cultural integration. Using a qualitative case study approach, this research draws insights from semi-structured interviews with HR leaders, managers, and employees who have navigated both acquiring and acquired scenarios. The study examines how talent management contributes to aligning workforce expectations, mitigating cultural friction, and ensuring organisational stability through all phases of acquisition. Findings highlight key talent integration challenges, such as disparities in organizational culture, leadership expectations, and workforce adaptation strategies between African and American fintech firms. This paper contributes to the limited research on talent management in African fintech acquisitions, offering practical insights for HR professionals, leaders, and policymakers involved in cross-border transactions. By addressing critical talent-related misalignments, this study provides a framework for enhancing cultural synergy and long-term workforce engagement in global fintech acquisitions.

Keywords: talent management, acquisition, cultural alignment, African fintech, organizational integration, cross-border, HR

1. Introduction

1.1 Background

The rapid globalization of financial technology (fintech) has intensified cross-border mergers and acquisitions (M&As), particularly in emerging markets such as Africa. African fintech firms, once seen primarily as innovation adopters, are increasingly assuming the role of global innovation players by acquiring foreign firms to gain strategic market entry, talent, and technology advantages (Adeleye, Debrah, & Nachum, 2019). These takeovers introduce complex challenges-not only financial or legal-but especially in terms of talent integration and organizational culture alignment across borders (Manwani & Jhunjhunwala, 2022).

Most prior research on talent management in M&A contexts focuses on Western-to-Western or North-to-South acquisitions, largely overlooking the South-to-North dynamic, where African firms lead strategic acquisitions in developed economies (Cumming, Johan, & Reardon, 2023). This emerging trend is particularly visible in fintech, where African startups are acquiring firms in Silicon Valley and New York to access advanced technologies and financial ecosystems (Diameh et al., 2025). However, these takeovers often result in post-acquisition friction due to mismatched leadership expectations, work cultures, and HR practices.

1.2 Context

This paper investigates the strategic role of talent management in an African fintech firm's acquisition of an American fintech company. Using a qualitative case study approach, the research draws insights from semi-structured interviews with HR leaders, middle and senior managers, and employees across both firms. It examines the HR-led interventions used during pre-acquisition planning, integration phases, and post-acquisition stabilization. The focus is on how talent practices could mitigate cultural conflict, promote leadership continuity, and sustain organizational engagement.

Although the study's core case involves an African-to-American transaction, it offers broader insight into the growing strategic significance of African-led acquisitions and their implications for global talent strategies. By documenting the challenges and responses at the intersection of strategic HR, culture, and international business, this research adds to the limited literature on human capital integration in fintech M&As and proposes a framework adaptable to other African cross-border transactions (Webb, 2024; Ferilli, 2025).

To frame the role of the talent function in cross-border acquisitions, this study draws upon two well-established theoretical models. The first is Schuler and Jackson’s strategic human resource management model (Schuler & Jackson 2001, 2004), which positions the talent function as a central enabler of merger success. Their model outlines HR’s influence across all stages of the acquisition lifecycle - pre-acquisition, integration, and post-acquisition - emphasizing strategic and organizational fit through talent due diligence, leadership continuity, and performance alignment. The second model is Brockner et al.’s (1992) merger integration typologies, which categorize post-merger integration strategies into assimilation, deculturation, integration, and separation. These typologies offer a psychological lens through which the emotional and identity-related responses of employees can be understood based on how culture is managed in the merger process.

By synthesizing these two models, this study proposes a hybrid conceptual framework that highlights the strategic impact of talent interventions within varying integration contexts. This synthesis not only anchors the empirical analysis but also provides a structure for theorizing how talent practices mediate cultural alignment and workforce engagement in African-to-American fintech acquisitions.

1.3 Research Objectives

The research aimed to:

1. Highlight the importance of involving the talent function at all phases of the acquisition process with a view to mitigating cultural integration risks.

2. Research Methodology

This study follows a qualitative case study design structured around the use of the SPIDER framework (Cooke, Smith, & Booth, 2012) to explore the role of talent management in an African fintech firm's acquisition of a U.S.-based fintech company. The SPIDER tool-meaning Sample, Phenomenon of Interest, Design, Evaluation, and Research type provides a robust structure for qualitative evidence synthesis and is an appropriate framework for research focusing on complex human and organizational experiences.

2.1 Sample

The sample comprised 12 participants, including employees from both the acquiring African fintech and the acquired U.S. firm, as well as external participants who had relevant experience in comparable acquisition settings. These included HR executives, senior managers, and talent advisors who were directly involved in cross-border integrations. Purposeful sampling was used to ensure representation across organizational levels and all acquisition phases. All participants had at least five years of experience in their current or recent role at the time of the study.

2.2 Phenomenon of Interest

The central phenomenon under investigation is the strategic involvement of the talent management function during a cross-border acquisition. Focus areas included cultural alignment, leadership continuity, communication dynamics, and workforce retention strategies. The study sought to surface how talent practices or their absence shaped the human experience of integration and organizational cohesion.

2.3 Design

A qualitative case study approach was used to enable in-depth, context-rich exploration. Data were collected through semi-structured interviews, conducted via secure video conferencing and in-person engagements where possible. Interviews ranged from 60 to 75 minutes, following a flexible guide covering pre-acquisition involvement, integration planning, psychological impacts, leadership transition, and talent-specific interventions. A sample of interview guide questions is included in **Appendix A**.

2.4 Evaluation

Thematic analysis was conducted using Braun and Clarke’s (2006) six-phase approach. Both inductive and deductive coding techniques were applied. As a sole researcher, steps were taken to enhance analytic rigor, including iterative coding, memo-writing, and member-checking with selected participants to ensure alignment between interpretations and participant intent. Coded data were managed using Microsoft Excel and triangulated with organizational documents and anonymized HR metrics to reinforce trustworthiness.

While the study did not employ full-scale quantitative analysis, descriptive workforce metrics such as voluntary attrition rates, tenure breakdowns, and internal pulse survey indicators were reviewed to support the credibility of subjective narratives. These basic indicators helped corroborate findings on morale, trust erosion, and engagement patterns.

2.5 Researcher Reflexivity

The researcher maintained a reflexive journal throughout the data collection and analysis phases to account for positionality. As the researcher held previous employment and consulting roles within African fintech ecosystems and was intimately involved in post-acquisition cultural integration efforts during this particular transaction, ongoing self-reflection was used to mitigate potential bias. Participant validation was further employed to enhance interpretation accuracy.

2.6 Research Type and Ethical Considerations

This research adopts a qualitative interpretivist lens, grounded in constructivist epistemology. It privileges participant voice and seeks to capture how employees and leaders interpret and experience transitions during acquisition. Ethical approval was obtained from the host institution’s research ethics committee. Informed consent was secured from all participants. Identities were anonymized, and all data were encrypted and stored in compliance with international data protection standards.

3. Results and Discussion

This section presents findings from twelve in-depth interviews with HR leaders, managers, and employees involved in an African led cross-border fintech acquisitions. Structured around the three phases of the acquisition lifecycle; Pre-Acquisition, Integration, and Post-Acquisition, the findings expose the underestimated emotional and cultural dynamics that shaped the transition. Across all phases, the role of the talent function was described as reactive, underutilised, and sub-optimally strategically leveraged.

3.1 Pre-Acquisition Phase

During the pre-acquisition phase, HR leadership was largely excluded from strategic discussions, limiting their ability to conduct adequate cultural due diligence or anticipate workforce risks. Their involvement was typically transactional, focusing on contracts and legal compliance rather than people-centric integration planning.

This lack of transparency by senior leaders and owners created a climate of ambiguity, where employees sensed that significant changes were underway but received little or no communication. This silence damaged trust and psychological safety, creating a foundation of uncertainty that carried over into the integration process.

A critical issue raised by participants was the loss of agency and psychological consent. Employees felt stripped of choice and autonomy when decisions about their future were made without input, transferring them into an entirely different company with unfamiliar leadership, culture, and values. This created deep emotional dissonance, undermining engagement from the very start. The fact that the acquired business had a culture akin to a family owned and run business made the dramatic shift feel like a betrayal by the owners.

"It was ambiguous for months-we knew something was going on but didn't know what. That uncertainty increased anxiety even though we trusted that the owners had our best interests at heart."

"When they make a decision without your input and then put you into a completely different company with different leadership and different culture and different values, it creates huge emotional dissonance. None of the people at Company B chose to go work for the new integrated business."

These findings highlight that pre-acquisition silence is not neutral - it actively erodes trust and psychological safety, making post-deal cultural alignment even more challenging. Early people-focused communication strategies and explicit consideration of employee agency are therefore crucial at this stage.

3.2 Integration Phase

Once the acquisition was announced, the integration phase exposed significant cultural and operational misalignments. Participants noted sharp contrasts between the acquired company's family-oriented, trust-based culture and the acquiring firm's high-growth, top-down management style. These differences were not proactively addressed, resulting in confusion, strained collaboration, and eroded morale.

The absence of thorough planning of how each function needed to operate when the acquisition occurred and what potential risks they may face led to significant delays in integration and getting teams to operate optimally. This lack of clarity also contributed to unexpected and almost immediate attrition of key talent from Company B.

"In retrospect we needed to plan better for the operations in terms of what changes we knew were coming, what changes we thought might come and what changes we expected not to happen."

The insertion of leaders from the acquiring entity without sufficient cross-entity knowledge exchange or joint leadership development reinforced the sense that the acquired workforce had little agency or voice in shaping the future organisation. This practice, driven partly by the haste to close the deal and an assumption that *"it would work itself out,"* as the businesses had previously worked together, unintentionally sent a powerful message that their labour had been bought, not their expertise or cultural value.

"They parachuted in new executives without context or integration plans, and it felt like they didn't value the institutional knowledge we had. It was like we were there just to execute, not to shape the new vision."

"The exchange of leadership should have gone both ways as there was real value in taking the best from both companies and building from that. I feel it would have made the integration a lot smoother and we would have achieved stability a lot sooner."

Beyond disempowerment, employees also experienced a profound sense of loss and grief for what had made their organisation unique. The family-like culture, informal networks, and shared values that had previously anchored their identity were suddenly disrupted. There was little space provided to acknowledge or process these feelings. This emotional dissonance left employees struggling to reconcile the old and new realities of their workplace.

"We lost something fundamental—the closeness, the way decisions were made as a family. No one really helped us process that loss; we were just expected to move on."

Employees from the acquired business were also not given time or social-psychological support to process the changing reality of the fact that they were no longer owners of their own future in a familiar environment. There was a seismic shift in how they viewed their roles and value before and after acquisition.

"I was part of an American company who happened to have clients in Africa, but now I am part of an African company that happens to have a team in the US."

"I'm not sure we prepared employees and leadership adequately to become used to having African leadership and teams when it was the first time for a lot of people. We underestimated how that would play out."

This phase highlights the under-recognised emotional dimension of acquisition integration. Simply focusing on structural changes ignores the psychological journey employees must undertake. The talent function has a critical role here: facilitating change management, creating safe spaces for employees to express feelings and emotions and guiding them through the transition towards a redefined organisational identity.

3.3 Post-Acquisition Phase

In the post-acquisition period, the cumulative impact of mismanaged communication, unclear leadership structures, and weak retention strategies became evident. Voluntary attrition was higher than anticipated, particularly among mid-level leaders, who felt unsupported and alienated from the new organisational identity. Some highly skilled technical talent that could not reconcile their changing reality and knew they would easily find work in the market left within days of the announcement.

However, one initiative stood out as a meaningful step toward rebuilding trust and fostering cultural connection: a cultural immersion trip to Africa. This programme gave selected employees from the acquired company the opportunity to visit the acquiring firm's offices, markets, and teams.

Participants noted that this experience helped them see the bigger picture; how their daily work contributed to the acquirer's broader mission and impact. It also humanised the acquiring organisation, replacing abstract notions of "being owned" with real relationships, shared experiences, and a better understanding of the operational context.

"The cultural immersion trip to Africa was the first time most of us really saw the bigger picture of what the Company A were trying to do. It gave meaning to our work beyond just being a 'bought' company."

"For the first time, we saw the markets, the teams, and the challenges they were solving-it felt like our work finally connected to something real and meaningful."

This positive feedback revealed the untapped power of immersive cultural and leadership exchange as a post-acquisition integration tool. Participants expressed a desire for such initiatives to become more regular and embedded, as they created alignment not just operationally, but emotionally and purposefully. Yet, because this was introduced late into the integration and only occurred once or twice, it felt reactive rather than planned, limiting its overall impact.

3.4 Cross-Phase Insights

Across all phases, the findings reveal a consistent underestimation of the human and cultural dimensions of acquisitions. The talent function was too often seen as operational rather than strategic, limiting their ability to shape cultural due diligence, leadership transition planning, and workforce integration strategies.

- Pre-acquisition silence and exclusion damaged trust and psychological safety.
- Integration missteps reinforced disempowerment and failed to acknowledge employees' grief for lost cultural identity.
- Post-acquisition cultural bridging helped rebuild trust but came late, highlighting the need for planned, proactive interventions.

4. Conclusion and Recommendations

4.1 Key findings and Implications

Had the talent function been embedded from the outset, much of the cultural friction, communication breakdown, and morale loss could have been mitigated. The result of this lack of involvement and proper utilization of the talent function resulted in immediate resignation of about five percent of the staff upon the announcement of the acquisition. As the United States represents an 'at will' employment environment where employees may leave or be released within 24 hours and without reason, these exits had immediate negative impact on business operations. Subsequent exits by senior leaders and key operational personnel from the finance, human resource and legal operations, representing an additional ten percent of the headcount, within six months of acquisition, continued to have significant negative impact on employee morale and productivity.

4.2 Recommendations

These insights inform the development of a new conceptual model that positions the talent function as a strategic enabler across the entire acquisition lifecycle, ensuring early cultural alignment, structured leadership transitions, and sustained employee engagement.

In synthesizing these insights, this study proposes a hybrid conceptual framework that integrates Schuler and Jackson's strategic HRM phases with Brockner et al.'s cultural integration typologies. As shown in Figure 1, the model maps strategic HR interventions across the three stages of acquisition, contextualized by the cultural integration approach adopted (assimilation, integration, separation, or deculturation). In the context of this study, the cultural integration approach initially resembled **Deculturation**, even though the intent was **Integration** - defined as a mutual adaptation process in which both the acquiring and acquired entities contribute to a co-created cultural identity. What was intended was that while the acquiring firm embedded its Group-wide values, branding, and operational systems, the US-based team retained certain cultural artefacts, informal norms, and social practices that reflected their pre-acquisition identity. Rather than resisting change, employees could actively engage in shaping a localized expression of the Group culture, blending the acquirer's strategic direction with context-specific adaptations. This hybrid outcome would reflect the defining characteristics of a successful integration: shared cultural ownership, mutual respect, and emergent synergy.

This layered approach highlights how HR practices must be tailored to the cultural integration typology and timing of the acquisition phase. For instance, acquisitions leaning toward assimilation may require stronger communication and leadership realignment, while integration typologies benefit from inclusive onboarding and co-creation of new cultural norms. Separation and deculturalization are not intended outcomes.

This framework not only advances theory by bridging two established models but also offers practical guidance for HR leaders managing cross-border acquisitions. By viewing cultural integration as a dynamic and strategic process, HR can proactively mitigate employee resistance, align expectations, and foster long-term engagement.

A practical integration playbook could be the result of applying this framework in an acquisition scenario. This would serve to mitigate missing key thought processes, interventions and actions throughout the acquisition journey.

		CULTURAL INTEGRATION TYPOLOGIES			
		Assimilation	**Integration**	**Separation/ Deculturation**	**Measurable Indicator**
Acquisition Phases	**Pre-acquisition**	• Due diligence on acquirer vs acquired norms • Pro-active communication	• Early cross-cultural diagnostics • Pro-active communication • Co-design of acquisition launch	• No culture plan/ambiguity	• eNPS survey results
	Combination	• Onboarding on acquirer norms	• Joint onboarding • Leadership exchange	• Disempowerment • Attrition	• eNPS survey results
	Post-acquisition	• Continued assimilation of acquirer norms	• Hybrid rituals • Ongoing co-creation • Strengthening of emergent culture	• Ongoing Disempowerment • Ongoing attrition	• eNPS survey results • Post-acquisition milestone achievement • Attrition rate over time

Figure 1. Hybrid Conceptual Framework for Cultural Integration Across Acquisition Phases and Cultural Typologies

4.3 Limitations and Future Research

While this study offers in-depth insights into the talent and cultural dynamics of a cross-border acquisition in the African fintech sector, several limitations must be acknowledged.

First, the study draws on a single-case design and a relatively small sample size (n=12), which limits generalizability beyond the specific organizational and sectoral context. While the interpretivist approach aimed for depth over breadth, future studies could benefit from comparative multi-case analysis across industries and geographies.

Second, participant **self-selection bias** may have influenced the perspectives shared. Individuals more open to reflection or those with strong views, either positive or negative may have been more inclined to participate. Although efforts were made to ensure diversity across roles and locations, this bias cannot be entirely ruled out.

Third, the research reflects a **snapshot in time**, largely retrospective in nature. The lack of longitudinal data means that some cultural shifts or talent strategies that emerged post-interview may not be captured. Future research could adopt a longitudinal design to track culture integration and leadership alignment over extended periods.

Finally, as a **sole researcher**, all data collection, coding, and thematic analysis were conducted independently. While rigorous reflexivity and member checking was used to mitigate subjectivity, the absence of inter-coder validation may affect the consistency of theme interpretation.

Despite these limitations, the study contributes original empirical insights to an under-researched area, that of talent and culture integration in African-led cross-border acquisitions and provides a practice-informed hybrid framework for HR and business leaders navigating similar transitions.

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Appendices

Appendix A – Interview Guide

This semi-structured interview guide was used to gather insights from HR leaders, senior managers, and employees involved in cross-border fintech acquisitions. The questions were grouped thematically across five sections, aligning with the acquisition lifecycle and strategic HRM focus areas. The guide was flexible, allowing for follow-up prompts and adaptation based on participant experience.

Interview Guide: Strategic Talent Management in Cross-Border Fintech Acquisitions

Section A: Background Context

- Can you briefly describe your current role?
- Can you briefly describe the position you held during the acquisition/s?
- How many cross-border acquisitions have you been involved in to date?
- Were you involved in talent-related decisions, leadership transitions, or onboarding?
- Please describe the acquisition/s you were involved in, i.e. parties to the acquisition, reasons for the acquisition, etc.

Section B: Pre-Acquisition Phase

- Were HR or talent management functions involved in the due diligence phase?
- How were leadership styles or company cultures assessed before the acquisition?
- What, if any, preparations were made to align teams ahead of the integration?

Section C: Integration Phase

- How was the integration process handled from a talent perspective?
- What interventions (e.g., onboarding, culture workshops, leadership meetings) were conducted?
- Were there tensions between the acquiring and acquired firms' cultures or HR norms?
- How were leadership roles and responsibilities realigned or clarified?

Section D: Post-Acquisition Phase

- What long-term talent strategies were adopted (e.g., retention, engagement)?
- How would you describe employee morale or engagement after the acquisition?
- Were there ongoing efforts to integrate the cultures or improve collaboration?

Section E: Reflection & Strategic Insights

- In your view, what role should HR play in cross-border acquisitions like this?

- What challenges did you face that talent management could have prevented or solved?
- What would you do differently if you were leading talent integration again?
- Do you feel the cultural integration strategy chosen (assimilation, integration, etc.) was effective?

Note: Not all questions were asked in every interview, and some responses covered multiple themes organically.

Appendix B – Sample Integration Playbook (Excerpt)

The following is an illustrative excerpt from a sample post-acquisition integration playbook. It outlines structured HR-led activities and interventions across the acquisition lifecycle, focused on supporting leadership alignment, cultural integration, and employee engagement. This sample was designed to guide implementation of the hybrid framework proposed in the study.

Pre-Acquisition (Planning & Assessment)

- Conduct cultural due diligence on both entities (values, leadership style, communication norms).
- Engage HR early in strategic discussions and risk assessments.
- Map leadership roles and identify key talent to be retained post-deal.
- Prepare internal communication strategy to manage expectations and reduce ambiguity.

Integration (First 3 - 6 Months)

- Co-develop onboarding toolkit with input from both legacy teams.
- Host joint leadership workshops to align strategy, roles, and decision-making norms.
- Facilitate culture labs to identify shared values and emerging norms.
- Assign integration ambassadors from both sides to guide early adaptation.
- Launch a phased internal communication plan outlining integration milestones.

Post-Acquisition (Sustain & Embed)

- Conduct cultural immersion exchanges or site visits to build empathy and shared identity.
- Implement pulse surveys and stay interviews to monitor morale and emerging issues.
- Celebrate quick wins and team contributions through shared recognition platforms.

- Update policies and handbooks to reflect new hybrid operating model.
- Continue leadership and team coaching to sustain behavioral integration.

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