

Editorial

This special edition of JEEMS on *Mergers and Acquisitions* aims at introducing the readers to the relevance and particularities of this topic in the Central and East European region.

Mergers and Acquisitions are essentially forms of ownership changes. The rules and regulations for *mergers and acquisitions* are set by national governments. Most *mergers and acquisitions* in Central and Eastern Europe take the form of privatisation. Thus, governments are not only setting economic rules and regulations, but they are also assuming the roles of the seller and - in the case of unsuccessful privatisations – that of the owner. As a consequence, privatisations can be considered as a special form of *mergers and acquisitions* that are of particular relevance in the Central and East European region.

With the increasing *mergers and acquisitions* activity during the past years, questions of *corporate governance* have also gained greater attention. This topic is in fact developing into one of global relevance and has also become a contemporary issue in the Central-Eastern European region.

Mergers and Acquisitions induce a whole set of radical changes at the organisation. They affect controls over management and corporate governance, and enforce a number of other modifications: new company strategies, radical organisational restructuring. Organisational behaviour is being modified at individual and group level, and completely new systems are created at the organisational level.

These are the topics that have been picked upon in this edition of JEEMS. Let me sketch you briefly the content of the various articles in this issue:

Several details observed during the privatisation process of a Hungarian company are described in the meticulously crafted case study by Antal-Mokos. He presents the high extent to which changes become necessary during the privatisation process. However, this restructuring is inevitable if a more effective system of company management and of *corporate governance* are to be created.

The two subsequent contributions are also dealing with privatisation and transformation processes. But they slightly extend their field of interest: Ali and Mirza report on the reasons and motivations of foreign investors (in this case of British companies) to establish their organisations all over the Central and East European region. In contrast to this, Ainamo and Cardwell have geographically narrowed down their analysis: the authors focus their studies on deep going changes in the Baltic States. Their article includes many aspects of the highly topical *corporate governance* discussion.

This latter topic also forms the core of the two interviews in the *forum* section of JEEMS. The interviewed persons describe their experiences and the situation in

Hungary, leading us back to the geographic location of the first article in this issue, to that of Antal-Mokos.

Finally, the contribution by Thomson and Mc Namara demonstrates that the number of problems to be solved really rises once the *merger or acquisition* has actually taken place. This is particularly true in the context of organisational learning and organisational changes.

Privatisations were the main form of acquisitions during the period described by the articles in this issue of JEEMS. Acquisitions, on the other hand, were the most frequent form of company restructuring.

Concerning the future, I am convinced that *mergers and acquisitions* will still remain a principal mode of organisational growth for the now newly privatised companies.

I hope you will be reading this special edition of JEEMS with great interest. I would also like to say thank you for the editing assistance provided by my departmental colleagues, in particular by Zoltán Buzády.

Miklós Dobák (guest editor)