Building a Case for Communicating with Employees Throughout the M&A Process

Loris Brooks, Master of Arts Candidate
Human Dimensions of Organizations, The University of Texas at Austin

Introduction
All organizations that undertake the process of a merger or acquisition (M&A) do so with the goal that it will produce a stronger and more successful organization. This requires employees who are committed to the success of the M&A. Currently most organizations communicate M&As with employees in a way that produces anxiety, stress, and disengagement. This impacts the organization’s health and the success of the M&A.

Methods
- I conducted an extensive literature review and used academic research of mergers and acquisitions to interpret and identify how the communication of the M&A affects the stakeholders of an organization as well as the organization itself.
- There is a wealth of academic literature on M&As in general. There has been an increased interest in the human side of mergers and acquisitions and this literature helped to jumpstart my research and hone my argument.
- Communication with employees is a common theme throughout the academic literature. I take this a step further and suggest that organizations should communicate with their employees throughout the process of a merger or acquisition (and not only at its start).

Results
Current Communication System
- Memo
- Press Release
- Rumor
- No Formal Communication
- Employee Meeting
- Outside Notification

Effects of Current System on Employees
- Anxiety
- Stress
- Lower Job Satisfaction
- Loss of Identity
- Lack of Trust
- High Turnover

Conclusion & Recommendations
Build an Employee Communication Plan Throughout the M&A Process

The employee communication plan should be executed in the pre-merger/acquisition stage with continued communication throughout the M&A process.

Acknowledgments
With profound gratitude, I wish to thank:
All of the wonderful professors and amazing staff in the HDO program for their guidance and support especially my advisor, Clay Spinuzzi and second reader Polly Strong. My family and friends for their continued support.

Further Information:
Loris Brooks
lorisbrooks@utexas.edu

Literature Cited


Further Information:
Loris Brooks
lorisbrooks@utexas.edu