Four ways to engage and retain employees during mergers and acquisitions

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Four ways to engage and retain

1. Rally the troops
2. Empower managers
3. Recognize team members
4. Cultivate gratitude

Layoffs, new bosses, office moves and policy changes are some of the top fears employees have during a merger or acquisition. So strong and deep seated are these fears that some theories even suggest employees tap into instincts developed in a primitive time when a change in environment could mean a life-threatening loss of food, water, shelter and safety. While organizational change is not life threatening, our survival instinct is no less real.

The business of people

With the rapidly evolving business environment, mergers and acquisitions are becoming more and more common. In fact, "2015 was a record year for global mergers and acquisitions, as volume surpassed $5 trillion for the first time on record," according to a report by Dealogic, a UK-based financial software company that develops tools and services used by investment banks worldwide.

And while these deals are made to increase market share, improve efficiency, save on costs, add capabilities or even avoid taxes, their success really depends on their employees. The very same employees who are fearful for their jobs. "A merger or acquisition is ultimately a human process. To simply assume…the transformation will succeed, or the myriad issues and concerns associated with it will work themselves out in the long run is naïve," wrote Anthony F. Buono and James L. Bowditch in their book, *The Human Side of Mergers and Acquisitions: Managing Collisions Between People, Cultures, and Organizations.*

So how do organizations keep employees focused, productive and feeling secure instead of stressed, fearful and fighting for survival? By employing four key strategies, managers can navigate the choppy waters of a merger or acquisition to engage and retain employees.

1. Rally the troops

Defining the mission and sharing it with the entire organization is a critical first step. "One of the most common fatal flaws in creating a collaborative organization is failing to pursue a common mission, a goal premised on an agreement that both camps will succeed together," wrote Rodd Wagner and Gale Muller in their book, *Power of 2: How to Make the Most of Your Partnerships at Work and in Life.* When leadership puts this strategy to work, the results speak for themselves. Case in point:

After a large health system went through acquisitions, consolidations and relocations brought on by the Affordable Care Act, many leaders and employees were confused about the organization's direction for the future. To clear up confusion and get everyone on the same path, the company held a leadership meeting focused on the theme "One Call," which spoke to the health system's Catholic mission and history and created a call to action for the future. An inspiring mix of guest speakers, music and videos all focused on the future of healthcare, discussed how to overcome adversity and created an atmosphere of positive change and forward momentum.

But more than simply hosting a motivational day and hoping for the best, the organization put tools in place to measure its effectiveness. By surveying attendees at the beginning and ending of the meeting, the organization was able to gauge the success of the day's program. The results? 95% of employees expressed an increase in their commitment to the organization and 28% reported a sense of empowerment and confidence to create change.

2. Empower managers

Once the mission has been established and communicated, the next step is to cultivate employee behaviors and characteristics needed to support it. Recognizing and reinforcing these behaviors is a powerful long term strategy because actions that are recognized are often repeated.

"An effective recognition strategy trains managers on both the philosophy of recognition, as well as how to deliver it well," said John O'Brien, Vice President of the Employee Performance Group at BIW. Managers should recognize and reward adaptability, flexibility and accomplishments of both individuals and teams during and following a merger or acquisition. "It's also important that the approach is sustained over time," says O'Brien, "with communication tools and recognition targets for managers to keep the program alive, while allowing them to adjust their approach as changes are needed."

3. Recognize team members

A free-flowing peer-to-peer recognition program can have the biggest reach across an organization. These programs enable employees to recognize—publicly or privately—anyone in the organization who is embracing or exemplifying the company's core values and behaviors. And the act of offering recognition is valuable to the recipient and the giver alike.

BIW brought this approach to life while working with a company to implement an IT talent retention program during an 18-month migration of customer data from a legacy platform to a new platform. The program enabled employees to recognize each other for their efforts toward the integration and attainment of key project milestones. It also rewarded consistency, retention and excellence in achievements. The program resulted in a statistically significant reduction in voluntary terminations for this group compared to the rest of the company.

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4. Cultivate gratitude

As with recognizing a job well done, the act of thanking someone can have a powerful result. Within the fear and uncertainty caused by major company changes, the experience of receiving gratitude can calm and unify employees. "Gratitude is an antidote to negative emotions, a neutralizer of envy, avarice, hostility, worry and irritation," wrote Sonja Lyubormirsky, Ph.D., in her book *The How of Happiness*, adding, "Gratitude helps people cope with stress and trauma." At no cost to the bottom line, the two words "thank you" can have serious impact.

By taking steps like these to create a sense of security and stability for their employees, organizations will experience a smoother transition and more success long term. To learn more about how BI WORLDWIDE can help you and your employees during a merger or acquisition, visit: BIWORLDWIDE.com or email info@BIWORLDWIDE.com.

A note on employee engagement surveys

Leaders often postpone engagement surveys during mergers and acquisitions because of competing priorities and for fear that the results will indicate lower engagement. However, this may be an ideal time to establish a baseline that you can measure against as you move forward with organizational changes.

To get an accurate picture and to encourage candid responses, clearly communicate how the data will be used. "A guarantee of anonymity and keeping the results at a macro level is incredibly important," said Rodd Wagner, *New York Times* bestselling author and Vice President of Employee Engagement at BIW. "Without that, employees, fearing for their jobs, may tend to present a rosier picture of their engagement in order to please their managers and avoid any sense that they are less than dedicated."

Pro tip: Results can vary based on the stage of the merger or acquisition and the employee's role, so use a long-term or pulsed survey approach to better measure change.