

Many mergers end up as a bad experience for employees



Major organisational changes like mergers and acquisitions (M&A), restructures, and spin-offs often leave a bad taste in the mouth of employees. The reason for this is frequently because those responsible for planning and implementing these changes are unable to balance the tension between task and relationship. Or put differently, organisations in change often spiral into a very transactional way of engaging with employees, focusing on plans, processes, policies and performance metrics.

Although this may provide the leadership with some sense of structure and control in a complex and confusing context, it comes at a cost. That cost is often the loss of connection to the employees, or worse, the loss of resilience, health and sometimes [life](#) of the workforce.

During a cooperative inquiry research study with employees living through a four-year merger integration, it became apparent that their experience of the merger centred around three existential questions they were asking themselves. Crucially, their response to each of these questions correlated to their experience of how they were being led and managed during the merger.

This gave rise to the identification of nine key practices leaders can adopt to mitigate employee pain-points commonly associated with any major change experience.

- Respect the past
- Enable meaningful dialogue
- Balance task and relationship
- Deal well with emotions
- Make people feel valued, heard and significant
- Protect resilience and wellbeing
- Strive for positive employee engagement
- Enable acceptance of the new status quo
- Role-model behaviours that inspire a sustained sense of belonging

None of these practices in and of themselves is radical or unorthodox. So why are leaders seemingly unable to practice or sustain these behaviours during times of significant change?

It is my belief that these practices require a level of integration between personal, inter-personal and public leadership skills that are difficult to retain under pressure or in times of crisis. In the face of a complex merger integration or restructuring challenge, many leaders become overwhelmed. Their ability for self-reflection and 'choice-full' leadership diminishes as their levels of stress increase.

The unintended and often unnoticed consequence of this is that their ability to lead the organisation and their employees through a difficult change process becomes impaired. Employees in turn become more critical of their leaders and more conscious of perceived leadership transgressions, eroding the trust between the hierarchical layers and putting the success of the merger at risk.

Drawing attention to three phases employees will encounter throughout a merger may enable leaders to adopt the relevant focus to engage employees more successfully with the intended change.

“Is this a place I want to stay in?”

This question becomes most prevalent when rumours of a major change begins to surface or when the merger/restructure announcements are made public. During this phase leaders need to demonstrate respect for shared values and legacy identities. Employees need to be treated with respect. More importantly, they need to see those employees who are losing their jobs being treated with respect.

Thus, leaders need to acknowledge past contributions and ensure that employees are not just 'being disappeared' from the organisation. Failing to do this will result in more employees selecting to leave, and often it will be your most talented and valued employees who will leave because of this lack of respect.

Employees also have a great need to make sense of what the changes will be and what it will mean to them. This requires leaders to be consistent and clear in their communication but more importantly, to create opportunities for dialogue. Employees need to make sense of what the new reality will look and feel like, and they are more likely to stay during the turmoil if they feel included, considered and connected.

“Is this a place I can survive in?”

As integration efforts begin in earnest, employees experience a range of change initiatives, pressures and subsequent emotions. Balancing the tension between implementing the changes needed, whilst ensuring business-as-usual continues is undoubtedly where the leaders need to step up more.

Employees need to experience credible and competent change management and change communication skills. They also need leaders to demonstrate empathy, insight and integrity, in order to feel secure. Leaders can further retain employee engagement and commitment by ensuring that they continue to feel valued and heard and by empowering them to have autonomy and significance within their own domain. Of great importance during times of major and prolonged change is the ability of leaders to connect with the emotions of people. Mood and morale are closely related to performance and well-being. Failing to notice and to address negative emotions within the system slowly poisons the well and leads to decay and distrust. Therefore, leaders need to develop the courage, resilience and skills to be able to deal well with emotions during change.

This is perhaps the most challenging phase for leaders to deal with because many of the factors that threaten the resilience and well-being of employees are systemic and may very well affect the leaders themselves. This is where public leadership skills become most needed and most noticeable in its absence. Where leaders are unable to challenge decisions, processes or practices that are stressing individual and organisational resilience towards breaking point, merger failures often occur. Therefore, leaders need to develop the ability to influence the wider system and stakeholders to ensure that both their employees and their organisation can survive periods requiring major change.

“Is this a place I can thrive in?”

Those employees who do survive the change begin to enter a stage of new beginnings, with new possibilities. This stage is often associated with a perceptible lift in spirit and in energy, which leaders can either enhance or dampen depending on their actions. Employees who have made the transition through the painful stages towards this period of new possibilities are fragile and need to be nurtured with great care and deliberation. Leaders need to foster connections with others and with a greater purpose, demonstrating their ability to maintain that balance between profit and people, or task and relationship. Leaders also need to identify employees who may not yet be in this space and find ways to connect with them, in order to bring them towards the new way of being. Taking care of those who are struggling or who need more time to adjust to the changes is noticed by others and contributes towards a sense of community and commitment to the organisation.

Although this article may give the impression that employees encounter these challenges in sequence, the truth of the matter is that these three stages present themselves in a messy and unpredictable manner. My research showed that some employees move through this cycle within a few months of the merger being announced, finding for themselves a 'new home' in the post-merger world. Yet, others continued to struggle for survival after four years of being caught in a process of perpetual integration. Many employees oscillated between these stages, some daily. The implication for leaders is therefore a requirement to be mindful and responsive to 'what is happening in the moment'. This in turn compels leaders to also take care of their own resilience and well-being during times of stress, in order to manage the tension of leading both change projects and people.



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