

How to retain your top talent during M&A



Robert Hicks, HR Director of Reward Gateway, discusses how employee experience plays a vital role in the success of M&A.

Company mergers are never easy and can throw up a variety of obstacles. Whilst the goal is to improve the business and its performance, the process can be daunting for both the business and employees. To avoid losing the trust and belief of employees, it's important to keep them engaged during this period of possible uncertainty.

According to a report by EY, 47% of key employees leave a company within a year of a transaction and 75% leave within the first three years. Often, a merger can feel like a takeover to an employee that has not received the right level of communication and care during the process - which makes us question, is it really ever a merger?

Whilst mergers can and do often succeed, your best employees may get caught in the crossfire of uncertainty. As a result, they walk and you are left plugging the gaps. Retaining best talent is therefore essential to the success of a merger and you should do your utmost to hold onto them.

Align both cultures

Initially, the leadership has to build a case for why both companies are a great fit. They should show how each company's people and corporate culture will benefit the other with the aim of forging stronger relations post-merge. The leaders should also indicate how the newly formed enterprise can create a unified set of values that will fuel a combined cultural experience - reducing the risk of inconsistencies that could have negative repercussions.

Conduct a workplace audit

Conducting a workplace culture audit, particularly an online survey for large organisations, will help to better understand the existing working environment for both businesses and sets of employees; particularly important to a company that has made a talent acquisition. Equally important, leaders may feel they know what employees think about their company, however, this could be far from the truth. Gaining insight from employees' first-hand ensures an unbiased and honest view, which in turn will help you during an acquisition process.

Build and communicate a shared set of values

Once the audit has been conducted and the beliefs, opinions and wants and needs of employees are better understood, it is important to put the results into action. Most companies have a set of values that define what the organisation believes about its work culture, what it means to be operationally efficient, how to demonstrate leadership, integrity and trust, and what it looks like to share knowledge and expertise.

So, it becomes imperative for the new enterprise to re-evaluate how these values fuel the combined cultural and customer experience – it has to work for everyone involved. Using the employee feedback as a guide helps to ensure the workforce remains engaged and valued throughout the merge and its future.

Appoint culture champions to lead the way

During this period of uncertainty, your team's level of engagement can be negatively impacted as they feel less valued or aligned with the organisation's direction. With that in mind, consider forming a team of culture champions made up of cross-functional, respected leaders from both organisations who can help begin building the trust necessary for connecting with employees.

As these leaders model and demonstrate the desired actions and behaviours that support your values, employees will embrace it and follow suit. Recognition is key; talent that already lives the company values, will help inform and influence the behaviours of newer employees.

After enough repetition, positive reinforcement and time, a critical mass will evolve with a common mind-set that fuels your unified culture.

Allocate resources for people systems

Management may gloss over the planning and budgets required to integrate both organisations' teams. Make sure to apply the time, money, tools and resources needed for setting expectations around the desired culture and employee and customer experience – whether that's training, leadership roadshows, cross-functional team building activities.

And don't forget resources for communicating and reminding people about those expectations throughout hiring, on boarding, performance conversations, ongoing strategic recognition, reviews, one-on-ones and more.

The journey of merging two workforces can be complicated with various unknown twists and turns, but there are ways to make it smoother and successful if talent retention and engagement is kept at the heart of it.