Managing through a merger or acquisition: it's all about trust!

Managing through a merger or acquisition is one of the most complex challenges a business leader can face. Business models can change, market focuses can shift, and established organizational cultures can cease to exist. All around, the effects can be profound.

It's the people in a business that make the culture, and it is cultural differences that are at the top of the list when it comes to merger and acquisition failure. A merger may look good on paper, but when both organizations have even slightly different cultures, it can lead to failure.

Here are some tips on how to smooth the merging of two organizations:

1. Diagnose the current company culture and identify the gaps between the current culture and the desired state, then implement appropriate actions to advance from one to the other.

2. Don't just develop a business strategy and set of goals but align talent with that strategy. Leadership and key employees must buy into and be engaged in the program.

3. Identify high-potential employees and top performers, both for gaining immediately strong business results and determining which job competencies are most critical for success across all functions, organizational levels, and positions within the new organization.

When company leaders fail to understand or appreciate the impact of individual and collective differences, organizational changes can be enforced too aggressively, which rarely leads to a successful merger. If little attention is paid to the people involved, then employees will simply disengage.

If you take the time to understand what makes people and a specific culture tick and engage with them as individuals rather than just employees, then you can unlock discretionary effort and amazing things are possible. If you don't, then mergers and acquisitions will fail, teams will function poorly, and opportunities for success will be missed.

During a merger or acquisition, high-performing employees from both companies can be relied upon in the transitional period. When a new entity arises from a merger or acquisition, it is essential not just to develop a business strategy, but to align talent with that strategy.

Identifying the most engaged leaders, influential connectors, and respected high performers at every level can help motivate all staff members to embrace the challenge. These individuals should be aligned with the strategic vision, equipped to execute their specific missions, and personally committed to making change happen.

It is also important to ensure that the strategy makes sense to everyone, which requires various "*translations*" of the strategic plan throughout each organizational level and function. Engaged leaders, influential connectors, and respected high performers will play a key role in this critical and ongoing communication.

Throughout a merger or acquisition, it is critical to build trust at all levels. To attain that trust, business leaders can employ such strategies as maintaining personal connections within the workplace, understanding the motives of employees, consistently delivering pledged results, and managing various work styles.

The key elements to reducing stress and anxiety during an acquisition or merger are trust and communication.

Focus on building trust throughout the combined organizations through meaningful, consistent communication along with frequent opportunities for collaboration across teams from each company. Trust contributes directly to engagement, and keeping employees engaged during the transition of two companies into one will foster more stable ground for a successful merger.

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