The Challenge of Managing a Merger

A payment provider facing a merger, dealing with major changings whilst trying to keep employees on board.
Managing a merger through employee feedback

The Merger

A merger brings about tremendous changes in a company. Surprisingly enough, plenty of cases show that the most difficult and crucial aspect in the process turns out to be the least emphasized during the preparation of a merger: company culture. Many mergers were very well managed in terms of supply chain, finance and organization restructuring but failed because people were not listened to and did not feel well in the new structure.

One of our clients gave us the exciting opportunity to be part of this great challenge to manage a merger.

The Company & their Challenge

The company had already been using teambay for one year and employees were actively involved in giving regular feedback. In average, nearly 10 feedbacks and nearly 80 thank you emails were sent per month.

The merger project ahead required our client to acquire another company. Therefore, they had to go through huge organizational changes in order to absorb the other company.

A lot of people left the company during the restructuring process. Quickly after, the merger led to a much bigger organization. As a result, the number of employees decreased by 30% and then increased threefold all at once. These changes stirred up increased insecurity amongst employees. The fear of being let go, facing the unknown and no clear vision of the new company, tasks and responsibilities had a major impact on productivity and performance. The question arose how to help employees transition from old to new, communicate their fears, ideas & wishes and get information about the changes.
The Experience of Management & HR

The management was well aware of the fact that they ran the risk of losing sight of their employees' happiness. However, an acquisition is a large-scale transformation in itself and they did not have time to focus much on employee involvement. The HR managers had to deal with a lot of people leaving the company and a lot of people entering it nearly simultaneously. It was important for them to track the mood of their people, since the company had been experiencing those changes quickly and was still going through various other changes. Furthermore, during the previous months, teambay's reports of employee weekly anonymous feedback had revealed some concerns in the organization: not enough communication about people leaving the company, a lack of coordination between teams etc. The company feared that those concerns could worsen and become real problems in the wake of the merger. What is more, every single employee, team and department is affected differently by the change and it is very difficult to account for all needs at the same time. The question was how to listen to the fears and anxieties and making changes accordingly, using as little resource as possible.

The Experience of the Employees

From the employees' side, the acquisition was a source of stress. One employee highlighted it very clearly a few weeks before the merger via teambay's qualitative feedback as an idea sent to management: “Slow down with the acquisition, and take it step by step. Too much is happening at once”. People were being overwhelmed and concentration dropped. The main concern was not the daily work anymore but the acquisition. As a result, productivity was quickly falling. It was high time to act.
The Plan & the Implementation

Together with our client, we planned the reorganization of their account. We offered to launch a new set of questions adapted to this particular situation in order to evaluate the employee satisfaction regarding the organizational changes. Our IT team worked on our client’s account in order to integrate the merged company’s employees. One and a half weeks after the HR manager sent the updated list of email addresses, the new account was ready.

At the same time, we worked hand in hand with the HR managers to keep track of the evolutions of the workplace through relevant questions. We identified four major issues to address in the weekly employee surveys:

- Their understanding of their new responsibilities after the merger
- Their opinion on the communication about the merger
- Their ability to identify the interlocutor to turn to for information
- Their impression that their feedback is taken seriously or not

Results and Learnings

The HR experience and the organizational behaviour knowledge of our team helped us to offer relevant questions related to change management. HR managers appreciated very much our help in that matter. Indeed, our insights gave them an external point of view which was very useful for them and brought fresh air. Our client liked the responsiveness of our support team: having to deal with lots of new issues on their side, they had very little time to give to teambay.

We worked as partners to ensure a smooth transition from the old teambay account to the new teambay account and, more importantly, from the former company to the new entity. Employees felt they could finally address topics concerning the merger and management could get back to these directly via teambay.

Changes and adaptations in the process could be taken care of before they turned into resistance among staff, unproductive teams or even evoke organizational retaliatory behaviour. Moreover, ideas were generated from the staff that improved the processes. As everybody had the chance to give their feedback, in a safe, anonymous surrounding, opinions were honest and employees were given a voice in a very difficult time for the company.