

## PEOPLE POWER

BY CHRISTOPHER HANNEGAN AND SEAN MCDADE

Throughout any merger process, nearly every aspect of the merging organization undergoes rigorous analysis built upon hard data. With one exception: people issues.

Employee matters are usually considered a soft element, with no real analysis undertaken to concretely measure employees' concerns, aspirations and dedication to seeing the merger through. This need not -- and should not -- be the case. Engaged employees help drive successful mergers.

We like to break down the process of achieving such engagement into four specific steps, which extend through the entire merger process to a successful post-merger integration.

Employee engagement quite simply reflects the emotional and rational bonds employees express toward an organization. During the instability of a merger transition, understanding what's in both acquiring and acquired employees' heads and hearts, as well as creating opportunities for employee feedback, becomes more important than ever. Rigorous measurement is the key to gauging levels of engagement.

Surveys and other feedback instruments like focus groups, hotlines and blogs, for example, established before any merger announcement or rumor, provide the best baseline from which to begin. Where such surveys are not conducted routinely, a pre-rumor survey is advisable. Once a deal is common knowledge, we suggest a regular measurement process, accomplished through ongoing employee feedback tools, while the merger is in progress. Capturing employee sentiment immediately following the merger announcement serves as a good initial "temperature check" in much the same way that stock price just before and after announcement is a good gauge of investor sentiment.

With regular specific surveying, which we refer to as "targeted surveying," one can measure how employees feel about the transaction. Important areas include: employees' level of advocacy, their willingness to put in discretionary effort toward its success,

their likelihood of staying with the new organization, and the extent to which they feel passionate about the merger. By using varied feedback approaches when surveying, leaders can avoid survey fatigue and bias and can differentiate between long-term problems versus short-term issues.

A targeted survey focuses on specific questions that will reflect how people truly feel. Such questions might include: Would you recommend the organization to others? Does the organization motivate you to do your best? Do you plan to stay with the company long term? Other questions might center on a particular integration subject, initiative or announcement.

Such surveys and employee discussions can also help to measure cultural compatibility between the merging entities while assuring employees senior leadership is listening.

Knowing the engagement levels within each of the merging organizations is important. Still more important is the ability to pinpoint just what drives that engagement. These drivers are the elements that affect an individual's level of engagement and, as a result, can guide management in the use of resources.

Many factors drive employee engagement; this varies by workforce. In a recent client transaction, we discovered that one of the merging organizations viewed customer service as a core value. However, the other organization used technology to a large extent, which appeared at odds with those employees who regarded customer "touch" so highly. Understanding this, managers were better able to communicate their approach to this group, which increased engagement and retention.

Surveying in areas such as how employees view management, individual career development, personal work/life challenges and cultural differences between the organizations can yield important information.

Interestingly, the surveying process itself can become a driver of

engagement if employees believe the very asking of these questions says something positive about the organization that is being built.

Once management has gathered the necessary data, it's crucial to circle back and share the results throughout the organization. People want to know survey results, and failing to close the loop on this process can render it -- and future survey efforts -- far less effective.

There are several ways to communicate results: e-mail blasts, bulletin-board postings, informal town hall meetings or directly through managers. In the process, it's important to make sure the information shared is substantive.

We have found that providing as much detail as possible is far more effective than simply sharing top-line results. This is particularly true in large organizations where efforts to engage employees comprise a mixture of broad-stroke and localized actions. Another successful strategy is to survey all employees and then cross-report results to show how the "other side" is feeling. This kind of content can often be integrated into existing lines of communication such as newsletters, special intranet sites, leadership town halls, videos and podcasts.

Armed with good data, the identity of key drivers and solid communications, management, of course, needs to take the final step of translating all this into concrete actions -- and act on the results.

By involving key employees in the development and execution of long-term actions, the merging organization will be sowing the

seeds for future employee engagement. A close analysis of survey data can help management develop programs that move in the right direction or allow the organization to gauge success.

In one client situation, senior leadership assumed that its communications style, which relied on e-mail and voice mail, was being well-received by employees. Survey results proved otherwise.

Using this feedback, management took action, developing a different face-to-face approach that included town hall meetings and impromptu site visits. This allowed employees to feel a personal connection with the decision makers, resulting in a dramatic increase in engagement scores and productivity. In another situation, our client created ambassadors, people not involved in the integration effort, who provided feedback about how management messages were being received at various locations.

Our four-step approach to driving employee engagement -- measuring through surveys, identifying key drivers, communicating results and acting on the data -- represents a proven, tested method, based on hard data, not soft ideas.

It is critical the cycle continues for up to a year following the deal close. Only then can the process ensure that a unified, properly motivated organization has been created from two, perhaps very different, entities.

*Christopher Hannegan is a principal at Booz & Co., and Sean McDade is the founder and CEO of PeopleMetrics Inc.*

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