

## Leading Merger and Acquisition Integration Success

**Author:** Mimi Bacilek

**Posted:** 08/15/2008 3:58:49 PM EDT

[Print](#)

[Close Window](#)

A recent KPMG study (“The Morning After” 2006) confirms our worst fears. Differences in style of how organizations create their results—often framed as culture—are the source of most merger and acquisition disappointments. And yet, the decision to grow the organization via a merger or acquisition (M&A) is regularly made without the proactive involvement of human resources. The human resources leader’s most powerful success strategy is to deal with that reality head on and take on the “lead integration executive” role. The goal in assuming this role is to proactively address three strategic, often-overlooked issues: culture integration, leader approaches and key talent retention. The successful human resources leader consistently links the work and associated measures of success directly back to the core business issue that concerns executives and boards—financial success of the merger. The “lead integration executive” role succeeds by employing a five pronged approach:

1. Rapidly determine culture gaps between the organizations that will predictably impact the workforce's productivity and their ability to perform their roles without a hiccup.
2. Partner with senior leaders to assist them in engaging their workforces in the vision and plan for the new company.
3. Align and reconcile people processes and inequities across the organization.
4. Guide senior leaders in conducting and acting on talent assessments that address three key groups of employees:
  - leader succession candidates,
  - top performers throughout the organization and
  - key individual contributor roles that will disable success if that talent is lost.
5. Create a process that keeps integration success on the senior team’s radar screen. The information is most effective when presented through the lens of key business measures such as productivity, order fulfillment, product error rates, customer churn and compliance with new product development/commercialization.

Tackling these five prongs of core human resources expertise: organization, design, benefits, compensation and talent management. Concentrating energy on organization design differences deals with leadership gaps, problematic spans of control and information flow constrictions. Benefits and compensation differences are likely sources of creating and/or sustaining inequities and divisions between the two organizations. Addressing them is fraught with legal implications and is therefore time consuming; however, failure to give them early, focused attention often results in morale and therefore productivity issues. Talent management is an often unaddressed issue that can impact the employee’s ability to successfully perform in a modified role or under new leader approaches.

The lead integration executive role is naturally welcomed once the magnitude of the integration task becomes apparent. While this human resources executive will rapidly have a very full plate of critical-to-success work, the role provides an obvious connection between the “soft” aspects of business and the success of the merger/acquisition. As a by-product, it increases the human resources department’s value to the executive team and likely creates a chair at the table for future M&A activities.

In today’s competitive environment, the degree to which human resources is valued is directly related to its ability

energies and resources to the ultimate success of the organization?

*First published on Human Resources IQ.*

e-BIM.com™ 2010 All rights reserved.