

Mergers and acquisitions (M&A) can be complex for all the employees involved, so it is imperative to work to minimize the effects.

In this sense, the text presents how decision-makers can and should **minimize** [the effects of M&A involving employees](#).

## HOW TO MINIMIZE THE NEGATIVE EFFECTS OF M&A ON EMPLOYEES



There are 3 ways to minimize the **negative effects** of the M&A process on employees.

- Ensure constant communication
- Offer retention contracts
- Create a benefit program

These strategies are important and necessary because when a company is acquired,

management changes can generate insecurity.

Furthermore, when two companies combine, there is often a resulting overlap between similar functions, which effectively amounts to a surplus of employees.

This, along with the pay gap and general anxiety about change, can **lead to conflict** in the company's daily life.

The ways to mitigate these effects will be discussed below.

## **ENSURE CONSTANT COMMUNICATION**

It is known that communication is the central component of corporate culture.

Therefore, whether your company is on the buy or sell side of a transaction, communicating the objectives of the transaction with your internal stakeholders is crucial.

In general, this communication must be as clear and frank as possible, respecting confidentiality agreements and public disclosure rules when applicable.

Furthermore, as part of the communication process, it is important to outline new opportunities within the company and show how employees will benefit.

## **OFFER RETENTION AGREEMENTS**

As mentioned, the duplicated roles resulting from M&A can create insecurity for employees.

In this sense, a retention bonus, for example, can persuade employees to stay with the company during the transition.

In addition, long-term benefits such as retirement plans can also be offered.

That way, high-performing employees will feel valued and secure under the new management.

## CREATE A BENEFIT PROGRAM

It is noted that most post-transaction periods involve extra work for employees, so it makes sense that they are rewarded according to productivity.

In this sense, profit-sharing programs are a way to boost productivity, especially in a post-transaction period.

In addition to the practices mentioned above, [the advice of a qualified legal team](#) in the M&A process is essential for mitigating negative effects.

The objective of the office is to ensure a holistic view of risks and to work towards finding a solution for them.

In addition, practices that show that the company is, in fact, paying attention to the situation of employees during the M&A process must also be applied.

For example, the constant communication guarantee, retention bonus offer, and a benefits program.

In conclusion, these are the main ways to **minimize** the effects of the M&A process on companies. [Keep following our blog and follow our Instagram for more content.](#)