

M&A Activity Represents Major Opportunity for HR Professionals

XpertHR Guide Offers Best Practices Before, During and After a Merger or Acquisition

NEW PROVIDENCE, N.J. – (July 19, 2016) All of the big players in consulting and analysis have the same message when it comes to corporate mergers and acquisitions (M&A): the failure rate consistently hovers between 70 and 90 percent, according to a recently released white paper from XpertHR.

One way to measure success is stock price, but only one third of companies involved in an M&A in 2015 saw their company's stock price rise after the deal. And the stakes have never been higher – in the United States alone there was a 60 percent increase of M&A activity year-over-year and companies are paying record-high valuations for acquisitions. Given these trends, a disconcerting number of companies are poised to experience M&A failure on a major scale, says XpertHR.

"While the failure rate and negative impact of mergers or acquisitions is alarming, it also presents a promising opportunity for senior HR professionals," says Michael C. Jacobson, a legal editor at XpertHR and author of the white paper.

To help ensure a better outcome for M&A activity, Jacobson recommends that HR professionals signal their desire to lead and get involved early in any M&A activity. The XpertHR white paper provides the following essential details for HR professionals:

- Learn why mergers and acquisitions fail.
- Learn how HR can boost the likelihood of success during the M&A process.
- Identify strategic goals before, during and after a restructure.
- Gain insight on obstacles and risk factors in a post-integration environment.

In addition to a basic understanding of the merger or acquisition at hand, Jacobson recommends that HR professionals prepare their staff to "really peel back the layers of the onion" of any target company. The layers can include company culture and philosophy; employee engagement and performance; legal exposure and past and pending litigation; contracts; policies; and collective bargaining agreements, for example.

While HR departments are involved with employee retention on a daily basis, it's even more important during any M&A activity, Jacobson says, noting that employee turnover can be high during or in the years after a merger or acquisition. "Development of a retention plan that is tied to the key employees who drive value would be an important contribution for any HR department," Jacobson says.

Moreover, HR departments can be instrumental in setting up employees to succeed and getting employees to believe in the new structure of the organization, Jacobson notes.

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XpertHR (<u>www.xperthr.com</u>) is a practical online service to help HR professionals comply with federal, state and municipal laws. <u>Resources</u> for preparing for and handling mergers or acquisitions can be found on XpertHR's website.

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