

Acknowledging the role of loss in facilitating employee transition in a partial business acquisition

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Abstract

Purpose – The purpose of this paper is to explore the experience of a cohort of staff who transferred from a medium-sized Irish pharmaceutical company to a US multinational, while remaining in the same building as their original employers and colleagues. It highlights the role of acknowledging loss when facilitating employee transition and the co-development of a communication and integration strategy in transitioning to a new organisation.

Design/methodology/approach – An exploratory qualitative case study captures the experiences of the senior manager responsible for the business unit transition and a cohort of 32 employees who moved to the US multinational. Conversations between the senior manager (author three) and his academic peers (authors one and two) trace the experience of this team as they transitioned to the new organisation.

Findings – Insights are offered through the transition journey – from the unofficial partial-acquisition offer through to the due diligence period and onto the subsequent implementation of the communication and integration strategy. Findings exhibit a co-developed a communication and integration strategy, revealing a largely successful initial integration of the team into the new organisation.

Originality/value – The paper offers a first-hand account of the steps taken in a successful employee transition to a new organisation following a partial acquisition. It describes how acknowledging loss is a valuable first step in the transition process, enabled by the design and adoption of a co-created communication and integration strategy.

Keywords Partial acquisition, Acknowledge loss, Communication and integration strategy, Compassionate leadership, Employee transition

Paper type Research paper

Introduction

While foreign acquisition impact on internal orientation and organisation is debated regularly in both academic publications (Bastos *et al.*, 2018) and in the popular press, less is known about partial foreign acquisitions, that is, when one organisation acquires a part of another company in another country (Wang and Larimo, 2020). Scant research exists about how those being acquired react, as the required transition generates a changed

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environment that in turn disrupts the status quo and triggers different emotional responses from employees (Malik *et al.*, 2024; Zahoor *et al.*, 2022). This paper offers insight into the complex social and cultural integration needs affiliate to partial foreign acquisitions (Zahoor *et al.*, 2022). It offers an in-depth practice-based case example, where a business unit within a medium-sized Irish pharmaceutical company was acquired by a multinational corporation (MNC). When contemplating this move, the transition management team acknowledged that transition success depends on the active support of employees (Degbey *et al.*, 2021); they also felt that this complex partial acquisition could generate an emotional response among transitioning employees (Kübler-Ross, 1969; Malik *et al.*, 2024), including feelings of loss compounded by their continued proximity to their prior company and colleagues. Conscious of a potential negative employee experience if this organisational transition was not carefully managed (King *et al.*, 2019; Steigenberger and Ebers, 2023), a collaborative research-informed approach was adopted by the transition leader, who is a co-author on this paper.

Placing the human factor at the forefront, the focus of this paper is on documenting the role of acknowledging loss and co-created integration strategies to facilitate employee transition in a partial business acquisition. In acknowledging loss while remaining “in place”, feelings relating to; shock, denial, frustration, depression, experimentation including bargaining and learning how to work in a new situation can be brought to the surface to help facilitate successful integration into the new work environment (Kübler-Ross and Kessler, 2005). Using an adapted model to guide the partial integration planning and leadership response in the initial transition process, this paper offers insight into other organisational divisions facing similar transition challenges, before outlining avenues for future research. The paper goes on to discuss the development and delivery of a literature-informed co-created communication and initial integration strategy to facilitate transition.

Methodological approach

This exploratory qualitative case study captures the experiences of a senior manager (Michael, author three), responsible for a 32-person business unit (K) transition to a US multinational due to a partial organisational acquisition in 2021–2022. Prior to and during this transition, Michael simultaneously completed a change management project as part of his MBA programme (2020–2022), underpinned by the action learning method (Kelliher and Byrne, 2018). Michael used his MBA project as a catalyst to design a research-informed transition strategy and to systematically record insights from the transition project.

Drawing on the critical dimensions of compassionate leadership (Ramachandran *et al.*, 2023), a human-centric transition plan was led by Michael and co-created by the transition team in anticipation of these challenges. This approach is underpinned by a cycle of diagnosis, planning, action, reflection and evaluation of impact. Careful consideration is given to “uncovering truth on which action can be taken” (Shani and Coghlan, 2021, p. 530), with all parties consciously reflecting on the choices made throughout the study. Under academic peer’ guidance (authors one and two), Michael adapted Kübler-Ross and Kessler’s (2005) five stages of grief model to incorporate an optimum leadership approach and planned leadership responses for each stage of grief as applicable to the transition process.

Data capture included case observations, and a reflective log retained by Michael throughout the transition project. Michael recorded his insights within 72 h of his observations to help optimise accurate reflections (Shani and Coghlan, 2021). These reflections include retrospective doubt, self-questioning and uncertainty about the impact of

the change, exhibiting the “swampy ground” anticipated by Schön (1984) when engaging with projects of this nature. As this was a self-reflective study, there was no requirement for collecting personal data. Ethical protocols were followed and approved.

Co-created in conversation with his academic peers (authors one and two) across a series of non-structured interviews carried out during and after the transition project, the case reports on Michael’s change management experience, underpinned by collaborative management research practice (Canterino *et al.*, 2016). This paper documents the research informed approach taken by Michael to prepare the business unit team for transition, which incorporates an anticipated grieving process (Kübler-Ross and Kessler, 2005) likely to be experienced by members of the transitioning team. When analysing the findings, we (the authors) draw on our conversation notes, Michael’s observations and detailed research logs.

Case overview

ABC Ltd is a medium-sized pharmaceutical company located in the south east of Ireland, which was founded in 2005 with an initial focus on a niche set of products. It was acquired by a US-based pharmaceutical company in 2015, and this led to a period of growth culminating in three different business units and a workforce of 200 highly skilled employees by 2021. The 2015 to 2021 period saw increased investment in a new plant with a planned production pipeline; however, this pipeline failed to materialise and faced with an asset unlikely to achieve a commercial payback, a decision was made by the US parent company in 2021 to sell one business unit (Unit K), which included the new plant to a large US multinational. This partial acquisition would result in Unit K moving to the US Multinational, while remaining in the same building as their original employers and former colleagues.

Findings

The case findings are presented below.

The road to partial acquisition

The road to partial acquisition was a complex one, as recounted by Michael,

I joined ABC Ltd in 2020 as Head of Operations after previously working with larger Pharma and Biotech organisations in a range of leadership roles. ABC Ltd. had spent €40 million building a plant and on-boarding staff for a production pipeline which never materialised, and the increased costs of running this business could be considered a burning platform. My first nine months were largely about trying to position the company to bring in contract business and work on behalf of other people, but this was not going to happen without additional investment. So, in short, we had an asset which needed to be sold.

ABC Ltd sought to arrange customer visits which could lead to a merger with or an acquisition by an organisation that saw the potential in ABC Ltd.’s assets. This approach draws on Kotter (1996), who highlights that an urgency of action can propel organisational action. In March 2021, ABC Ltd hosted a visit by a US global biotechnology company which operated as a virtual manufacturing enterprise (VME). A VME is “an internet-based “dynamical” organisation consisting of dispersed enterprises with various core-competencies” (Lau and Wong, 2001). This company was profitable and innovation driven with a track record in acquiring and licensing medicines through its business development team. The visit led to an unofficial offer to acquire part of ABC Ltd.’s assets, including the new plant discussed above, along with knowledge and know how that consisted of twenty percent of ABC Ltd.’s workforce. A key driver for this asset acquisition strategy (e.g. the

purchase of another company through the process of buying its assets as opposed to buying its stock) was that ABC Ltd.'s manufacturing facility was already commissioned and qualified [1]. This was advantageous to the VME, as it is estimated that approximately forty-eight months would be needed for the construction, commissioning and qualification of a new manufacturing facility from a greenfield site. Management's reaction to the site visit was positive, as recounted by Michael,

The initial reaction from the site visit were very positive – both companies displayed a sense of urgency to move quickly through a due diligence phase for very different reasons – one was to acquire and one was to sell. On our side as “seller”, we were optimistic that the visit would allow us to sell the asset and it would also utilize a certain percentage of our staff that were becoming more concerned that there was no future for this type of biologic manufacturing in the company. . . . However, while we were encouraged that an offer would arrive, we were also aware there would be many months of due diligence that could end discussions between both companies.

Will they, won't they? – Due diligence phase of partial acquisition in practice

Due diligence is the process of verifying the value of a company and its assets before purchase (Bhagwan *et al.*, 2018). This was conducted by the bidding firm to evaluate several aspects of the target company, including financial, operations, legal and environmental elements. The aim was to uncover as much detail as possible about the target organisation before a decision could be made to proceed with an official offer. These findings can also be used to drive negotiating conditions around the bid price, as explained by Kling *et al.* (2024) and can help the acquiring organisation formulate recommendations for the initial integration process (Bastos *et al.*, 2018).

The unofficial offer from the US firm to acquire unit K including the new plant was viewed positively by the site leadership team at ABC Ltd, and an immediate challenge was keeping the process confidential. As described by Michael,

The due diligence process was led by the site leadership team and senior managers, including myself on our side; this represented less than ten percent of the organisation, and we all signed NDAs (Non-Disclosure Agreements) as part of the process.

Although only these employees were part of the initial consultation process, all employees had protected rights under the European Communities Regulations (2003), which protects employees if an employer's business is taken over by another employer because of a merger or the transfer of an asset. At that time, Michael contemplated the likely employee response to the proposed partial acquisition in his reflections at that time,

. . . the acquisition is consuming a lot of my time . . . the due diligence period is challenging . . . the word communication keeps reappearing; it's playing a major part in managing the change for the team and me . . . An organisational acquisition tends to be a stressful time for people, this is quite the opposite for me personally because the business was going to have a solid future under within a new organization . . . It is inevitable that [the acquisition] will create some level of insecurity amongst the impacted employees, but they don't have to worry about losing their position . . . which can often be the case when a merger or acquisition takes place.

While the outcome of the due diligence process was unclear throughout this period, the leadership team understood the need to plan for a transition of staff to a new organisation. An employee-friendly approach to the acquisition was proposed by Michael, drawing on Ertugrul's (2013) insights in acknowledging the importance of human capital for a successful integration. It was clear that a well-planned communication strategy would be needed during both the pre-acquisition and post-acquisition phases, as the level of communication would likely vary at different stages,

A communications consultant was on-boarded to help develop this strategy which included communication within the organisation following the announcement, public communication in Ireland and the US – and both organisations' corporate communication teams were actively involved in developing the plan and content of the communication channels.

During the due diligence period, an integration team was established to manage this communications and transition strategy, which included the coordination of several work streams (such as IT Infrastructure, systems integration and new business processes) with each having milestones to achieve during the first six months following the acquisition. The transition team sought to ensure a balance was maintained between employee integration and task integration to help ensure employee engagement during the post-acquisition cycle. The due diligence process concluded in June 2021 with the US multinational firm's final offer being negotiated and accepted by ABC Ltd and its parent company. Michael felt comfortable at this time,

As the announcement date approached, I knew that most of [Unit K] would be asked to make a transition to the US firm. I expected the majority of the transferring employees would be excited about this change as it would bring certainty and clarity for a business which was in a state of flux prior to the visit.

Facilitating employee transition

During the transition planning phase, it became clear to Michael that the announcement of the acquisition would likely come as a shock to some of the employees, while others may have been more prepared for the announcement,

... some employees may have been psychologically prepared for this news, as the future of the business had a lot of uncertainty, because it lacked vision and strategy.

When contemplating how best to approach the team transition from this partial acquisition, Michael sought insight from Kübler-Ross's (1969) grief and loss framework, which proposed five stages of grief: denial, anger, bargaining, depression and acceptance. This framework has since been extended to the corporate world (e.g. Kübler-Ross Change Curve Model) to help understand the emotional turmoil faced by employees because of change at their workplace (Gerhardt and Puchkov, 2023; Kübler-Ross and Kessler, 2005). While this model proposes a set of stages to provide a perspective for each employee's loss process, it acknowledges that there is no unique pattern for an individual's emotional response because of great loss or life-change situations. Thus, as highlighted by Rivas and Jones (2014), the stages may not be linear as individuals follow their own path when adjusting to such events.

Nonetheless, this model was viewed by Michael as a helpful starting point to offer guidance as to where each transitioning employee may be on this curve at any one time. Contemplating the dimensions of compassionate leadership as presented by Ramachandran *et al.* (2023), namely, empathy, openness and communication, mental health and well-being, inclusiveness, integrity, respect and dignity, Michael grappled with the balance within and between each of Kübler-Ross's dimensions in his approach. The model and the questions it raised (Table 1) helped Michael and the transition leadership team to decide how and when information should be communicated relating to the partial acquisition and what level of emotional support a person or the overall team may need at each stage. Following consultation with his academic peers regarding the design of a transition programme, Michael and the team contemplated the stages of the Kübler-Ross change curve when co-creating their leadership approach and response plan (Table 1).

Table 1 exhibits the anticipated emotional journey that each employee could experience once word of the partial acquisition became public. This table proposes a co-created communication and empowerment approach that has the flexibility to adapt to the various emotional stages that employees may experience in the transition process. Clarity as an initial leader response affords team members time to process the transition reality and can help them come to terms with the proposed change, thereby facing up to and releasing feelings of shock and denial on their own terms. Frustration may be reduced through a two-way communication approach that facilitates responding to queries and concerns as they arise. Early acknowledgement of these emotions may help to alleviate the potential for depression, while co-developed motivational tools could help to draw individuals into a self-development lens (Figure 1).

Stage	Leadership response	Recommended leader action(s)
<p><i>Shock/Denial</i> Surprise or shock at the change event may result in conscious or unconscious refusal to accept facts, information, reality, etc. relating to the change</p> <p><i>Frustration</i> An overwhelming emotion which can lead to explosive outbursts; thoughtless and impulsive choices may be made during this time</p>	Clarity Empathy, Compassion	Exhibit openness. Communicate clearly, outlining why the changes are necessary, what they will entail, and how they will impact transitioning employees. This includes listening to employee concerns, clarifying what will stay the same, helping to minimise confusion and frustration and building a level of trust in management It is important to provide a mixture of individual and team communication methods such that both individual and collective grief can be surfaced and addressed
<p><i>Depression</i> Employees going the transition may suffer from low mood and/or lack in energy. They may become discouraged and demotivated. Absenteeism tends to increase during this stage</p>	Motivation Empathy, Compassion	Highlight the benefits of the change. Individuals should be empowered to provide feedback and to raise any concerns, suggestions or questions they may have. Key dimensions of compassionate leadership including inclusiveness, integrity, respect and dignity should underpin this approach
<p><i>Bargaining/Experiment</i> Individuals trying to understand their situation may experiment as they begin to engage with the new situation. They may explore ways of “striking a deal with higher powers” in order to postpone the inevitable (e.g. bargain) or start to move towards acceptance of the new situation</p> <p><i>Acceptance (decision to engage and move towards integration)</i> Transitioning employees begin to experience objectivity of the situation; while some might not like this new reality, they begin to learn to live with it</p>	Flexibility, Negotiation, Empathy, Patience Empathy, Compassion	Managers should be flexible and listen to employee suggestions while helping employees to understand the new expectations associated with the change; e.g. their new individual and collective role(s). Emotional reactions will differ and patience/empathy remain an underlying approach at this stage Individuals want to feel reassured. Show individuals that you understand that change is difficult and that you are experiencing the change “first-hand” as transition leader

Table 1.
Planned leadership response to change cycle

Source(s): Concepts adapted from Kübler-Ross and Kessler (2005), Gerhardt and Puchkov (2023), Ramachandran *et al.* (2023), Rivas and Jones (2014), Soontornchaiya and Charoensukmongkol (2024), Zahoor *et al.* (2022)

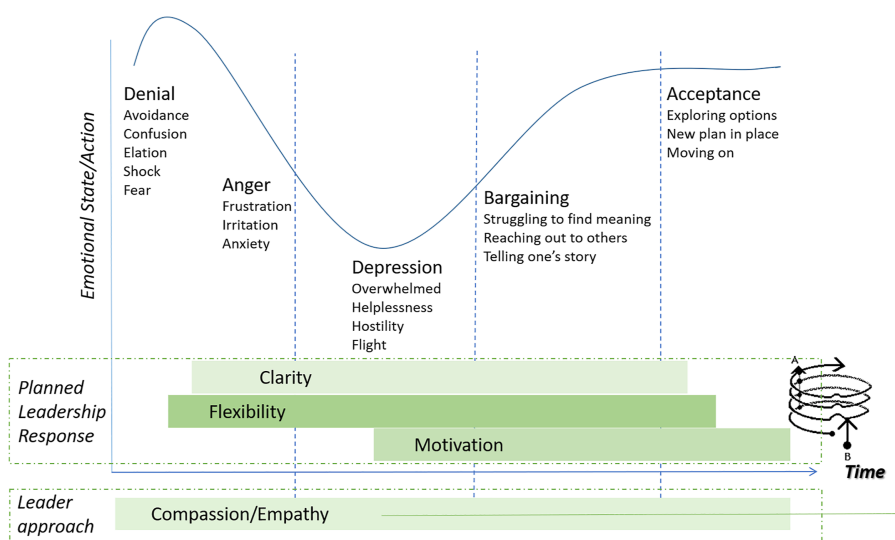


Figure 1.
Planned leadership
response to
acknowledging loss

Source(s): Adapted from Kübler-Ross and Kessler (2005)

In [Figure 1](#), “time” is a liminal factor, existing within and between each leadership response. A mix of flexibility, negotiation, empathy and patience is required on the part of the transition team, particularly in the bargaining stage ([Table 1](#)), when many iterations of sense-making may be required before an individual is willing and able to move toward acceptance. However, more time was not sought, possibly due to the need to put a largely redundant facility that was costly to maintain. This organisational need seemed to supersede that of the individual in this case. Thus, the leadership response plan ([Table 1](#)) acknowledges that not all individuals will experience each stage in the change cycle and that some may move from shock directly to depression and potentially leave the organisation (e.g. flight), while others may move from shock directly to experimentation, quickly negotiating their role in the new work environment. Armed with these insights, the team felt somewhat prepared for the announcement.

Acknowledging loss

While Michael’s perspective was primarily positive in relation to the acquisition, his reflections exhibit an understanding that others may be experiencing a sense of loss that would require compassion on his part,

Whatever happens next, the coming six months are going to be a challenging process, and I need to make sure the people involved are front and centre . . . My main focus and role during the acquisition is the value placed on our employees that I consider the most important assets we have, and trying to prevent any value destruction when employees are not considered the number one priority in a transaction.

In mid-June 2021, the partial acquisition of ABC Ltd by the US multinational firm was announced as part of a coordinated media strategy at the local, national and international levels. All ABC Ltd employees had been informed of this development a few minutes earlier and a theme conveyed during the initial announcement was of two organisations coming together.

The announcement was viewed as a trigger event, potentially initiating the Kübler-Ross model ([Figure 1](#)). It was recognised that clear communication was needed to justify the change and to acknowledge the likely impact on employees. A consultation process started on the day of the announcement, when the transitioning team was brought together for the

first time. Michael led this process for a four-week period; this process was important to ensure that all transferring employees were given the chance to express their concerns, to offer suggestions and insights, and to ask questions if they were unclear about anything. As the senior leader of the physical site leadership team for the US firm, Michael's role was to lead this transition and to support each person through their own journey,

It became apparent to me that I was a key influencer across the site and the teams, helping to communicate and to rally behind a successful acquisition, helping to bring the team and individuals through a personal change cycle that would be an individual journey. So, I tried to portray a positive attitude and communicate a future vision that would inspire the team.

Michael's reflective log entry in June 2021 acknowledged his own trepidation in context and the significant pressure he placed on himself as transition leader,

... I know [unit L] will never going to be the same again ... However, I must portray a positive attitude and communicate a future vision that will inspire the team, so they in turn would display the same positiveness towards change ... I think if a leader is negative and stubborn about change, then their employees and reports are likely to follow suit. As the most senior leader, I feel a responsibility to ensure such a situation is avoided.

During the initial stages, it was viewed as important to acknowledge loss as the announcement could be perceived of as a distressing workplace crisis, leading to a grieving process being experienced by employees (Figure 1). Michael recalls the response to these human needs,

We knew these colleagues were not only joining a new organisation, but they were leaving behind colleagues to move to a new entity while remaining in situ. So, we adopted the Kübler-Ross's grief and loss model which we used to help us assess, analyse, and understand the personal impact this change would have on the employees directly impacted by the acquisition.

Informed by the adapted model (Figure 1) and planning insights (Table 1), Michael sought to incorporate flexibility in a co-created transition strategy to help motivate staff to take control of their own transition journey. Experimentation (incorporating bargaining) proved to be key steps in helping individuals find meaning in the transition. Incorporating flexibility into the planned leadership response leveraged individual capacity to explore options as transitioning team members learnt how to work in their new situation, ultimately facilitating a move toward acceptance of their changed work environment.

Guided by research on collective team grief (Gerhardt and Puchkov, 2023), compassionate leadership (Ramachandran *et al.*, 2023) and management communication and workplace formalisation strategies to promote shared goals and commitment of employees during post-merger and acquisition integration (Soontornchaiya and Charoensukmongkol, 2024), a compassionate coaching leadership style was adopted by Michael and the senior team to help promote two-way communication with employees on both a one-to-one and team level. Weekly meetings offered an open forum for employees directly impacted by the change where they could highlight any areas of concern and where potential solutions could be discussed. This forum enabled Michael as a senior leader to give personal commitment that as problems would arise, they would be dealt with and solved as a team.

Initial concerns were expressed by staff regarding job security, and these were considered by Michael as "*a process of walking in their shoes ... I was aware that I knew more about the road ahead*". All were reassured that there was no minimum period of service in the case of the transfer of undertakings to the US multinational. This transparency was key especially for issues that were emerging during the integration phase. This transparent and open communication approach is reflected on by Michael,

Regular communication and being open and honest helped keep employees stay engaged. When questions were asked, the answer may not have been available immediately; it would be followed up

and provided as soon as possible. This approach helped me personally, sometimes simply saying “I don’t know yet”, about certain future developments, or “I don’t know because things have not been decided yet” was my attempt to be open and transparent, based on what I knew at the time. If you do not give frequent updates, people will start to make up their own narrative on what is going on based on their feelings and emotions, or worse again what they hear from others that is mostly inaccurate.

During the consultation meetings that followed over subsequent weeks, supportive discussions were held with employees, which helped most of them to accept the change, and embrace their new role and responsibilities. The movement from shock to denial took time, as staff listened to and read through the details and implications of the announcement. Michael recalled,

There were a range of reactions and the 32 staff certainly moved through the phases of the Kübler-Ross curve in different ways, and at different timelines.

During the consultation meetings, it was clear to Michael that there were two subgroups within the 32 staff being transferred: manufacturing staff and supporting staff,

Subgroup one: manufacturing staff. From the 32 staff being transferred, there were 20 staff who were directly involved in this business unit’s manufacturing; Michael reflected on these individuals at the time, believing that they were heavily invested in the acquisition. He noted in his observations that this cohort largely embraced the news as summarised by two of this group who remarked that, “*The plant can now be put to use as intended, and this can make a real difference*” and “*This is great for the site and for more jobs in our city*”. Most of this sub-group accepted the opportunity as positive and moved quickly to the acceptance phase of this curve. As reflected on by Michael, “*I think this was because they had seen that without such a move, the new plant had no real future*”.

These findings capture an important insight, as those on the “front line” (e.g. manufacturing) appear to have a greater sense of urgency than the support sub-group. Michael shared the adapted Kübler-Ross model (Figure 1) with employees at this time to help all to understand that others in the team may be experiencing similar, or different, emotions during their transition to the new organisation.

I was happy to help the transitioning employees to help develop a shared understanding of the opportunity, and to help alleviate acknowledged anxiety, uncertainty and resistance that might arise based on our understanding of the grief cycle and to create a level of trust and communication that could support the transition.

From a leadership perspective, Michael started to feel more relaxed that these employees were accepting their new reality and would continue progressing beyond the initial stages of the Kübler-Ross model,

Those in the first subgroup could now see a future as part of the US multinational because they now had a product pipeline and operational activity that would keep them very busy.

In terms of the Kübler-Ross model, the manufacturing staff quickly moved to the acceptance phase of the model as they saw the acquisition as an opportunity that would bring therapeutic products that were not possible with the previous owners.

Subgroup two: supporting staff. The second subgroup was a group of 12 people from more supporting roles, e.g., some who worked in purchasing across ABC Ltd. – and for this cohort, the sense of shock on announcement day was palpable. Michael recorded what he perceived as an emotional reaction by one employee from this subgroup who had remarked, “*I am not happy moving; I feel I have been singled out and am losing my job*”. For this group, the initial reaction appeared to be one of anger, with Michael observing that some felt like “*we were being left go from the company, it felt like involuntary redundancy*”. The second subgroup was less involved with the new plant and, based on Michael’s reflections, they initially felt that they were being “singled out”, and they remained in the anger phase for longer. This group

needed more one-to-one meetings and reassurance on what the partial acquisition meant for them. It appeared to Michael that many of this subgroup spent time reflecting on what the change meant for them, drawing some down into “depression” (Figure 1), while others managed to remain optimistic, transitioning into experimentation with greater ease and pace than reticent colleagues. In addition, the acquiring organisation began hiring further staff after having announced a growth strategy for the newly acquired unit K and Michael believed the transition was positively impacted by this announcement,

I believe as they (unit K) could see the organization growing, and we communicated how many additional employees were being recruited, it gave more assurance, confidence and belief that the acquisition was a positive move.

Time also had an impact. For example, Michael noted in his observations that the employee who had felt on day one that he was losing his job, remarked on day 30.

I did not realize what changing companies would mean, and I am really happy to have had the opportunity to become an employee of (the acquiring company).

Others within this subgroup initially struggled with the reality of the move, but they did become more comfortable with the change over the consultation period. The period following the announcement saw relationships develop within the new organisation, with another office located in Ireland with US-based senior leadership. This helped to create a greater sense of belonging, particularly for this group of employees who started to realise they were now part of something that would lead to better opportunities for their careers if they decided to stay. As articulated by Michael in his observations,

I would say within 30 – 60 days post-acquisition this group started to move from denial to the bargaining phase, and started to feel the acquisition was a new opportunity.

“New beginnings”

By September 2021 (circa 3 months from the initial announcement), Michael felt that employees had progressed along the stages of the Kübler-Ross model to varying degrees; many were accepting of “new beginnings” while others were moving at a slower pace. A small cohort of the staff (less than five of 32 employees) found the pace of change during this transition to be overwhelming and chose to leave the organisation. This was expected in that the integration team had anticipated that some employees would decide the move “*was not for them*”, given that they had initially chosen to join a smaller organisation with a different culture and structure to what was now available to them as part of the MNC.

Flexibility was shown within the transition plan (Table 1) to allow people to progress at different timelines, and the positive messages around those involved in the partial acquisition led to very few instances of a sustained depression phase (fourth phase of model). The MNC expansion plans were linked to this positive outcome, with new employees being recruited helping to rebalance the transitioning staff’s emotional journey. The benefits of being part of the acquiring MNC were further explained during this transition phase; this included the provision of equity to the transitioning staff to help them embrace the partial acquisition as this was not something that had been made available to them as employees of ABC Ltd.

To continue the momentum towards the transition of staff to the MNC, an inaugural “All Employee Meeting” was held in November 2021 at an offsite location. This included a questions and answers session, which showed high levels of engagement. This off-site meeting helped to further unite the team and to give a clear direction where the new organisation was going. This was a research-informed carefully planned event by the integration team and considerable efforts were made around the communication of key messages. This approach was deemed critical to make it clear to the team as to what they needed to do and what they needed to achieve.

At the end of 2021, great progress had been made on the site, all integration work streams had achieved their key milestones and increased levels of employee engagement had been witnessed. This led to an acknowledgement by the MNC executives that the site had performed excellently during the first six months post-acquisition. During this phase, the division of ABC Ltd not only retained circa 90% of the 32 transferring staff but also grew to 56 employees, adding to the site's capacity.

Discussion, reflections and contributions to work-applied management practice

Reflecting on the process of formally acknowledging loss and the benefits and challenges of a co-created integration strategy (Table 1), this approach had a positive impact on the team's transition experience. It was deemed inevitable that there would be some level of insecurity amongst the impacted employees around job security, working with new management and transitioning from their old work environment, while remaining *in situ*. The positive outcomes experienced by the transitioning staff were seen as an endorsement of the leadership and communication approach adopted by ABC Ltd. In particular, the focus on the employees, who were viewed as the most important assets of the organisation in this project, was seen as instrumental in the relatively smooth transition of unit K employees to the MNC. This required management flexibility in acknowledging the different types and levels of loss felt by employees, particularly those in the supporting staff subgroup who perceived a greater impact on their work security and professional role.

Based on this partial acquisition experience and observations relating to the adapted strategy (Table 1) and framework (Figure 1), key insights include,

Clarity – The value of developing a research-informed transition plan prior to the announcement of such an acquisition: Forming a planning and integration team, guided by an adapted Kübler-Ross model to anticipate the stages of loss, made employees more likely to go through following the announcement. In addition, a clear communication strategy, particularly in the immediate aftermath of the announcement, helped alleviate employees' sense of loss, fear and anger. In this case, a combination of team meetings and one-to-one discussions with staff were included in the transition rollout and an open and honest approach was adopted by Michael as the integration leader. Communication messages were adapted as employee's progress through the stages of the Kübler-Ross model, with key messages being iterated at regular intervals to check in on progress. The integration leader helped alleviate concerns, accept suggestions and answer questions.

Flexibility – Ensuring the availability of time and support to help employees acknowledge and process the loss being experienced during this transition. Clarity of communication, flexible communication modes and an empathetic approach were needed to facilitate successful employee transition from loss to acceptance (Figure 1). This involved the integration leader taking time out for individual meetings and team meetings to listen to how individuals and the team were doing and adapt their approach depending on identified needs. Active listening helped build trust in management, particularly as the integration leader rapidly followed up on agreed requests.

Empathy – The appointment of an integration leader and the integration team played a central role in designing the integration plan, and in co-creating the transition strategy and helped embed empathy and compassion from the start. This allowed the team to form a collaborative approach to creating the tools that tracked progress against key milestones in providing feedback. For this study, a dedicated integration leader, was accessible to all transitioning employees for the duration of the transition (e.g. up to 6 months post-announcement).

A people-centred approach to the partial acquisition helped build employee engagement and lead to a successful transition to the new organisation. A key factor in seeing progress within the team's integration and transition cycle is the focus on employees, placed at the heart of the

integration strategy. In creating a transparent psychologically safe place where individuals could mourn the loss of their previous role, each team member was able to follow their own transition path, from loss to acceptance.

Research limitations and avenues for further study

While this study offers useful insights on how a partial acquisition impacts staff transitioning to a new organisation, it is important to acknowledge that the findings of this qualitative case study may not be directly transferable to other settings. Urgency of action (Kotter, 1996) undoubtedly helped drive acceptance of this announcement; however, this may not be present in other such acquisitions. The integration strategy (Table 1) and framework (Figure 1) depend on the appointment and commitment of an integration leader. The case study is enhanced by the inclusion of an insider (Michael) on the research team. However, the perspectives from other stakeholders, including staff that remained in the original organisation, could have been incorporated – and these could be added in a follow-up study. Finally, this study is confined to the initial impact phase of a partial acquisition on transitioning staff. Further studies could assess the extent of medium and longer-term cultural integration of the transitioning staff into the new organisation; such a study can assess if transitioning staff remain at the final stages of the Kübler-Ross model or whether they could revert to earlier phases if they ultimately regret what has been lost through the transition.

Notes

1. Once design and construction and general commissioning are completed in a pharma plant, pharmaceutical facilities must be qualified and their processes validated before production can commence (Martin, 2018)

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