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Publisher: Taylor & Francis

Informa Ltd Registered in England and Wales Registered Number: 1072954

Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



## Prevention in Human Services

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/wzpe20>

## Merger and Acquisition Stress

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Published online: 20 Oct 2008.

To cite this article: Michael T. Matteson & John M. Ivancevich (1990) Merger and Acquisition Stress, *Prevention in Human Services*, 8:1, 139-158, DOI: [10.1300/J293v08n01\\_10](https://doi.org/10.1300/J293v08n01_10)

To link to this article: [http://dx.doi.org/10.1300/J293v08n01\\_10](http://dx.doi.org/10.1300/J293v08n01_10)

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# Merger and Acquisition Stress: Fear and Uncertainty at Mid-Career

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**SUMMARY.** In recent years merger and acquisition activity has increased significantly in the United States. Such activity can be stressful for all employees, particularly those at mid-career. This article examines the stress potential of mergers and acquisitions, with a particular focus on the mid-career employee. It provides a framework for examining merger and acquisition stress and discusses four approaches for stress prevention and management: realistic merger and acquisition previews, individual counseling, merger and acquisition stress management training, and outplacement services.

The level of merger and acquisition (M&A) activity among American businesses during the last decade has increased dramatically, to levels unprecedented in our history. Mergers and acquisitions have become a big business themselves, spawning new careers for those who play roles in some aspect of a merger process. There is even specialization, with some experts concentrating on horizontal mergers, others on vertical mergers, still others on concentric mergers, and others still on conglomerate mergers. Investment firms now have M&A research departments, and federal laws and Securities and Exchange Commission requirements have been modified in response to the increase in the number of such transactions (Porter, 1980).

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Further indication of the level and importance of M&A activity is the fact that corporate takeovers, and the activities and behaviors associated with them, have given birth to a new business lexicon. Terms such as bear hugs, golden parachutes, greenmail, Pac-man defenses, poison pills, shark repellent, ten-day windows, and white knights have either entered our vocabulary or taken on new meanings germane to merger and acquisition activity (Byars, 1987).

While the term "mergers and acquisitions" is a commonly used one, it should be noted that there are differences between mergers on the one hand, and acquisitions on the other. Mergers typically involve a higher degree of cooperation and interaction between the two parties; acquisitions generally occur where one firm "takes over" another. Further, mergers tend to involve firms of approximately equal size, while in acquisitions one firm is typically larger and more powerful than the other.

How extensive is M&A activity? During the last decade over 23,000 mergers and acquisitions have been consummated. Eighty-two of those acquired were *Fortune* 500 companies. The 10 largest mergers in 1984 directly affected the lives of more than 250,000 employees (Magnet, 1984). In 1986 alone, M&A activity involved over 4,200 transactions with combined assets of approximately \$200 billion, and affected millions of employees. There is no question that corporate America is being bought, sold, spun off, split up, and otherwise restructured at a rapid pace (Nahavandi & Malekzadeh, 1988; Pritchett, 1987).

The human dimension of M&A activity is no less real than the business, investment, and financial ones. Consider the following description of personal tragedy and frustration:

"Don't go down the cellar," Chris's suicide note warned his family. That is where the 38-year-old economist hanged himself, four days after he lost his \$63,000-a-year job, when his company was acquired by another firm. (Magnet, 1984)

After four months of rumor, gloom and gossip, Joan, a financial control staff specialist, comments on the recent takeover of her company: "One day we are in business and the next day

we disappear from the face of the earth. I'll have to start all over again learning the job, the policies, the people. Is it really worth it?" (Schweiger & Ivancevich, 1985)

These incidents indicate the growing and critical effect that mergers can have on individuals and families. Concern with being merged or acquired by another company seems to be on the minds of many Americans employees today. Will I keep my job? Will I be transferred? Will I be demoted? Will I lose my accumulated benefits? Will employer expectations change? These are just a few of the questions being asked by those associated with merged or acquired firms.

Corporate M&As are potentially powerful events that can create severe trauma and stress which can result in negative outcomes not only for companies, but more importantly, for the individuals involved. M&A stress is a very real and potentially a very debilitating experience for many workers in the labor force today. In this article we will provide a framework for examining the M&A stress process, consider the important role of individual appraisal in that process, and offer some suggestions for merger stress prevention and management. In so doing we will focus primarily, although not exclusively, on the mid-career employee.

Since in most mergers or acquisitions the reorganization that follows is usually less than the formation of an entirely new company, our focus on prevention will be primarily from the perspective of the acquiring company or entity. The specific prevention strategies are offered as a program for acquiring organizations to implement; as a practical matter, the power and authority to implement such programs will typically rest with the acquiring firm.

### ***STRESS AND THE MID-CAREER EMPLOYEE***

A typical individual's occupational life will span a period of forty years or more. During this period people will pass through a number of career stages. The concept of career stage, which grew out of the work of Erikson (1950), refers to a more or less orderly sequence of distinctly different sets of experiences and activities that

are associated with virtually all careers. A number of career stage taxonomies have been developed to describe different career phases (see, for example, Greenhaus, 1987; Hall & Nougaim, 1968; London, 1985; Miller & Form, 1951; Schein, 1978; Super, 1980). In keeping with the organization of this volume we will categorize such stages as beginning, mid-career, and end-career.

Needs and expectations change as individuals move into and through each of these stages. Consequently, potential stressors assume greater or lesser importance at different stages. Thus, for example, work overload is less likely to be a significant stressor for someone at the beginning career stage and more significant at the end stage. Similarly, lack of role clarity is a more potent potential stressor at the beginning stage than at career end (for two excellent discussions of need and expectation changes at different career stages see Feldman, 1988, and Greenhaus, 1987).

The mid-career stage is a very critical one; it may represent a period of continued growth and achievement, of simple maintenance where one "hangs on" to what has already been accomplished, of decline, or of some combination of these. Mid-career is also a potentially difficult stage, occurring as it does during midlife where individuals are forced to realize that they have stopped growing up and have begun growing old (Jaques, 1965). Many individuals will experience the infamous "midlife crisis" which may be triggered by fears of lost youth and missed opportunities. Consequently, the mid-career period is one in which individuals are particularly susceptible to fears and uncertainty as they come face to face with unrealized dreams, the physical changes of aging, and their own mortality. Since fear and uncertainty is a common byproduct of M&A activity, it is not difficult to understand why those at mid-career are especially vulnerable to merger and acquisition stress.

The stress associated with being a member of an organization that is being merged or acquired is in part a function of particular stressors growing out of, or intensified by, the nature of the process. For example, if a firm is being acquired is it a friendly acquisition or a hostile one? What is the desired degree of integration? That is, will one organization be absorbed by the other, will they remain opera-

tionally separate, or will the degree of integration be somewhere in between?

No one, regardless of career stage, is immune to M&A stress. Those at the beginning or end stage of their careers may find being a member of a merged or acquired organization is most distressing. Nonetheless, beginning stage individuals are not as likely as those at mid-career to have achieved the degree of socialization resulting in the internalization of organization goals, norms, and culture that may be significantly altered as a result of being merged or acquired. Likewise, those at the end-career stage are less likely to be as heavily invested in their career as those a mid-career. A process of disengagement (London & Stumpf, 1982) may already be underway as end-career individuals focus on balancing central non-career life interests and contemplate preparing for retirement.

It is those at mid-career, who may be psychologically most committed to the organization and their specific careers, at a time when they may be already having to deal with a midlife transition, who may find a merger or acquisition experience the most potentially disruptive, threatening, and stressful. At that period in their lives where order and stability may be the most important, they may instead find disorder and change as a result of being a member of a merged or acquired firm.

### ***THE MERGER AND ACQUISITION STRESS PROCESS***

The effect of a merger or acquisition on employees generally, and mid-career employees specifically, is a function of a number of factors. Basically mergers and acquisitions create, or intensify already existing stressors. Whether these stressors result in stress and its associated negative outcomes depends on the nature of both the individuals and the organizations involved, including the organizations' plan (if any) for systematic intervention to assist employees in preventing and/or managing M&A stress.

A general model of the merger stress process is depicted in Figure 1. This model suggests that various merger stressors, like job loss, and changes in job characteristics such as power and status can lead to stress. This stress, in turn, may result in dysfunctional out-

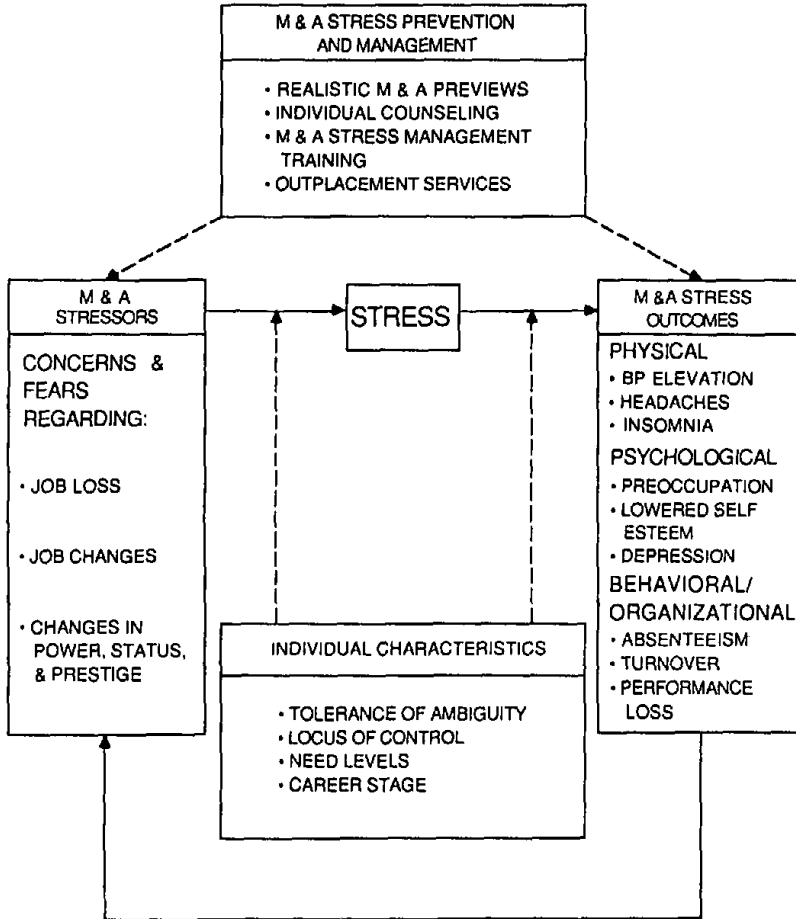


FIGURE 1. MERGER & ACQUISITION STRESS PROCESS

comes which we have categorized as physical, psychological, and behavioral/organizational. The model also suggests that a number of individual characteristics such as tolerance of ambiguity, self-esteem, and locus of control play a role in moderating the relationship between stressors, stress, and outcomes. We will briefly examine the major components of the M&A process.



***M&A Stressors***

It is reasonable to assume that because of changes, uncertainty, ambiguity, and fears, some employees will experience significant stress when organizations merge. Often well before a merger or acquisition is publicly announced, rumors and office gossip regarding the possibility create uncertainty and insecurity. The concerns and fears surrounding possible job change or possible job loss act as potent stressors. These concerns grow out of employee perceptions of what might happen and how their careers will be affected, and lead in turn to anticipatory stress. Essential to understanding the intensity of M&A stressors is the realization that people respond to their perceptions of the changes rather than to the actual or objective changes themselves. In the initial stages of a merger or acquisition these perceptions are frequently the least accurate with respect to the actual effects of the process.

These anticipated consequences of the merger, regardless of how accurate the perceptions may be, will tend to increase anxiety levels and exacerbate the stress. It is essential during this process that inaccurate perceptions of the changes that will occur and the stress that they create be dealt with in a timely manner by the acquiring or surviving organization. In a very real sense, the major M&A stressor is change. Change for most employees means a disruption in the life and work patterns to which they have become accustomed and comfortable with over time, a state of affairs particularly threatening to the mid-career employee.

A specific example is the fear of job loss. A reduction in force is not at all uncommon for merged or acquired companies. After Texaco acquired Getty Oil Company, the employee roster shrunk by over 6,000. In April of 1984 Chevron acquired Gulf, and a year later almost 20,000 jobs had been lost (Schweiger & Ivancevich, 1985). Anxiety associated with such a stressor often involves spouses and other family members in the stress experience, since it directly affects them as well. While actual M&A changes may be positive rather than negative, it is often the case that the initial shock and disbelief, with its accompanying uncertainty and threat of change, will create negative cognitions and stress. If this stress is allowed to intensify it is quite possible that the positive potential of

the process may be damaged or unrealized for both the organization and the individuals who are involved.

### ***M&A Stress Outcomes***

M&A stress, like any kind of work related stress, can have a number of negative consequences for both the individual and the organization. Medical and behavioral stress researchers have clearly demonstrated that dramatic changes can have a pronounced physiological impact on those experiencing them. Physiological outcomes may include elevated blood pressure, increases in serum cholesterol, and immune system suppression, among others, which in turn may lead to insomnia, digestive problems, headaches, and various other negative health outcomes (Matteson & Ivancevich, 1987).

From a psychological perspective, one typical M&A stress outcome is preoccupation. In many cases, employees find it quite difficult to concentrate on their work during a merger or acquisition period, especially if they do not think that they will be retained in their job. This preoccupation frequently manifests itself in day-dreaming and aimless wandering about the organization. To aid in coping with uncertainty, employees may seek each other out during work to check the validity of rumors or to get the latest available information.

Other psychological outcomes may include lower job, career, and life satisfaction and lower self-esteem. Common behavioral outcomes include increased absenteeism, turnover, quantitative and qualitative performance decrements, and even destructive behaviors. Under some conditions a merger or acquisition, because of its powerful psychological impact, can result in resentment and hostility toward the acquiring firm and its representatives. Anger directed toward others may show up in terms of covert activities such as sabotage. If the labor market is such that jobs are plentiful, key employees may elect to leave and seek employment elsewhere; key individuals nearing retirement may also elect to end their careers early to escape an uncertain and changing situation. Outcomes of M&A stress such as these are at best nonproductive for both individuals and organizations, and at worst are painful, counterproductive, and destructive.

***Individual Characteristics***

How employees respond to a merger or acquisition is not only a function of the merger or acquisition itself. Some will deal with the changes and ensuing uncertainties and insecurities better than others. Various individual characteristics play a major role in moderating the relationships between stressors, stress, and outcomes. In some cases the effect is to intensify stress; in others to reduce it (Schweiger & Ivancevich, 1985). Need levels such as a high need for achievement, for example, can serve to intensify experienced merger stress if conditions and uncertainties of the merger process operate to block goal accomplishment. The upward striving mid-career employee may be particularly vulnerable in this situation.

Numerous other examples are possible (for an excellent treatment of the role of individual differences in work stress see Payne, 1988). Individuals with low self-esteem are more likely to be threatened by the degree of change that is part of being involved in a merger or acquisition. Employees with an internal locus of control may feel particularly threatened as increasingly their lives are affected by environmental events beyond their control. A low tolerance for ambiguity has obvious negative implications in the unsettled environment of mergers and acquisitions. Many other factors such as previous experience with mergers, degree of available social support, alternative job opportunities, and the presence of other stress factors in one's life may also play an important role. As was previously suggested, those at mid-career may be already experiencing stress associated with a midlife transition, making them uniquely vulnerable to M&A stress. The nuances of many aspects of the relationships between individual characteristics and merger and acquisition stress remain a fertile ground for future research.

***THE IMPORTANT ROLE OF APPRAISAL***

Not all employees in merged or acquired organizations will consider the experience to be a stressful one. What is viewed as threatening by some will be seen as an opportunity by others. Like any potentially stress inducing event, whether a merger or acquisition will be a source of dysfunctional stress will depend on how each person appraises and evaluates the significance of the event. This

concept of appraisal and evaluation has been a prominent theme in the biological tradition of stress (Lazarus, 1966) and is useful in considering M&A stress.

Lazarus and Folkman (1984), in considering primary appraisal (which focuses on the main evaluative issue of, "Am I in trouble or better off because of the situation?"), postulate that the process of appraisal results in three categories of events: irrelevant, benign-positive, and stressful. This is a particularly useful typology for understanding M&A stress. If a merger or acquisition is perceived as having no implications for the well-being of the appraising individual, it is considered to be *irrelevant*. That is, nothing is to be gained or lost by the employee as a result of the M&A process; consequently it becomes, for that employee, a "non-event."

A *benign-positive* appraisal occurs if an event is construed as positive. With respect to M&As, a benign-positive appraisal might occur when the event is viewed as an opportunity to maintain or enhance one's position, stature, power, or self-esteem. Essentially, it is characterized by pleasurable and comfortable feelings. A benign-positive appraisal of one merger was verbalized by a mid-career employee who stated, "I know my job and I know I'm needed. It really doesn't matter to me who's steering the ship. What's important is that the ship can't get back to port without me and my knowledge of the job."

It is the third category, that of the *stressful* appraisal, which has the potential for high individual and organizational costs, particularly for mid-career employees. The stressful appraisal can be subdivided into its own three categories: harm/loss, threat, and challenge. A harm/loss appraisal indicates that there has been some damage to the appraising individual, such as a sense of powerlessness or the actual loss of a job, accompanied by loss of self-esteem. One obviously distressed employee working for a recently acquired company expressed his feelings this way: "After seventeen years of working hard, trying to work toward the top, it's clear I no longer have the chance to make it. This [merger] changes my whole life."

While harm/loss indicates that damage has already been sustained, threat suggests a view by the appraising individual that the *potential* for damage is very real. "I don't know if I am going to have a job and be able to feed my family or what is going to happen

to my career if this merger goes through” is the kind of statement that exemplifies the threat appraisal, where there are perceptions of harm or loss that have not yet occurred but are anticipated.

The third stress appraisal, challenge, differs from threat in that the appraisal focuses on the potential for gain or growth and is characterized by pleasurable emotions such as eagerness, excitement, and exhilaration. Challenged mid-career personnel have obvious advantages over their threatened counterparts with respect to their physical and psychological health, as well as in terms of organizationally important factors such as morale, commitment, and productivity.

Numerous factors contribute to understanding why the same merger rumors, facts, and activities would be appraised as a threat by some and an opportunity by others. As we have already seen, career stage is an important variable. Additionally, a variety of individual characteristics may influence the appraisal process. As one example of the latter, consider the concept of *hardiness* (Kobasa, 1988; Kobasa, Hilker, & Maddi, 1980). Hardy individuals are those who retain mental and physical balance during periods of exposure to potentially dysfunctional stressors. They are characterized by a sense of *commitment* to various aspects of their lives; they believe that they are in *control* of their lives; and they actively embrace novelty and *challenge*, as opposed to familiarity and security. It is not difficult to understand how a hardy mid-career person's appraisal of a merger would differ from that of a “non-hardy” one.

Work, and the careers associated with it, is an integral part of most people's lives and it assists them in attaining those things they value. Mergers and acquisitions are powerful events that have the potential to change these relationships. Job loss, demotion, change in salary and compensation packages, changes in work colleagues, managers, and subordinates, and alterations in company culture are only a few of the possible changes a merger or acquisition can initiate. With these changes M&As can threaten people's ability to attain and protect those things they value in life. M&A stress can also spill over into life outside of work and effect friendships and families. Clearly, however, not all reorganizations threaten the outcomes and value that work provides; many may significantly enhance value attainment.

To the extent that the events created by a merger or acquisition are expected to, or actually do, challenge or change the relationship between work and value attainment, a response will result. The appraisal process is critical in shaping the nature of that response. If the changes are perceived to threaten or diminish the ability of an individual to continue to attain those things that are valued, stress levels will increase. If merger events are appraised as enhancing value attainment (that is, benign/positive), there will be little or no dysfunctional stress. Where there is no perceived effect on value attainment (that is, irrelevant) there will be no response.

Viewed from a stress prevention perspective then, creating a situation where the merger process is likely to be appraised as either irrelevant or benign/positive is desirable. While there is no way to insure such an appraisal outcome for all individuals involved, there are steps which can be taken to minimize the likelihood of a stressful evaluation. These steps, and others, are an important part in M&A stress prevention and management.

### ***M&A STRESS PREVENTION AND MANAGEMENT***

Mergers, because they involve change, are by their very nature stressful; this will be true even if the changes are positive and beneficial (Marks & Mirvis, 1985). Effective merger stress prevention and management strategies, however, can be valuable in reducing the threat associated with change and in assisting employees to cope more effectively with the stress already experienced.

The upper part of Figure 1 shows the relationship of prevention and management actions to the M&A stress process. As can be seen from the figure, some actions are designed to minimize the stress producing potential of M&A stressors, while others are designed to help employees deal with M&A experienced stress and minimize dysfunctional outcomes. We will examine four possible strategies: realistic M&A previews, individual counseling, M&A stress management training, and outplacement services. The main elements of each of these strategies are summarized in Table 1.

Table 1  
Summary of M&A Stress Prevention and Management Strategies

Strategy	Elements
Realistic M&A Previews	Communication of M&A information regarding <ul style="list-style-type: none"> <li>-organization goals</li> <li>-company philosophy</li> <li>-changes in work schedules</li> <li>-changes in compensation</li> <li>-training &amp; development plans</li> </ul>
Individual Counseling	Personal adjustment counseling Educational counseling Mid-career counseling
M&A Stress Management Training	Voluntary in nature Knowledge acquisition oriented Coping skill development
Outplacement Services	Pretermination consultation Crisis intervention Resume preparation Job postings Self-help meetings

### ***Realistic M&A Previews***

Many of the most potent M&A stressors are related to concerns and fears which grow, at least in part, out of the uncertainty surrounding mergers and acquisitions. "How will I be affected by this change" is a question asked universally by employees of merged or acquired organizations. Simply having information to answer this question, even if the information is not positive, can reduce uncertainty, and consequently, anticipatory stress. Perhaps the single most important step that can be taken to prevent M&A stress is ensuring an information flow designed to clarify what implications the merger process has for employees. One way of accomplishing this is through the use of realistic M&A previews.

Realistic job previews, an accepted organizational strategy, involve providing prospective employees with enough information about the job itself and the larger job environment to provide a

picture of what to expect; consequently, they can cope more realistically with job demands (Feldman, 1988; Premack & Wanous, 1985). Similarly, realistic M&A previews (RM&AP) can be developed for a merged or acquired firm's employees. As is the case with realistic job previews, RM&APs can be provided through a film, videocassette, booklet and/or in a large group setting. Some research suggests that a variety of different media may be most beneficial (Popovich & Wanous, 1982).

The intent of a RM&AP is to improve the mid-career employee's understanding of the M&A events and activities and their implications. Employees should be presented with information on what they can realistically expect in terms of organizational goals; management style; changes in work schedules, benefits, and compensation; implications regarding job security, career paths and opportunities and training and development plans; and, any significant alterations in company philosophy and organizational culture and expectations.

Planning for RM&APs may best be accomplished by a "transition team" comprised of managers and employees from both the acquiring and the acquired organization. The utilization in such teams of key individuals from both organizations can foster a broader information base and a greater degree of commitment from those effected (Jemison & Sitkin, 1986). While the thoughtful use of RM&APs will not mean that there will be no unwanted outcomes of the merger or acquisition process, it will have the effect not only of reducing fears and uncertainty, but also of providing a visible sign that the management of the resulting organization is sensitive to these kinds of employee concerns.

### ***Individual Counseling***

Realistic M&A previews will most likely not be sufficient in all cases to deal with fears and concerns. Consequently, it can be useful if voluntary individual counseling is available. Three, not entirely independent types of counseling may be of help: personal adjustment counseling, educational counseling, and mid-career counseling. In each type, one-to-one interaction between a counselor and an employee is desirable. The objective of such counsel-



ing is to aid the employee in coping with problems associated with M&A stress. Personal adjustment counseling emphasizes individual emotional responses to the M&A process. Here, the counselor is concerned with helping the individual identify stress responses and dysfunctional outcomes. The counselor also attempts to identify one or a series of coping methods that can reduce the psychological and/or physiological distress that is being experienced.

Educational counseling is concerned with providing mid-career employees with further information about the merger or acquisition or to reinforce information already disseminated. The RM&AP may not have been sufficient to alleviate some employees' uncertainties, and they may request additional detail. Ideally, this type of counseling should also be on a one-to-one basis.

Mid-career counseling in M&As involves issues dealing with job choices and opportunities. Making adjustments to an acquiring firm's management system and culture can be an important part of this counseling. The identification of career paths and objectives in the new organizational arrangement can be critical information for employees. Such counseling can be of value by aiding employees in working through questions and uncertainties regarding career goals, pathways, and opportunities. For those at mid-career this may be the last major opportunity to change career paths, and such employees can genuinely use outside guidance in thinking realistically about their options (Feldman, 1988).

Counselors in each of these three types of counseling need to be skillful in listening and communicating as well as understanding. Additionally, they must have sufficient knowledge about the acquiring firm and its orientation to understand the emotions that are projected in the counseling sessions and to provide reality-based feedback and support. Unskilled counselors who are not knowledgeable about the acquiring firm's orientation can intensify, rather than diminish, the problem.

### ***M&A Stress Management Training***

As an alternative (or, perhaps in addition) to individual counseling, some mid-career employees may benefit from a M&A stress management training course. Any such program should be volun-

tary and offered in a manner that does not discourage participation for fear of being viewed as a troubled employee.

While the specific content of such programs may vary and such a discussion goes beyond our scope here, a few comments are in order. The purpose of M&A stress management training programs, as is true for most stress management training, is to help the employee deal more effectively with M&A stress. Such programs can have one, or a combination, of two objectives.

*Knowledge acquisition* programs are designed primarily to provide information to mid-career employees that will help them understand the stress process and its potential outcomes. The underlying assumption is that by educating individuals with respect to what stress is and how it affects them, they are in a better position to deal with potential stressors and stress itself in ways that are positive rather than negative.

*Skill development* programs are designed to impart specific skills: cognitive skills, interpersonal skills, problem-solving skills – all directed toward improving individuals' abilities in coping with stress. Such skills may be classified as either instrumental (problem-focused) or palliative (emotion-focused) (Lazarus & Launier, 1978). In either case, the emphasis is on teaching specific techniques which have been found to be useful for dealing with stress. Skill development programs generally are more extensive, require more time, and have a higher initial cost than knowledge acquisition programs, which may amount to not much more than a "stress lecture." They are also generally thought to be of greater benefit to the employees electing to participate in them.

### ***Outplacement***

Frequently the fears and concerns mid-career employees may have about job loss are reality based; that is, some loss of employment is a fact of life in more mergers and acquisitions than not. Research suggests that not only are mid-career employees the most traumatized by job loss, they are also the least able to cope with it (Jackson & Warr, 1984; Leana & Ivancevich, 1987). For example, Hepworth (1980) found that mid-career individuals had the most negative attitudes toward job loss and experienced the greatest

amount of stress. Since job loss tends to be a traumatic experience that has been associated with a number of negative physical and mental outcomes (see, for example, Kasl & Cobb, 1982), a critical intervention relates to assisting individuals cope with this stressful event. One mechanism of value in this regard is outplacement.

Morin and Yorks (1982) define outplacement as a systematic process by which terminated employees are trained and counseled in the techniques of self-appraisal and securing new employment appropriate to their needs and talents. It does not necessarily include placement of the employee in a new job. Pretermination consultation is a part of outplacement and is designed to help the organization's management think through their options, objectively choose an approach that is consistent with company policy, and review the package of support services for those being terminated. This is a critical phase of outplacement that, if handled well, can significantly reduce the stress experienced by those losing their jobs (DeFrank & Pliner, 1987).

An important part of outplacement services is outplacement counseling which is essentially a crisis intervention process. The role of the counselor is to facilitate the venting of negative feelings, leading, it is hoped, to the development of positive attitudes about the outplacement process and aimed at rebuilding (or increasing) the mid-career individual's self-esteem and sense of personal worth. Additionally, a variety of outplacement services such as resume preparation, job postings, resource materials, and informal supportive self-help meetings may be part of the outplacement package. All such activities are designed to reduce M&A stress by facilitating positive cognitive and affective changes, as well as faster reemployment (DeFrank & Pliner, 1987).

### **CONCLUSION**

Mergers and acquisitions are stressful events to which hundreds of thousands of employees have been subjected in recent years; there are no indications that the level of such activity is going to significantly decrease in the near term. While it is naive to think that M&A stress can be eliminated, it is also true that a great deal of it can be prevented and better managed with the expenditure of

relatively little effort. The payoffs in terms of human happiness and health (not to mention organizational health) can far exceed the investment of time, money, and energy.

We have identified four specific strategies which can be helpful in reducing M&A stress and its negative outcomes for mid-career employees; many other specific approaches are also available. At a more general level, however, there are two keys to successful M&A stress prevention and management: *awareness* and *action*. It is imperative that there is awareness of the fact that mergers are stressful events and that M&A stress has potentially dysfunctional outcomes for both individuals and organizations. It is also important to know how merger and acquisition activity can contribute to these unintended and undesirable consequences. Based on this awareness, action should be taken to decrease the uncertainty that can be such a potent stressor and to reduce the likelihood of destructive physiological, psychological, and behavioral/organizational outcomes.

There is no single recipe for effectively preventing M&A stress. Nonetheless, organizations with well-prepared plans, based on consideration of the human beings involved, can play a major role in helping mid-career employees adjust and cope successfully with what otherwise could be a major trauma. Such employees, individually and collectively, deserve no less.

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