

Advances: Jurnal Ekonomi & Bisnis

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Employee Management During Mergers and Acquisitions: Communication Challenges and Impact on Turnover



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Received: 2025, 02, 07 Accepted: 2025, 02, 26
Available online: 2025, 02, 27

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KEYWORDS	ABSTRACT
Mergers; Acquisitions; Communication Management; Employee Turnover; Leadership.	Purpose: This study examines communication challenges in employee management during mergers and acquisitions (M&A) and their impact on turnover. It explores how communication strategies, leadership, and cultural factors shape employee engagement, trust, and retention during organizational transitions.
Conflict of Interest Statement: The author(s) declares that the research was conducted without any commercial or financial relationships that could be construed as a potential conflict of interest.	Research Design and Methodology: A systematic literature review (SLR) synthesizes findings from empirical studies and theoretical contributions on communication management and employee retention in M&A. The study reviews scholarly works from 2018 to 2024, using Social Exchange Theory (SET) to analyze employee-organization dynamics.
Copyright © 2025 AJEB. All rights reserved.	Findings and Discussion: Communication barriers such as unclear roles, delayed information, and inconsistent messaging heighten employee uncertainty and turnover risks. Conversely, transparent and participatory communication, supported by empathetic leadership, builds trust, reduces anxiety, and enhances engagement. Involving employees in decision-making fosters a sense of belonging and commitment. The study emphasizes the need for an integrated communication approach to address structural and cultural challenges in M&A.
	Implications: The research offers practical recommendations for leaders, including structured communication frameworks, leadership training, and open feedback mechanisms to improve post-merger integration, trust, and retention. Future research should validate these findings across diverse organizational and cultural contexts.

Introduction

Mergers and acquisitions (M&A) have emerged as a dominant strategic approach for organizations seeking to enhance competitive positioning, expand market presence, and achieve operational synergies. These corporate transactions are particularly prominent in dynamic sectors such as technology, healthcare, and finance, where rapid innovation and evolving market conditions necessitate strategic consolidation to sustain relevance and growth. M&A processes are often viewed as milestones that signify an organization's strength and ambition. However, behind the scenes, they frequently introduce complex organizational disruptions, particularly in human resource management. The integration of workforces from distinct corporate entities often involves realignment of roles, restructuring of departments, and the harmonization of disparate corporate cultures and operational

standards. (Chang-Howe, 2019). These extensive changes can generate profound uncertainty among employees, undermining trust, morale, and cohesion. Employees often face ambiguity regarding their future roles, job security, and organizational priorities, further intensifying feelings of vulnerability. (Junça Silva & Rodrigues, 2024). Communication is central to mitigating these uncertainties by fostering transparency, building trust, and maintaining employee engagement during the transition. However, many organizations struggle to implement comprehensive communication strategies that address employee concerns effectively. Insufficient communication—or communication that is unclear, inconsistent, or infrequent—can exacerbate employees' anxieties, fuel misinformation, and lead to the spread of negative sentiments. (Ruppel et al., 2022). Such conditions foster emotional detachment and disengagement, heightening the risk of employee turnover during post-M&A integration and ultimately threatening the success of the merger or acquisition process.

A significant challenge in post-M&A integration lies in managing employee perceptions and expectations, which are often shaped by the effectiveness of internal communication. Employees interpret organizational messaging as signals of their value within the company and their role in the newly restructured entity. When communication lacks clarity, consistency, or empathy, employees may interpret transparent communication as a signal of instability or impending layoffs (Ruppel et al., 2022). This misperception contributes to heightened levels of stress and emotional disconnection, reinforcing concerns about job insecurity. This phenomenon, often called "merger syndrome," underscores the psychological strain experienced by employees who feel excluded from key updates or decision-making processes. "Merger syndrome" reflects the fear of redundancy and the frustration associated with a perceived lack of control over one's professional future (Irwin & Willis, 2023). High turnover rates following M&A events indicate the urgent need for targeted research addressing the root causes of this disengagement. While much of the existing literature on M&A focuses on financial and operational outcomes, the human element, particularly the role of communication in influencing employee retention, remains underexplored. By narrowing its focus to communication challenges during M&A, this study investigates how communication deficiencies contribute to turnover trends and identifies strategies that enhance communication effectiveness to foster employee engagement and strengthen post-M&A integration efforts.

Recent studies emphasize the pivotal role of effective employee management in the success of M&A processes. Soontornchaiya & Charoensukmongkol (2024) Highlight that communication management is essential for fostering shared goals and organizational commitment among employees during post-M&A integration, stressing the importance of clear, continuous communication to build trust and reduce uncertainty. A notable example of successful integration is the acquisition of Celgene by Bristol Myers Squibb, where, according to Thomas et al. (2024), rapid integration was achieved through agile managerial strategies prioritizing cultural alignment and transparent communication. Poudel et al. (2024) Identified leadership styles, career development opportunities, and incentive structures as key elements in enhancing employee engagement during M&A, emphasizing that organizations prioritizing these factors can better retain top talent. Similarly, Sun (2024) underscores the importance of talent management strategies, such as talent evaluation, cultural assimilation, and performance management systems, as critical components for successful M&A outcomes. Sun (2024) stresses the need for organizational change strategies that align structures and boost employee engagement. The importance of communication and leadership is further noted by Asdar (2023), who advocates for transparent communication, robust leadership, and active employee participation to ensure integration success. Conversely, Sharma et al. (2023) Warn that employees often view M&A as career threats, leading to resistance and dissatisfaction. Soontornchaiya & Charoensukmongkol (2024) also stated that formalizing workplace communication could enhance its positive effects on fostering shared objectives. A holistic approach to employee management—integrating communication, leadership, and participation—is crucial for minimizing negative impacts and achieving successful M&A integration. (Asdar, 2023).

Despite a growing body of research emphasizing the critical roles of communication and leadership in post-M&A employee management, several gaps persist in the current literature. While studies such as those by Soontornchaiya & Charoensukmongkol (2024) and Poudel et al. (2024) underscore the importance of transparency, cultural alignment, and employee engagement, they often focus on broad

organizational strategies without thoroughly examining the nuanced interactions between communication strategies and individual employee perceptions. These studies highlight the need for effective leadership and communication. Still, few comprehensively explore how communication influences employees' emotional responses, such as anxiety or trust, during the uncertain phases of M&A transitions. Much existing research relies heavily on quantitative approaches that provide valuable but generalized insights. This reliance often overlooks qualitative dimensions that could capture employees' lived experiences, such as their interpretations of organizational messaging and the emotional impacts of structural changes. There is a notable gap in understanding the psychological and emotional dynamics that arise during post-M&A integration and how these dynamics vary across organizational and cultural contexts. Many studies focus on large multinational corporations, where resource availability and established frameworks often mitigate communication challenges. This focus has led to an underrepresentation of smaller organizations, which may face more significant constraints in managing post-M&A transitions. These gaps highlight the need for further qualitative research investigating context-specific communication strategies and their effects on employee retention and organizational stability, addressing the complexities of diverse organizational settings.

This study seeks to address the identified research gaps by conducting a systematic literature review (SLR) to explore the communication challenges involved in employee management during mergers and acquisitions (M&A) and their impact on employee turnover. The novelty of this research lies in its qualitative synthesis of existing studies, providing a comprehensive understanding of how communication practices shape employee perceptions and organizational outcomes during M&A transitions. Unlike prior research that predominantly employs quantitative methods to generalize findings, this study emphasizes an in-depth examination of diverse organizational settings and employee experiences. By analyzing case studies and existing literature, the research proposes an adaptable communication framework that accounts for cultural, structural, and psychological factors affecting employee retention. The urgency of this investigation stems from the high failure rates of M&A initiatives attributed to mismanaged human capital and poor communication. This research is driven by two central questions: (1) What are the primary communication barriers encountered during M&A processes, and how do they affect employee perceptions of job security and organizational commitment? (2) What strategies can organizations adopt to improve communication and minimize employee turnover during M&A transitions? Accordingly, the objectives of this study are to identify key communication challenges, assess their influence on employee engagement and turnover, and offer evidence-based recommendations for enhancing communication strategies during M&A. By addressing these questions; the study aspires to contribute both theoretical insights and practical guidelines that improve post-M&A integration and organizational stability.

Literature Review

Social Exchange Theory in M&A Contexts

The Social Exchange Theory (SET) provides a robust framework for analyzing employee-employer dynamics during mergers and acquisitions (M&A), often marked by heightened uncertainty and significant organizational change (Cropanzano & Mitchell, 2005). According to Meira & Hancer (2021), SET emphasizes that relationships within an organization are shaped by reciprocal exchanges, where employees assess the balance between their contributions—loyalty, productivity, and adaptability—and their rewards. These rewards include material elements, like compensation and job security, and non-material elements, such as recognition, respect, and trust. During M&A processes, these exchanges are strained as employees face uncertainty regarding their roles, career prospects, and organizational direction. (Wang et al., 2019). Effective communication is crucial in reinforcing perceptions of fairness and mitigating anxiety during these transitions. (Priyanka et al., 2024). When organizations maintain transparency and provide consistent updates, employees are more likely to feel included and supported, strengthening their commitment. (Umrani et al., 2024). However, ambiguous or inconsistent communication can foster a sense of instability and distrust, leading to negative emotions and disengagement. (March et al., 2023). Employees who interpret vague communication as evidence of organizational instability may experience detachment, affecting their performance and loyalty. This imbalance in social exchange, as highlighted by Meira & Hancer (2021),

may lead to resentment and increased turnover intentions. Therefore, an empathy-driven communication strategy that acknowledges employee concerns and reinforces mutual respect is essential during M&A transitions.

Empathy and recognition are essential in fostering balanced social exchanges during mergers and acquisitions (M&A). Leaders who acknowledge employees' concerns and provide reassurances about their future roles can create psychological safety, thereby strengthening organizational trust. For instance, Mohammed Abdulrab et al. (2018) highlight that perceived organizational support enhances psychological empowerment, increasing work engagement and organizational citizenship behaviors. Conversely, the absence of recognition and empathetic leadership can exacerbate feelings of devaluation, prompting disengagement and attrition. Khera and Suri (2024) discuss how a lack of supportive leadership can increase employee turnover, emphasizing the need for empathetic communication strategies. The practical application of Social Exchange Theory (SET) in M&A contexts suggests that organizations must adopt proactive communication strategies that address operational updates and demonstrate a commitment to transparency and mutual respect. Zafar et al. (2024) indicate that inclusive leadership fosters innovative work behaviors through social exchange mechanisms, underscoring the importance of participatory leadership approaches. Clear information about career development opportunities within the new structure reinforces trust and helps mitigate redundancy fears. When employees perceive organizational support and fairness, they are less likely to engage in unethical behaviors, indicating the broader implications of balanced social exchanges (Bryant & Merritt, 2021). Organizations can foster resilience and reduce turnover risk by emphasizing reciprocal exchanges of support and trust, ensuring a more cohesive and stable transition during M&A.

Communication Management During Mergers and Acquisitions (M&A)

Communication is pivotal in conveying critical information to employees during mergers and acquisitions (M&A), including organizational restructuring, role transitions, and cultural integration (Lim, 2021). Effective communication is a channel for information, fostering trust during change periods. Balle (2008) Highlights that clear, consistent communication helps reduce speculation and alleviates employees' anxiety about their future within the organization. Without this clarity, employees may fill information gaps with rumors, intensifying uncertainty and fear. However, communication during M&A is often fraught with challenges, such as conflicting messages due to differing managerial perspectives, delays in information dissemination, and inadequate coordination between leadership teams (Rosendale et al., 2024). These barriers can lead to misunderstandings that erode employee engagement. Kempton & Sarala (2021) Organizations often prioritize financial and operational updates over addressing employee emotional and psychological impacts. This imbalance in communication can create a perception that the organization is indifferent to employee concerns, fostering feelings of disconnection. Organizations that neglect emotional stability in their communication risk undermining trust. Al Naeemy (2020) Underscores that failure to acknowledge employee anxieties during integration can lead to disengagement and increased turnover. Conversely, transparent communication strategies that balance operational updates with empathetic messaging can reinforce organizational cohesion. Organizations can mitigate uncertainty and maintain employee engagement by fostering dialogue and providing consistent updates, contributing to a smoother post-M&A transition. Therefore, communication must extend beyond technical updates to include proactive efforts that reassure employees and address their concerns comprehensively.

Effective communication during mergers and acquisitions (M&A) must balance operational information with emotional support to foster employee resilience and trust. Cowan (2017) argues that communication strategies focusing solely on structural updates often neglect the emotional impact of organizational transitions, which can undermine employee engagement. Employees require clarity on their roles and responsibilities within the new organizational framework and recognition of their contributions during the transition. Bao & Han (2019) emphasize that participatory communication approaches—such as open forums, Q&A sessions, and constructive feedback—help create a two-way dialogue that strengthens transparency and fosters a sense of belonging. When employees feel included in discussions about organizational changes, their levels of uncertainty decrease, leading to more substantial commitment. Budhiraja et al. (2024) highlight that consistent and empathetic

communication enhances psychological resilience by addressing employees' emotional concerns. They suggest that organizations prioritizing emotional well-being and operational clarity experience smoother integration processes. Conversely, Yue et al. (2023) explain that communication gaps can heighten employee anxiety, leading to disengagement and increased turnover. This underscores the importance of empathy-driven messaging that reinforces organizational commitment and provides security. To ensure successful integration, organizations must adopt communication strategies beyond disseminating technical updates; they must create trust through transparent and empathetic engagement. By fostering open communication and acknowledging employee contributions, companies can mitigate uncertainty, reduce turnover risks, and strengthen organizational cohesion during M&A transitions. This comprehensive communication approach ensures that employees remain engaged and aligned with the organization's vision, contributing to long-term success.

Employee Turnover in M&A Contexts

Employee perceptions of job security and career development opportunities are crucial in determining their decision to stay or leave during mergers and acquisitions (M&A). Kasdorf & Kayaalp (2022) Argue that positive career development perceptions are directly associated with job satisfaction and employee retention, highlighting the importance of clear communication regarding role transitions and growth prospects. Employees lacking information about their future roles often feel undervalued, increasing their turnover intentions. Hildisch et al. (2015) Emphasize that social support from senior management and direct supervisors can mitigate the negative impacts of organizational change. This support helps employees navigate the uncertainties of post-merger integration by reinforcing their sense of belonging. However, when communication is poorly managed, strategic employees with valuable expertise may seek external opportunities, causing operational disruptions and increased recruitment costs. (Galan, 2023). Transparent updates on restructuring plans and career pathways can reduce employee anxiety and foster organizational commitment. Bhat et al. (2023). Employees' perceptions of external job market opportunities can influence their response to workplace stress during M&A transitions. Employees who perceive limited external opportunities may remain despite organizational challenges, whereas those who believe better options exist may leave prematurely. Therefore, effective communication and empathetic leadership are pivotal in reducing uncertainty and reinforcing loyalty. By addressing employees' informational and emotional needs, organizations can retain high-performing talent and ensure smoother integration during the M&A process, thereby minimizing the risks associated with employee turnover and operational instability.

Effective leadership is crucial in mitigating employee turnover during mergers and acquisitions (M&A) by fostering a sense of security and emotional support. Boccoli et al. (2024) Emphasize that transformational leadership, characterized by empathy and participatory engagement, encourages employees to align with organizational goals, particularly when they perceive strong managerial support. Leaders who openly communicate the post-M&A vision and demonstrate transparency can build trust and reinforce employee commitment. Yue et al. (2023) found that empathetic communication from supervisors during organizational transitions significantly reduces turnover intentions by enhancing affective trust and strengthening employee-manager relationships. Open communication that allows for employee feedback and participation in decision-making is vital for fostering a sense of belonging. Goecke et al. (2018) Highlight that leadership behavior and recognition from acquiring firms influence whether employees stay or leave during M&A transitions. Providing platforms for employees to voice their concerns, such as open forums and Q&A sessions, helps bridge communication gaps and reinforces employee engagement. However, when employees feel excluded from discussions or lack clarity about their roles, their insecurity heightens, increasing turnover risks. (Slåtten et al., 2011) An effective communication strategy during M&A must be informative and empathetic. It must address operational updates while prioritizing emotional reassurance.

Leadership's Role in Employee Management During M&A

Leadership is crucial in communicating organizational changes during mergers and acquisitions (M&A). Leaders are responsible for delivering information about organizational restructuring, post-M&A vision, and strategic plans. According to Yue et al. (2019), effective communication from leaders

throughout the integration process builds employee trust and mitigates uncertainty. A consistent flow of information helps employees understand their roles within the new structure, fostering a sense of security and engagement. In addition to consistency, empathy, and participatory leadership styles are essential in maintaining employee involvement during transitions. Zainab et al. (2022) Emphasize that transformational leadership encourages employees to align with shared organizational goals by fostering open communication and demonstrating genuine concern for their well-being. This approach reinforces trust and strengthens employees' sense of belonging. Sousa & Dierendonck (2014) Highlight that servant leadership prioritizes employee development and empowerment and enhances engagement during high uncertainty by reinforcing organizational identification. By facilitating two-way communication through feedback sessions and discussion forums, leaders provide employees with a platform to voice concerns, which can alleviate anxiety and increase organizational commitment. However, when leaders fail to clarify employees' roles or actively address concerns, employees may perceive the organization as unstable, leading to increased turnover. Buono & Bowditch (2003) Underscore that human resource integration challenges during M&A can disrupt team cohesion if leadership communication is inadequate. Thus, empathetic and participatory leadership approaches foster collaboration and reinforce organizational resilience during M&A transitions, contributing to long-term success.

The absence of responsive and transparent leadership during mergers and acquisitions (M&A) can lead to employee isolation and distrust. According to Soontornchaiya & Charoensukmongkol (2024), when leaders fail to provide transparent information about employee roles within the new structure, it heightens insecurity and emotional instability, increasing turnover risk. Employees who feel neglected may interpret the silence as indifference, prompting them to seek external opportunities and jeopardizing the organization's ability to retain key talent with strategic expertise. Ali et al. (2024) Emphasize that leadership initiatives, such as personalized career development plans and tailored skill enhancement training, can reinforce employees' purpose and belonging. These initiatives align individual growth with organizational goals, fostering loyalty during periods of significant change. Policies that promote work-life balance play a critical role in sustaining employee engagement and well-being during transitions. Effective leadership contributes to organizational resilience by creating a supportive and inclusive work environment. Farzana & Charoensukmongkol (2024) Underscore that transformational leadership styles emphasizing shared visions and psychological empowerment can inspire optimism and enhance team cohesion. Leaders who demonstrate empathy and transparency build trust and reinforce employees' sense of security amid uncertainty. Schulz-Knappe et al. (2019) Highlight that fostering open dialogue through regular feedback sessions and employee involvement initiatives strengthens organizational unity and minimizes resistance. These leadership strategies are crucial for maintaining stability and mitigating the adverse effects of poorly managed organizational changes during M&A, ensuring smoother integration and long-term success.

Research Design and Methodology

Study Design

This research employs a qualitative systematic literature review (SLR) approach to explore the role of leadership in employee management during mergers and acquisitions (M&A). The SLR method was chosen for its structured approach to synthesizing existing literature and identifying patterns, gaps, and emerging themes. Unlike meta-analyses, which focus on quantitative data, this study emphasizes qualitative insights to comprehensively understand leadership strategies that influence employee engagement, retention, and organizational resilience during M&A processes. The research design aims to critically review and interpret findings from multiple academic sources to build an evidence-based narrative.

Sample Population or Subject of Research

The subjects of this review include peer-reviewed journal articles, books, and conference papers published after 2018, which discuss leadership, communication, employee turnover, and organizational integration in M&A contexts. The sample was selected based on relevance to key research questions, particularly literature from renowned databases such as Elsevier, Emerald, Wiley,

and Springer. Only studies written in English that addressed leadership-related factors during M&A transitions were included to ensure consistency and rigor.

Data Collection Techniques and Instrument Development

Data collection involved a systematic search of academic databases using predefined keywords, such as "leadership during M&A," "employee engagement in M&A," and "communication and retention." Boolean operators and filters were used to refine search results and exclude duplicate or irrelevant studies. No primary data instruments were developed, as the study relied entirely on secondary sources.

Data Analysis Techniques

The data analysis involved thematic coding to identify recurring themes, such as leadership styles, communication strategies, and employee support initiatives. A narrative synthesis was performed to interpret the findings within the context of M&A transitions. The results were grouped to highlight patterns, discrepancies, and recommendations for leadership practices to reduce employee turnover and foster success integration. This method ensured a thorough qualitative literature examination without using PRISMA guidelines.

Findings and Discussion

Findings

One of the primary challenges identified in mergers and acquisitions (M&A) is ineffective communication, which often manifests as ambiguous information regarding new roles and responsibilities, delayed dissemination of strategic updates, and inconsistent messaging from leadership. According to Al Naeemy (2020), during organizational restructuring, vague communication can heighten uncertainty among employees, leading to confusion and mistrust. Integrating two different corporate entities often brings unique communication challenges due to structural and cultural disparities. Chang-Howe (2019) emphasized that differences in organizational norms and communication styles between the acquiring and acquired entities can create inconsistencies in messaging. These misalignments may prevent a unified communication strategy, leaving employees uncertain about future roles. Zainab et al. (2022) note that when leaders fail to provide timely updates or issue conflicting information, employees may perceive the silence or contradictions as an indication of organizational instability. This can trigger increased anxiety and speculation about potential layoffs, fostering feelings of alienation. As highlighted by Soontornchaiya & Charoensukmongkol (2024), employees who feel uninformed or overlooked during the M&A process may experience a diminished sense of loyalty, which increases their likelihood of seeking alternative employment. Organizations must establish a structured communication plan to address these challenges, prioritizing transparency and consistency across all hierarchical levels. This involves providing frequent updates, clarifying employee roles within the new structure, and addressing employee concerns promptly. By doing so, leaders can foster a culture of trust, collaboration, and alignment with organizational goals, thereby mitigating the risk of misinformation and disengagement that often accompanies M&A transitions. Effective communication, therefore, serves as a stabilizing factor in reducing confusion, strengthening trust, and maintaining employee engagement throughout the integration process.

Communication barriers during M&A transitions significantly influence employees' perceptions of job security and organizational commitment. When employees receive limited or unclear information regarding their future roles, their sense of job security is weakened, leading to increased disengagement. Bhat et al. (2023) highlight that vague or delayed communication from leadership can create a perception that the organization is indifferent to employees' concerns. This perception of neglect can foster feelings of isolation and mistrust as employees begin to question the organization's intentions and place within the restructured hierarchy (Budhiraja et al., 2024). Poudel et al. (2024) emphasized that employees excluded from discussions regarding their roles or career development opportunities during M&A are more likely to develop turnover intentions due to the lack of transparency and involvement. Conversely, clear communication regarding role expectations, career progression, and organizational support can foster a sense of security and reinforce employees'

commitment to the organization (Galan, 2023). When employees perceive that leadership proactively addresses their concerns and clarifies the future, they are likelier to remain engaged and loyal. Meira & Hancer (2021) suggest that regular communication and feedback mechanisms can help bridge the gap between employee expectations and organizational objectives, reinforcing a culture of trust and inclusivity. Organizations can mitigate negative perceptions by addressing informational and emotional needs and fostering an environment where employees feel valued, understood, and supported. Strengthening this sense of belonging enhances retention and contributes to a smoother and more cohesive integration process.

The findings emphasize that effective communication strategies during M&A transitions must balance informational clarity with emotional support to mitigate turnover risks. Participatory dialogue—such as structured feedback sessions, open forums, and Q&A events—empowers employees to express concerns and gain clarity about organizational changes. Farzana & Charoensukmongkol (2024) argue that leaders who engage in two-way communication foster an environment of trust and collaboration, enhancing employees' sentiment and reducing. Empathetic communication, as highlighted by Balle (2008), reinforces employees' perceptions of their value within the organization, particularly during periods of significant organizational change. Yue et al. (2023) noted that empathetic leadership communication not only disseminates necessary information but also provides reassurance and psychological support, reducing anxiety and strengthening organizational commitment. Leaders who implement transparent and participative communication practices are committed to employee well-being, signaling that employees' voices are heard and valued (Ali et al., 2024). These practices create a shared sense of purpose and strengthen the emotional connection between employees and the organization. Sun (2024) highlighted that frequent, open communication helps dispel rumors and prevents the spread of misinformation, reinforcing organizational cohesion. A communication strategy that integrates feedback mechanisms and supports employees emotionally can foster resilience, prevent attrition, and promote successful post-merger integration. Therefore, open and empathetic communication is a tool for information sharing and a critical factor in maintaining employee trust and retention during M&A transitions.

Effective communication during M&A transitions enhances employee engagement and fosters organizational loyalty. Employees who perceive communication as clear, consistent, and supportive are likelier to develop a strong sense of belonging and remain committed to the organization (Broccoli et al., 2024). Transparent communication reinforces employees' alignment with the organization's vision and goals, which helps build resilience against the stress associated with organizational restructuring. Conversely, poor communication—characterized by ambiguity and inconsistency—can lead to disengagement, as employees may interpret the lack of clarity as a sign of instability (Bryant & Merritt, 2021). This can increase turnover as employees seek stability and recognition in external opportunities. Budhiraja et al. (2024) emphasized that organizations prioritizing open communication during transitions experience higher employee retention and engagement levels. Leaders who create inclusive communication environments where employees are encouraged to provide feedback and voice concerns build trust and a shared sense of purpose (Irwin & Willis, 2023). By fostering an inclusive dialogue, leaders can address employee concerns and provide clarity, strengthening the organizational culture and reducing resistance to change. Zafar et al. (2024) highlight that employees who feel heard and valued exhibit higher levels of resilience and adaptability. This resilience is essential for maintaining stability during post-M&A integration, as it helps align individual efforts with organizational objectives. Therefore, effective communication strategies prioritizing informational accuracy and emotional support are critical for sustaining employee engagement and loyalty during the complexities of M&A transitions.

Discussion

The findings of this study reveal that communication challenges during mergers and acquisitions (M&A) significantly impact on employee engagement and loyalty and contribute to an increased turnover risk. These communication barriers take several forms, including vague or incomplete information about changes to employee roles and responsibilities, delays in disseminating critical strategic decisions, and a lack of consistent messaging among management. Such communication gaps

intensify feelings of uncertainty among employees, creating an environment prone to misinformation and fueling suspicion and mistrust toward leadership. When communication is unclear or delayed, employees may perceive management withholding information, which amplifies their anxiety and reinforces the belief that they are excluded from key decisions. This supports the notion that inadequate communication directly affects employees' perceptions of job security, diminishing their trust in organizational leadership and increasing their likelihood of seeking employment elsewhere. Employees who feel disconnected from strategic developments often feel disillusioned, questioning their long-term viability within the company. As a result, the perceived lack of transparency contributes to decreased morale and organizational commitment. These findings underscore the importance of viewing communication not only as a tool for conveying operational updates but also as an essential strategy for managing employee perceptions and reducing uncertainty. Organizations must, therefore, adopt a proactive communication approach that addresses employees' informational and emotional needs, ensuring that the workforce remains aligned and engaged during significant transitions.

Interpretation of the findings suggests that inconsistent communication can lead to a substantial expectation gap between management and employees, which hinders the alignment of goals during post-M&A integration. When employees are not provided with clear and detailed information about their roles and responsibilities within the restructured organization, they may feel marginalized, undervalued, and disconnected from the organization's overarching vision. This reinforces the argument that communication during M&A should serve not only as a means of disseminating facts but also as a strategy for fostering collaboration and emotional reassurance. The research highlights the effectiveness of participatory communication strategies, such as discussion forums, employee feedback sessions, and town hall meetings, in creating a two-way dialogue that strengthens employee engagement. Providing platforms for employees to share their concerns and receive prompt responses enables organizations to cultivate a sense of mutual respect and inclusion. The case of Bristol Myers Squibb's acquisition of Celgene is an illustrative example of this approach, as the company implemented regular communication touchpoints to involve employees in decision-making processes. This participatory communication model fostered a sense of ownership among employees and reduced turnover intentions by reinforcing their value within the organization. Consequently, consistent and transparent communication mitigates feelings of uncertainty and fosters a culture of trust, which is crucial for maintaining employee engagement and loyalty during organizational change.

The findings emphasize the critical role of empathetic leadership in fostering trust and stability during M&A transitions. Leaders who actively acknowledge and address employee concerns play a pivotal role in creating an inclusive work environment where employees feel recognized and supported. Empathetic communication, which incorporates emotional reassurance and acknowledgment of employees' contributions, clearly signals that the organization values its workforce beyond operational objectives. Such communication fosters a favorable psychological contract between employees and the organization, strengthening resilience and reducing turnover risk. The study by Farzana & Charoensukmongkol (2024) reinforces these findings, demonstrating that empathetic leadership can mitigate job insecurity and foster higher levels of engagement during organizational transitions. Leaders who engage in open, empathic dialogues with employees contribute to a culture of transparency and respect, reinforcing employee loyalty. This evidence highlights the need for leadership strategies that extend beyond formal updates to include genuine emotional support, particularly during critical phases of post-merger integration. When leaders communicate transparently and empathetically, they create an environment of psychological safety that enables employees to navigate the uncertainties of organizational change with confidence. Empathy-driven leadership not only cultivates a sense of belonging but also serves as a key factor in retaining top talent, enhancing overall organizational resilience, and ensuring the long-term success of the integration process.

The findings of this study align with Social Exchange Theory (SET), which emphasizes that the relationship between employees and organizations is built on reciprocal exchanges involving both material components, such as compensation and job security, and non-material elements, such as recognition, respect, and trust. According to SET, employees assess their relationship with the

organization based on their perception of fairness and the balance between the benefits they receive and the sacrifices they make. During M&A processes, employees often encounter significant challenges that can exacerbate perceptions of imbalance, mainly if organizational communication is unclear, inconsistent, or lacks empathy. When employees feel uncertain about their roles, job security, or prospects, the perceived imbalance in social exchange may foster disengagement and mistrust, leading to higher turnover intentions. Conversely, transparent communication involving employees in decision-making can foster a sense of fairness, strengthen trust, and enhance their sense of belonging within the organization. Organizations can reinforce the psychological contract with employees and mitigate feelings of vulnerability during transitions by providing timely updates, addressing concerns, and creating participatory forums. Research highlights that empathetic communication during organizational change is critical in maintaining employee engagement and mitigating uncertainty (Farzana & Charoensukmongkol, 2024).

In comparing the findings of this study with those of previous research, several similarities and differences can be identified. Studies by Poudel et al. (2024) and Budhiraja et al. (2024) concluded that employee participation in decision-making during M&A significantly contributes to increased engagement and reduced turnover rates. The findings of this study support these conclusions by demonstrating that participatory communication fosters dialogue that strengthens employees' sense of belonging and commitment. However, this research further highlights that communication barriers during M&A are not solely attributable to technical limitations but are also influenced by differences in organizational cultures and communication styles among leaders. This cultural dimension has not been thoroughly explored in prior studies, which have predominantly focused on structural issues rather than cultural disparities. The research by Farzana and Charoensukmongkol (2024) emphasizes that empathetic leadership can alleviate uncertainties during M&A processes. This aligns with the current study's findings, which reveal that supportive and empathetic leadership styles can reinforce employees' sense of security and trust during organizational transitions. Empathetic leaders who actively listen to employee concerns and help emotional reassurance mitigate feelings of isolation and vulnerability. This comparison underscores the importance of adopting a holistic communication strategy that addresses operational changes and considers cultural integration and emotional support. By addressing informational and emotional needs, organizations can create an inclusive work environment supporting successful M&A integration and strengthening employee retention.

This study offers practical implications for organizations undergoing the M&A process. First, organizations should develop a structured and comprehensive communication framework to ensure that information is delivered consistently and promptly. This framework should include formal and informal communication channels allowing employees to receive updates about their roles and responsibilities within the new organizational structure. Second, communication skills training for leaders should be prioritized so that they can convey messages clearly while demonstrating empathy toward employees' concerns. Leaders equipped with strong communication skills can foster transparency and trust, which are crucial for maintaining employee engagement during periods of uncertainty. Third, organizations are encouraged to implement transparency policies in disseminating strategic decisions, such as holding open discussion forums that allow employees to voice their questions and concerns. These participatory communication initiatives foster a sense of inclusion and reassure employees that their perspectives are valued. By adopting communication strategies rooted in openness and participation, organizations can build trust and strengthen employee loyalty, ultimately supporting the success of the post-M&A integration process. Clear and consistent communication reduces employee anxieties, increases their sense of belonging, and fosters alignment with the organization's goals. Therefore, the findings of this study serve as a practical guide for organizations seeking to implement effective communication practices that enhance organizational stability and minimize the risk of turnover during transitional periods.

Conclusion

This study investigates the communication challenges involved in employee management during M&A and their impact on employee turnover. The findings reveal that communication barriers, including unclear role definitions, delayed policy announcements, and insufficient managerial

coordination, significantly affect employees' sense of job security and organizational trust. These barriers contribute to increased employee uncertainty and disengagement, heightening turnover risks. Conversely, participatory communication and empathetic leadership have been shown to mitigate these effects by fostering open dialogue, emotional reassurance, and transparent information sharing. This research highlights that effective communication during M&A processes plays a crucial role in reinforcing employee engagement and reducing the negative impacts of organizational change. The study addresses the key research questions by identifying communication-related challenges and offering strategies to strengthen employee retention during M&A transitions.

The value of this study lies in its contribution to theoretical understanding and practical implementation. By adopting a qualitative synthesis approach, this research extends the application of Social Exchange Theory (SET) to M&A contexts, emphasizing the significance of reciprocal exchanges that include emotional support alongside informational clarity. The findings provide actionable insights for organizational leaders by presenting a framework for communication that integrates openness, empathy, and participatory practices. In practice, organizations undergoing M&A can enhance integration success by implementing structured communication plans, equipping leaders with communication training, and fostering inclusive feedback mechanisms. These recommendations promote organizational stability, build employee trust, and minimize turnover during critical transitional phases, improving overall organizational resilience.

Despite its contributions, this study has several limitations. The research relies on a systematic literature review (SLR) without primary empirical data collection, which may limit the depth of context-specific insights. Additionally, the study focuses primarily on general organizational settings rather than specific industries, which may affect the generalizability of its recommendations. Future research should consider conducting longitudinal case studies to capture employees' experiences during M&A processes and validate the proposed communication framework across diverse organizational contexts. Researchers are also encouraged to explore the influence of cultural differences in communication styles and leadership approaches to provide more nuanced strategies tailored to global M&A operations. By addressing these limitations, future studies can build on these findings and further enrich the field of employee management in M&A transitions.

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