

STAKEHOLDER RELATIONS STRATEGY IN ACQUISITION OR MERGER

Oleh : Desi Dwi Prianti

Abstrak

Tulisan ini ditujukan untuk mengidentifikasi dan menganalisis strategi hubungan dengan stakeholder untuk memfasilitasi akuisi atau merger dari perusahaan agar berjalan dengan baik. Masing-masing stakeholder ingin mengetahui bagaimana akuisisi akan mempengaruhi mereka sejak stakeholder dimaknai sebagai kelompok atau individu yang dapat berpengaruh pada pencapaian tujuan organisasi dan objektif organisasi. Perencanaan yang matang melalui strategi komunikasi untuk stakeholder perusahaan akan berkontribusi pada kesuksesan proses akuisisi itu sendiri.

Kata kunci : stakeholder, relations, strategy

Introduction

The purpose of this paper is to identify and analyze the company's key stakeholder and propose a strategy to communicate and collaborate with them in order to facilitate Company's acquisition or merger runs smoothly. Each stakeholder group will want to know how the acquisition will affect them since stakeholder is any group or individual who can affect or is affected by the achievement of the organization's purpose and objectives (Freeman 1984). A well planned and thoroughly communication strategy addressed to company's key stakeholder will contribute to the success of the acquisition itself.

Discussion

Rawlins (2006) develop four steps in prioritizing stakeholder. His model suitable for acquisition and merger case since it provides comprehensive perspective in analyzing stakeholder in order to find which stakeholder that the company has to manage first.

First step: Identifying Company's Stakeholder

To identify company's stakeholders in the acquisition or merger, Linkage model (Grunig and Hunt 1984) offers the best justification since it assists to classify stakeholder based on their relationship to the company. The stockholder, board of directors and government are the enabling linkages stakeholder, which posses some control and authority over the company. These groups can assure the acquisition or

merger process run smoothly since they have legal authority to the company. However, consumers and employees, although they do not have the legal authority, they are essential for the company to survive since they have functional linkages with the company. Media and special interest group are also the other stakeholder. They have diffused linkages with the company. Company reputation may bring different special interest groups have concern in the company acquisition or merger. They could be hoped to know how the company will changes after the acquisition or the merger. For example, if your company known as a “green company” then you want to conduct a merger with another company, environmental organization might be one of your stakeholder, since they might want to know how your company going to change after the merger. .

Second step: Prioritizing them by their attributes

There are three attributes in prioritizing stakeholder; legitimacy, power and urgency (Cornellisen 2008). Stockholders, board of director are classified as dominant stakeholder since they have legitimacy and power. Furthermore, they may gain urgency in the acquisition or merger, if they think the acquisition or merger will risk their investment. However, both company’s employee and consumer are the definitive stakeholder and should get the highest priority, since they possess the three attributes (Mitchell 1997). They own legitimacy and power, since they have legal, moral or presumed claim that can influence the company’s behavior and acquisition/merger process (Rawlins 2006). They also possess urgency attribute since the acquisition/merger will bring direct impact to them. Company’s consumer will be curious about what will happen with company’s products after the acquisition/merger and company’s employees will be required to know what the acquisition/merger will impose on their job.

Third Step: Prioritizing them by their relationship to the acquisition/merger process

Furthermore, analyzing about the activeness of stakeholder in the acquisition/merger process is also the important thing to prioritizing the stakeholder. This can be done by using Grunig’s situational theory (Grunig 2005)

Criteria of Active Publics	The enabling linkage	The functional linkage
High levels of involvement	Stockholders, board of director	Employee and Consumers
Problem Recognition	Governments, environmental organization	Employee and Consumers

Lower level of constraint recognition	Governments, stockholders, board of directors	Employee
--	---	----------

Level of involvement is measured by the extent to which people connect themselves personally with the situation. Problem recognition is measured by the extent to which people recognize the connection between them and the problem. Constraint recognition is measured by the extent to which people think that they can do something about the problem.

Company’s employees become active publics, as they believe that the acquisition/merger is related with their self-interest. They also recognize how the acquisition/merger will affect them, and they assume they can do something about it. They will actively seek the information about the acquisition/merger since it involved them directly. Typically, employees will seek answers to the following questions (Wyatt 2002):

1. Will I have job after the acquisition/merger?
2. Where do I fit? What am I supposed to do?
3. Will my salary, benefits and working conditions change?
4. Will this acquisition be good for me from a career perspective?

Company’s employees may decrease their productivity or have a lack of engagement if they think the acquisition did not bring advantage for them. This condition will be danger company performance since employees are the center of company survival. In this case, customer comes second after the employee. Additionally, employee is the main company’s resource to reach their target market. By getting employees' support, the company will get its productivity increase (Cornellisen 2008).

Fourth step: Prioritizing them by communication strategy

This last strategy will address the communication strategy in order to find the key stakeholder. From the previous step, employee is categorized as active stakeholder. Company needs employee cooperation to accomplish the acquisition/merger process. This makes employees become advocate stakeholders, the group that company wants them to be involved in supportive actions (Rawlins 2006). By doing so, instrumental motives argue that it will deliver reputational returns, which are easily carried over and may impact the views of other stakeholder groups such as customer (Cornelissen 2008).

Therefore, as a key stakeholder, the company needs to communicate with their employee in ongoing basis, such as (Smith and Skelton 2004):

1. Leadership commitment

Senior leaders need to be committed and consistent with the ongoing situation throughout the acquisition process. Management visibility and accessibility is a key to build employee understanding and support for the acquisition. Therefore, successful campaigns must consider how messages will be interpreted by senior leaders, since they act as intervening and supporting stakeholder (Rawlins 2006). They can act as opinion leader for employees.

2. Face to face communication

Managers throughout all levels of the company need to be prepared to respond to employee questions (even when there are no answers), whether in group settings or individual. Manager briefings, manager's communication toolkits are all useful tools.

3. Continual monitoring

Continually surveying and monitoring employees to check their understanding by random surveys.

4. Ability to ask question and get answers

Giving the employees the opportunity to ask an acquisition question, any time, and receive an immediate response builds valuable goodwill and credibility.

5. The ability to share issues

Understanding issues that exist in employee and give quick respond will help company to develop follow-up steps in handling the issues.

Conclusion

Priority is often given to those relationships that offer opportunities or threats to the functioning of the company (Grunig 1992, cited by Vos 2005). As explain above, employee can create both threats if they feel uncertain and fear about the acquisition and opportunities if they engage with the acquisition/merger. For this reason, Company's employees become the key stakeholder in this communication strategy. Additionally, employee is the primary stakeholder, without their participation company cannot survive (Clarkson 1995). Therefore, comprehensive stakeholder strategy which addressed to build employee's commitment is essential to enable the acquisition/merger proceed.

BIBLIOGRAPHY

Clarkson, B.E. (1995). A Stakeholder framework for analyzing and evaluating corporate social performance. *Academy of management review*, pp 92-117.

Cornellisen, J. (2008). *Corporate communication: a guide to theory and practice*. Chapter 3.

Grunig, J.E. (2005). Situational theory of publics. *Encyclopedia of public relations*, pp 778-780.

Grunig, J.E., & Hunt, T. (1984) *Managing public relations*. New York: Holt, Rinehart and Winston.

Rawlins, B.L. (2006). Prioritizing stakeholders for public relations. *Institute for public relations*, pp. 1-13.

Vos, M., & Schoemaker, H. (2005) *Integrated communication: concern, internal and marketing communication*. Netherlands:Lemma

Internet

Smith Barbara,F. and Skelton, R (2004). *Practical tips for merger communication*. Available at <http://www.iabc.com/cwb/archieve/2004/1204/mergercomm.htm> [Accessed 30 Oct.2009]

Wyatt, W. (2002) *Bringing people together:communication in merger and acquisitions*. Available at <http://www.watsonwyatt.com/search/publications.asp?Component=wwme&ArticleID=10633> [Accessed 30 Oct.2009]