USF | Muma Business Review
A publication of the Muma College of Business | University of South Florida

Volume 9, Number 20 | *Empirical Findings* | *21 NOVEMBER 2025*

A Fair Process Approach to Pre-Merger Communication

By
Corey Retzloff, University of Texas, Arlington

Given the high failure rates of mergers and acquisitions (M&As), often exacerbated by ineffective pre-merger communication, this research investigates how senior practitioners navigate these challenges. It specifically explores the application of Fair Process Theory (FPT) emphasizing engagement, explanation, and expectation clarity—to enhance stakeholder perceptions and M&A outcomes. The findings reveal that experienced managers prioritize open, honest, and timely communication, moving beyond traditional secrecy to build trust. They underscore the value of actively engaging employees, fostering participation, and clearly articulate the strategic rationale and cultural implications of the merger. For managers, this study offers significant value by demonstrating that a communication approach grounded in fairness can directly mitigate employee anxiety, foster buy-in, and address critical integration challenges. Adopting these FPT-aligned strategies can lead to more informed decision-making, improved employee relations, and ultimately, a greater likelihood of achieving desired M&A objectives, providing a practical framework for navigating complex organizational changes.

This study explores senior practitioners' experiences with pre-merger communication, revealing how principles of fairness—engagement, explanation, and clarity—can mitigate employee anxiety, build trust, and significantly improve M&A outcomes. It offers actionable insights into more effective communication strategies during critical organizational transitions.

Keywords: Mergers and acquisitions (M&A), pre-merger communication, Fair Process Theory, stakeholder perceptions, employee engagement, M&A outcomes, qualitative research, practitioner insights.

Mergers and acquisitions (M&As) are significant corporate growth strategies, with global transaction values reaching over $57 trillion in recent decades (Institute of Mergers, Acquisitions, and Alliance, 2020). However, the business problem motivating this investigation is the persistently high failure rate of these endeavors; over 50% do not meet financial objectives (Galpin, 2020). Ineffective communication, particularly during the critical pre-merger phase, often exacerbates these failures, potentially leading to a 15-20% decrease in post-merger productivity (Galpin & Herndon, 2014). This study addresses the challenge of optimizing pre-merger communication to improve M&A outcomes by exploring the lived experiences of seasoned M&A practitioners.

The investigation is analyzed in the context of Fair Process Theory (FPT). FPT, with its emphasis on engagement, explanation, and expectation clarity (Kim & Mauborgne, 1997), offers a robust framework for understanding how communication practices can shape employee perceptions and reactions during periods of high uncertainty, such as M&As. By focusing on FPT, this study aims to uncover how its principles can be practically applied to mitigate anxiety, foster buy-in, and ultimately contribute to more successful M&A integration.

Review of Research

This section reviews the key literature on pre-merger communication to situate the present study. It begins by outlining the complex landscape of Mergers and Acquisitions (M&As) and the consistent finding that communication is pivotal to their success. The review then narrows its focus to the unique challenges of the pre-merger phase before introducing Fair Process Theory (FPT) as a valuable framework for addressing these challenges. Finally, it identifies the specific research gap concerning practitioner experience that this study aims to fill.

The relentless pursuit of growth has made M&As a prevalent strategy, driven by strategic objectives like increasing market share, acquiring new capabilities, and achieving economies of scale (Cartwright & Schoenberg, 2006). Yet, despite this strategic rationale, the success rate remains dismally low (Angwin, 2020). This failure is often attributed not to flawed strategy, but to challenges in integrating different organizational cultures, processes, and systems (Weber et al., 2014). As Hitt et al. (2001) argue, successful integration requires careful consideration of both "hard" financial factors and "soft" human factors, such as managing employee anxiety and trust erosion. Given these high stakes, a substantial body of research has explored M&A success, consistently identifying communication as a pivotal factor in addressing employee concerns and ensuring a smooth transition (Retzloff, 2023; Soontornchaiya & Charoensukmongkol, 2024). This is because communication serves to reduce uncertainty, align employees, and facilitate cultural integration (Appelbaum et al., 2007). The complexities are further amplified in cross-border M&As by the need to integrate different national cultures, values, and communication norms (Angwin et al., 2022). Indeed, research by Hofstede (2011) highlights how differing national cultural dimensions, such as uncertainty avoidance, can significantly impact how communication is perceived, making clear and detailed explanations even more critical in certain contexts.

To address these challenges, the M&A communication literature highlights Fair Process Theory (FPT), developed by Kim and Mauborgne (1997), as a particularly influential framework. FPT posits that employee reactions to decisions are shaped not only by the outcomes themselves but, perhaps more powerfully, by the perceived fairness of the process through which those decisions were made. For practitioners, FPT offers a concrete and valuable guide for structuring communication. Its three core principles are: Engagement, which involves giving employees a voice in the process, inviting their input on decisions that affect them, and demonstrating that their perspectives are heard and considered, perhaps through town halls or feedback channels; Explanation, which is the principle of providing clear, comprehensive, and transparent reasons for decisions, such as the strategic rationale for the merger; and Expectation Clarity, which involves clearly stating the new rules of the game, including new performance metrics, organizational structures, and responsibilities so everyone understands the standards they will be held to. Research has shown that applying these FPT principles in M&A contexts is linked to higher perceptions of organizational justice and commitment (Gomes et al., 2017). Whereas studies such as Retzloff (2023) have specifically applied FPT to pre-merger communication, confirming its relevance in understanding how practitioners themselves view and enact fair communication.

While existing research establishes the importance of communication and the value of FPT, a gap remains in understanding the nuanced, lived experiences of senior practitioners as they navigate the immense pressures of the pre-merger phase. Much of the literature provides broad principles, but less is known about how these principles are applied—or adapted—in practice. This study, therefore, builds directly on prior work by using a phenomenological approach to explore how seasoned M&A leaders interpret and implement communication strategies aligned with FPT. It seeks to move beyond what should be done to uncover what is being done, providing rich, context-specific insights into the practical wisdom, challenges, and successes of those on the front lines of M&A communication.

Protocol

The data analyzed in this study were gathered through a hermeneutic phenomenological approach to explore the lived experiences of senior M&A practitioners regarding pre-merger communication.

Instrument Development: Semi-structured interviews were designed to be the primary instrument. The interview questions were open-ended, guided by the tenets of Fair Process Theory (Engagement, Explanation, Expectation Clarity), encouraging detailed narratives of practitioner experiences. Two pilot interviews were conducted to refine the questions and process.

Data Source: Data was gathered from twelve seasoned M&A practitioners. These individuals were selected purposefully from the University of South Florida's alumni base and were required to have been directly involved in at least three M&A transactions at a senior management level (board member, owner, or C-suite) with a minimum of 10 years of relevant professional experience. Participants represented diverse industry backgrounds, with experience ranging from 11 to 40 years, and 75% were involved in multiple mergers. (See Table 1 for participant demographics).

Time Frame: Data collection occurred between April and July 2023.

Types of Analysis: The interview data (over 800 transcribed pages) were analyzed using thematic analysis, following Braun and Clarke's (2020) six-phase approach. This involved familiarization with the data, systematic coding using NVivo software, theme identification, iterative review and refinement of themes, and finally, defining and naming themes. This qualitative analysis allowed for both deductive coding (driven by FPT) and inductive coding (themes emerging from the data).

This protocol was designed to ensure a rigorous exploration of practitioners' subjective realities and the practical application of communication strategies in the complex pre-merger environment.

Findings

The investigation yielded six key themes regarding pre-merger communication, categorized by research questions. These findings illuminate practitioner experiences and highlight effective communication practices. (See Table 2 for theme prevalence and Table 3 for alignment with Fair Process Theory).

1. Aspects of Communication Important to Employees (RQ1)

Open and Honest Communication: This was the most dominant finding (166 references). It relates directly to the business problem of employee anxiety and trust erosion. Practitioners stressed that transparency, timeliness, and two-way dialogue are vital. When discussing the immense pressure to retain key talent during a period of uncertainty, one CFO (Participant #12) cautioned against clichés, stating, *'If you try to sugarcoat things, employees see right through it... honesty builds more trust.'* This finding is likely consistent with general expectations for good communication but challenges the common M&A practice of withholding information excessively, suggesting that practitioners find more value in frankness. This directly supports FPT's 'Explanation' and 'Engagement' tenets.

Engagement and Clarity: This finding (84 references) emphasizes tailoring messages and using diverse channels. To manage the high volume of recurring questions and combat misinformation, a Petroleum Engineer (Participant #6) described a specific proactive tactic, noting his company *"created the social media site for the merger question and answer FAQ."* This points to the need to actively involve employees and ensure messages are understood, aligning with FPT's 'Engagement.' This finding might be less obvious to managers focused solely on top-down information dissemination and highlights the value of interactive approaches.

Participation and Collaboration: This finding (76 references) highlights empowering employees in the communication process. Reflecting on a successful integration where his employees identified key process risks, a CIO (Participant #1) illustrated his approach to soliciting input early in the process, asking his new team, *"'hey, you know, does this work for us, or can this work for us?'"* This challenges traditional hierarchical communication, suggesting that involving employees in dialogue and feedback, as per FPT's 'Engagement,' improves buy-in. This is a finding that might conflict with managers' expectations of needing to control all information flow tightly.

2. Steps Managers Can Take to Improve Communication (RQ2)

Undertake Fair and Engaging Communication: (83 references) This emphasizes communication that creates a sense of fairness and inclusion. Recalling a merger where the acquiring firm was much larger, an Operational Accountant (Participant #7) highlighted the importance of a respectful tone, noting that the acquiring company *"did not come in with a hammer."* This approach relates to the business problem by fostering trust and collaboration, aligning with FPT's 'Engagement' and 'Explanation.' The novelty here is the explicit link to *fairness* as perceived by practitioners in how communication is delivered.

Prioritize Strategic and Cultural Communication: (101 references) This involves clearly articulating the *"why"* of the merger and addressing cultural aspects.

Table 1. Participant Demographics

Participant's ID	Years Experience	Industry	Year of Recent Merger	Number of Mergers	Position held during merger
FINTECH CSO	16	Banking	2017	Multiple	CIO
Divesting Chamber of Commerce CEO	25	Local Government	2010	Single	CEO
Acquired Financial Advisor	20	Wealth Management	2019	Single	Employee
M&A Lawyer	21	Healthcare	2021	Multiple	Corporate Lawyer
Acquired Banker	19	Banking	2013	Multiple	Branch Manager
Merging Petroleum Engineer	37	Oil and Gas	2019	Multiple	Senior Manager
Acquired Operational Accountant	23	Grocery	2017	Single	Operational Accountant
Purchasing Marina VP	11	Marina	2021	Multiple	VP
Purchasing Cement President	37	Asphalt	2012	Multiple	COO
M&A Consultant	40	Consulting	2019	Multiple	Business Owner
Purchasing Credit Union Board Member	33	Banking	2017	Multiple	VP of the Board of Directors
Purchasing Aerospace Finance Officer	20	Aerospace	2017	Multiple	CFO
Pilot Study Participants					
Acquired Telecommunication Engineer	25	Telecom	2001	Multiple	Senior Manager
M&A Human Resources Manager	28	Aerospace	2014	Multiple	Senior Manager

When explaining why a previous merger succeeded where others had failed, a Financial Advisor (Participant #3) stressed the need for a unifying narrative, stating, "*The culture thing starts with that vision, the undergirding values...*" This directly addresses the business problem of M&A failure due to strategic misalignment or cultural clashes. It supports FPT's 'Explanation' by extending it to strategic rationale. While strategic communication is expected, the emphasis on *cultural* communication as a priority from the outset might be a newer insight for some managers.

Ensure Effective and Compliant Communication: (65 references) This highlights adherence to legal and regulatory needs. Speaking from a risk management perspective, an M&A Lawyer (Participant #4) warned against improvising in a complex legal environment, stating, "*you don't want to be winging this.*" This relates to mitigating risks that can derail an M&A, aligning with FPT's 'Expectation Clarity' regarding practical and legal implications. While compliance is a known factor, this finding underscores its integration into the overall communication strategy from the practitioner's viewpoint.

Discussion

The findings of this study, derived from the lived experiences of seasoned M&A practitioners, affirm the critical role of Fair Process Theory (FPT) in shaping effective pre-merger communication. The prevalence of themes such as "Open and Honest Communication" (30% of total references) underscores that transparency and directness are not just ideals but practical necessities in the eyes of those managing M&As. These results synthesize practitioner wisdom with FPT, suggesting that communication grounded in engagement, clear explanation, and clarified expectations can significantly mitigate the anxieties,

Table 2. Themes, Number of Codes, and References			
Themes	**Number of Codes**	**Number of References**	**Participants**
Open and Honest Communication	**17**	**166**	**12**
Engagement and Clarity	**11**	**84**	**11**
Participation and Collaboration	**8**	**76**	**11**
Prioritize Strategic and Cultural Communication	**15**	**101**	**12**
Undertake Fair and Engaging Communication	**13**	**83**	**11**
Ensure Effective and Compliant Communication	**9**	**65**	**12**
Total	**73**	**575**	**12**

Table 3. Fair Process Theory Tenets and Their Corresponding Themes	
Fair Process Theory Tenets	**Supporting Themes**
Engagement	• **Open and Honest Communication** • **Engagement and Clarity** • **Participation and Collaboration** • **Undertake Fair and Engaging Communication**
Explanation	• **Engagement and Clarity** • **Undertake Fair and Engaging Communication** • **Prioritize Strategic and Cultural Communication** • **Ensure Effective and Compliant Communication**
Expectation Clarity	• **Undertake Fair and Engaging Communication** • **Ensure Effective and Compliant Communication**

uncertainties, and trust erosion that often plague M&As.

The findings broadly align with existing literature on the importance of communication in organizational change (Angwin, 2020; Galpin, 2020) and FPT's role in fostering acceptance (Kim & Mauborgne, 2005). However, this study extends theory by empirically demonstrating *how* FPT principles are enacted in the specific, high-stakes context of pre-merger communication by senior leaders. For instance, the emphasis on "Participation and Collaboration" and "Engagement and Clarity" goes beyond simply informing employees, advocating for a more interactive and inclusive dialogue. These challenges are traditional, often more guarded, M&A communication paradigms, suggesting that perceived fairness in the *process* of communication is key.

The study also brings a nuanced perspective by implicitly touching upon critical management studies through the practitioners' awareness of power dynamics and the need for empathetic, trust-building communication. The idea that "honesty builds more trust, even if it's initially difficult" reflects a sophisticated understanding of relational dynamics over purely transactional information sharing. While existing theory discusses uncertainty reduction, these findings suggest FPT principles act as a crucial mediator in this process within M&As. Instructors can use these insights to enrich curricula, while practitioners can adopt these strategies to foster buy-in and navigate cultural integration more effectively, especially in cross-border M&As where cultural sensitivity in applying FPT is paramount. The research allows readers to see how these senior practitioners interpret and apply fairness, rather than pushing a single prescriptive interpretation.

It is crucial, however, to contextualize these findings within the operational realities and risks that managers face. The practitioners' emphasis on "honesty" and "openness" should not be interpreted as a call for uncontrolled, absolute transparency. Managers operate under significant constraints, including contractual non-disclosure agreements (NDAs), the risk of leaking competitively sensitive information, and the legal requirements governing M&A disclosures. Furthermore, they must manage the very real risk that premature or poorly contextualized information about difficult topics, such as potential role redundancies, can create excessive anxiety and disrupt organizational performance. The challenge highlighted by this research is therefore one of balance.

The findings suggest that practitioners navigate this balance through a form of "strategic transparency." This involves being truthful about what can be shared, being transparent about what cannot be shared and why (e.g., due to legal or regulatory reasons), and providing a clear, reliable timeline for when more information will become available. This approach respects employees' need for information while adhering to legal and strategic constraints. It suggests that a key element of fair process is not just the content of communication but also the clarity and reliability of the communication process itself. These qualitative findings establish a foundation for future quantitative, comparative, and longitudinal research on the topic. Additionally, future research could valuably explore the specific tactics, such as information classification and sequenced communication roadmaps, that managers use to operationalize this balance effectively.

Conclusions

This study concludes that the principles of Fair Process Theory are a critical leadership competency for managing any significant organizational change by building trust through a reliable communication process. The research highlights strategic transparency—pragmatically balancing openness with confidentiality—as a key tool for leaders navigating uncertainty. The key takeaways from this Empirical Findings Article (EFA) are:

Fair Process is Paramount: Experienced M&A practitioners intuitively or explicitly leverage principles of Fair Process Theory (engagement, explanation, expectation clarity) to navigate the complexities of pre-merger communication.

Practice Strategic Transparency, Not Absolute Secrecy: Contrary to common instincts to withhold information, practitioners find more value in strategic transparency. This means being honest and timely about what can be shared, while being clear about what cannot be shared and why, thus managing expectations without violating confidentiality.

Engagement is Non-Negotiable: Effective pre-merger communication is not a one-way street. It requires active engagement, creating opportunities for dialogue, feedback, and participation, which fosters a sense of clarity and collaboration.

Strategic and Cultural Narratives Matter: Clearly communicating the strategic rationale ("the why") behind the merger and proactively addressing potential cultural integration challenges are critical for aligning stakeholders and building a shared vision.

Integrate Compliance with Fairness: Adhering to legal and regulatory requirements (like NDAs) must be integrated within a communication strategy that is still perceived as fair and equitable. This involves explaining the process and its constraints, not just dictating information blackouts.

These conclusions highlight that effective pre-merger communication, grounded in fairness, is a critical lever for enhancing stakeholder perceptions and improving the likelihood of successful M&A outcomes.

References

Angwin, D. N. (2020). Mergers and acquisitions. Routledge.

Angwin, D. N., Urs, U., Appadu, N., Thanos, I. C., Vourloumis, S., & Kastanakis, M. N. (2022). Does merger & acquisition (M&A) strategy matter? A contingency perspective. European Management Journal, 40(6), 847–856. https://doi.org/10.1016/j.emj.2022.09.004

Appelbaum, S. H., Audet, L., & Miller, J. C. (2007). The challenges and opportunities of merger and acquisition communication. Corporate Communications: An International Journal, 12(3), 265–284.

Braun, V., & Clarke, V. (2020). Conceptual and design thinking for thematic analysis. Qualitative Psychology, 7(2), 220-238.

Cartwright, S., & Schoenberg, R. (2006). Thirty years of mergers and acquisitions research: Recent advances and future opportunities. British Journal of Management, 17(S1), S1-S5. https://doi.org/10.1111/j.1467-8551.2006.00475.x

Galpin, T. J. (2020). Mergers and acquisitions: A review of the literature. Journal of Management, 46(1), 1-30.

Galpin, T. J., & Herndon, M. (2014). The complete guide to mergers and acquisitions: Process tools to support M&A integration at every level. John Wiley & Sons.

Gomes, E., Mellahi, K., Sahadev, S., & Harvey, A. (2017). Perceptions of justice and organizational commitment in international mergers and acquisitions. International Marketing Review, 34(5), 582–605. https://doi.org/10.1108/IMR-02-2014-0046

Hitt, M. A., Harrison, J. S., & Ireland, R. D. (2001). Mergers and acquisitions: A guide to creating value for stakeholders. Oxford University Press. https://doi.org/10.1093/oso/9780195112856.001.0001

Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. Online readings in psychology and culture, 2(1), 8. https://doi.org/10.9707/2307-0919.1014

Institute of Mergers, Acquisitions, and Alliances. (2020). M&A statistics.

Kim, W. C., & Mauborgne, R. (1997). Fair process: Managing in the knowledge economy. Harvard Business Review, 75(4), 65-75.

Kim, W. C., & Mauborgne, R. (2005). Blue ocean strategy: How to create uncontested market space and make the competition irrelevant. Harvard Business School Press.

Retzloff, C. (2023). Communicating for success: The importance of fairness in pre-merger communication (Doctoral dissertation, University of South Florida). Retrieved from https://digitalcommons.usf.edu/etd/9997/

Soontornchaiya, P., & Charoensukmongkol, P. (2024). Interaction Effect of Management Communication and Workplace Formalization on Shared Goals and Commitment of Employees During Post-Merger and Acquisition Integration. International Journal of Business Communication, 0(0). https://doi.org/10.1177/23294884241235661

Weber, Y., Tarba, S. Y., & Reichel, A. (2014). A stakeholder approach to mergers and acquisitions: Managing corporate change. Palgrave Macmillan.

Review

This article was accepted under the ***constructive peer review*** option. For futher details, see the descriptions at:

http://mumabusinessreview.org/peer-review-options/

Authors

Correy Retzloff is a Clinical Professor of Management at the University of Texas at Arlington. Correy holds a Doctor of Business Administration (DBA) from the University of South Florida, an MBA from Henderson State University, a BS in Management from Touro College, and a professional Project Management Professional (PMP) certification.