



# Merger/Acquisition HR Due Diligence Checklist

## Due Diligence HR Checklist

	<b>BEFORE – Getting your Ducks in a Row</b>	<b>Status Notes</b>
	Address any outstanding HR issues and HR legal issues, identification of potential legal issues	
	Union – review/settle details, agreements, disputes	
	Employment agreements - in place with all employees - signed and copy in employee file	
	Contract employees - terms/conditions/contract length identified, agreements in file	
	Employee files - complete and containing required documentation	
	Hire process defined, documented and complete with interview questions for all positions, orientation process documented	
	Comprehensive job descriptions in place for all positions	
	Benefit plan in place and maintained	
	Attendance, vacation, compensation systems (including bonus/profit sharing/RRSP if applicable) in place, current, documented	
	Pay equity compliant	
	Health and safety - compliant with requirements, injury reporting, review of those off on medical leave	
	Employee policy manual, in place and up to date	
	Organizational chart - management, employees, titles, headcount	
	Performance evaluation process - documented and in place	
	Disciplinary system/documentation process in place - Review of any employees under performance management - there is a cost to new owners for termination - if termination needs to occur, get it done prior to sale, risk of flight statistics, deal with dead wood	
	Succession planning process defined and in place, key roles and successors identified and documented	
	Goal setting - in place, documented, up to date	
	Communication processes - company updates, newsletter, town halls, open door policy	
	Recognition strategy/team building plans in place and functioning	
	Training and development programs - in place and functioning well (nice to have)	



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	Employee engagement surveys (results available to review culture/morale/happiness)	
	Termination process/Exit interview process	
	Examine culture - how will the company adapt - what kind of culture exists? (Innovative, sales, learning and development...)	
	Prep your management team with tools for success - support, ways to reduce employee stress	

	<b>DURING – Communication, Communication...</b>	<b>Status Notes</b>
	Identify all differences or red flags in programs/structures/policies/practices/benefits etc.	
	Engage employment lawyer if necessary for employment agreement issues, downsizing, etc.	
	Map your strategy and form a team - Identify leaders from both companies for effective implementation, transition and communication to employees - consider creating a mission and vision statement for the transition	
	Train managers on nature of change, importance of listening, respect, provide them support	
	Create well-crafted communication - i.e. PowerPoint's for initial presentation, documentation of the announcement for sharing afterward, anticipate questions and prepare a Q&A, regular detailed updates	
	COMMUNICATE, COMMUNICATE, COMMUNICATE - face to face wherever possible with new owners and management, transparency	
	Address rumours	
	Buying company does not know the people - be cognizant of this - get to know the people	
	Realistic merger/transition preview/orientation programs on new policies/procedures/benefits...etc.	
	Highlight the positives i.e. More comprehensive benefit plan...etc. Look at the 'What's in it for me'	
	Work to establish common culture - look to integrate the best of both (if merging)	
	Counselling – set up for people to talk to if needed	
	Listen/respect	
	Relationship building, team building	



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	<b>DURING – Communication, Communication...</b>	<b>Status Notes</b>
	Be prepared to take a "watch and wait" approach to rightsizing, if rightsizing needs to occur - do it quickly and work to normalize quickly - proceed with caution - don't rock the boat too much initially if you can help it	
	Be aware and mindful of survivor mentality (if rightsizing)	
	Watch for manager burn out	
	Employee engagement survey	
	Be aware of Merger-Emotions Syndrome and the stages – educate your managers	

	<b>AFTER - Build</b>	<b>Status Notes</b>
	Monitor moral	
	Aid to displaced workers	
	Team building	
	Celebrate, plan a party to celebrate new company	
	Continue open communication	
	Create a "What did we learn" document with your management team - things that went well, that could have gone better, suggestions for improvement	
	Employment engagement survey	