

## Problem B: Regulatory Compliance

**Note:** All character and company names are fictional and are not intended to depict any actual person or business.

Knowing that mergers may require a dramatic change in company culture, you realize that you need to meet with the human resources (HR) and leadership teams because they will play important roles in the merger. The leadership team will drive the change, and the HR team will be charged with managing the change. You have scheduled a meeting with Steve Maine, your vice president at ALTAP consulting, to consult with him on this project.

"Thanks for meeting me today, Steve," you begin. "I need to talk through some of the issues before meeting with the HR and leadership teams at UWEAR and PALEDENIM. The merger is going well, but it is becoming apparent that there are some significant change issues that need to be addressed."

"I've heard good things about your work on this project," Steve answers. "I'm sure you have it under control, but I'll be happy to help where I can."

"We are dealing with the issues of joining together two very disparate companies," you explain. "On the one hand, UWEAR is public and has 100 employees; on the other hand, PALEDENIM is private with only 15 employees. They basically provide the same type of service, but they are completely different businesses in how they operate inside and outside of the company."

You continue, "Yes, and both the employees and managers of each company have different philosophies and expectations. PALEDENIM employees and managers have a kind of 'one-for-all and all-for-one' attitude. They all chip in to get the job done. The UWEAR employees and managers look at things differently. They're more apt to do their jobs, get them done, and go home without consideration for what else the rest of the team needs to complete."

"That is definitely a culture issue," Steve agrees. "In fact, that is the classic definition of a culture issue. I'm sure they're also dealing with the typical power struggles. I bet everyone is worried about whether their department will be headed by a UWEAR manager or a PALEDENIM manager."

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“Exactly,” you say. “I know the intention of the merger is to benefit both companies, but there are unintended consequences as well. We need to do whatever we can to help the employees of both companies get through this with the fewest glitches possible.”