Will I have a job?

The time between the announcement and the close of a deal, which can last a couple of months, is problematic for all parties. Because there is always some risk that the deal will not go through (although this is true for only a very small number of deals), laws bar each company from doing anything that will change the operation or competitiveness of the other company. In fact, companies cannot even answer the most basic of questions: "Will there be any layoffs?" Any kind of an answer to this question might cause employees to leave and thus be construed as tampering with the operations of the company. So, too, any discussion of how the acquired company will be organized, who will manage any part of that company, or whatever the plans there might be to combine products, sales forces, supply partners, and so forth.

Planning can occur during this time, but it generally will involve a small number of people who are sworn to secrecy. Amid this uncertainty, there are parties who will want to take advantage of the situation. These include competitors, employment agencies and search firms, and other interested parties.

So don't be surprised when someone from an employment agency tells you that she heard that there will be massive layoffs when the deal is completed, or when a customer tells you that he heard (from one of your competitors, no doubt) that your product is being discontinued and will no longer be supported.

What is it about the worst rumors that make them take on a life of their own? Is it the shock value that comes with sharing them? We'll ignore the rumor that says, "Wall Street thinks this is a good idea," and pass along the one that says, "This company plans to totally eliminate us." No matter how outlandish a rumor is, by the time you've heard it from four different people, it begins to sounds credible.

Here are some of the worst examples of commonly spread rumors:

> *The acquiring company plans to eliminate your company.* Yes, it's true that companies occasionally buy out a competitor in order to put it out of business and take its customers. However, this happens very rarely. Once or twice a decade. It is an expensive way to acquire customers, and seldom is the market leader so cash-rich—and yet so anxious about its competitive position—that it will adopt this strategy.
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> *Layoffs are certain.* In the 1950s and 1960s, most acquisitions were done to gain financial efficiencies. Through merging and integrating similar companies, business leaders sought to gain economies of scale. Today that is very seldom the reason why one company acquires another. Usually the reason is more strategic in nature, with a focus on combining the assets and capabilities of both companies in order to gain growth. When growth is the goal, layoffs are usually unnecessary.
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> *You haven't been told anything because the news is all bad.* Again, there are laws and regulations that prevent a company from announcing any decision until after the close of a deal.

So when you hear those rumors, remember: They were probably started by someone with his or her own agenda. The worse they seem, the more likely they are to spread—and the less likely they are true. When you hear nothing through official channels, that is as it should be. And someday you may regret investing your time and energy in listening to rumors—or in spreading them. Someday you may wish you had just been patient.