Reignite Business Performance for Competitive Edge: Talent to fuel growth – overcoming the skills shortage

HR’s Role in Mergers & Joint Ventures

Part 2 of 3
Welcome to the second of a three-part series of articles based on the recent CorporateLeaders Executive Briefing in partnership with Raytheon Professional Services entitled Reignite Business Performance for Competitive Edge: Talent to fuel growth – overcoming the skills shortage. The articles summarise insights from the event hosts, CorporateLeaders and Raytheon Professional Services, as well as best practice from keynote speaker Eric Sorin, Global Head of HR Center of Expertise for Nokia Siemens Networks (NSN) and views from the group.

Managing Mergers

Substantial academic research has been invested into whether mergers and acquisitions deliver the value over the long term that their proponents promised to shareholders. Whilst there is no overall consensus on this point, the research clearly indicates that the time and effort needed to get systems and people working together is more often than not severely under-estimated. This also applies to joint ventures.

Too often, efforts to communicate the purpose and value of the new company or venture are driven by the communications department and interpreted as whitewash by employees. To succeed, the new company or venture must become a living entity to which employees can relate. HR has a vital role in making this happen.

Lessons from Nokia Siemens Networks’ Consistency in Leadership Initiative

The joint venture between industrial giants Nokia and Siemens was founded in April 2007 to provide mobile communications infrastructure and services globally. A history of acquisitions, the most recent being parts of Motorola’s wireless network infrastructure, together with the group’s heritage from two existing companies meant “we were good at integration, but not necessarily at dealing with the ensuing complexity,” according to Eric Sorin, Global Head of HR Center of Expertise at Nokia Siemens Networks.

“You need clear and consistent leadership to see a turnaround through successfully,” said Sorin. “Not only did we have two leadership styles, from our two parent companies, we also had no common understanding of what we expected from our leadership team, no stated values and resulting desired behaviours and consequently no metrics against which to assess leadership behaviour, or a clear development plan to move leadership to a desired profile. We launched the Consistency in Leadership Programme to create a clear and distinctive management culture that would enable the organisation to act consistently and with individual & collaborative accountability for achieving business goals. Along the way, we wanted to improve employee commitment through a sense of confidence that management was pulling together for the success of the company and not divided or fighting to protect their own turf or avoid accountability. Most of all though, our goal was to implement a leadership programme that would result in swift and visible improvements through better customer engagement and stakeholder trust.”

Sorin and his team worked with the senior executive team to develop a leadership code, defining behavioural and performance expectations for line and senior management, that was rolled out in stages to the company’s senior and line managers.

Keys to Managing Mergers and Joint Ventures

- Employees will not commit to the new entity unless they can identify with it. HR has a vital role to play in creating the identity of the new company by defining the behavioural and performance expectations and the cultural norms that will support the achievement of the stated business goals of the new enterprise.
- Communicating these values and expectations needs personal engagement by each level of management over a sustained period of time. Too often, an initial burst of activity rapidly tails off into internal emails and blogs.
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