// TIPS //

CULTURAL FUSION

Know the basics on enhancing performance after a merger.

By Leslie Wilk Braksick

Inside **Intelligence**:

MERGERS AND ACQUISITIONS ARE ON THE RISE—IN 2006 THEIR VALUE REACHED A RECORD-BREAKING $4 TRILLION WORLDWIDE. Yet, according to the Conference Board, three out of four of these ventures were not as financially lucrative as anticipated. That's surprising but also completely understandable.

Most mergers generate an avalanche of legal and business information from both companies. These documents, however, don't reveal the organizations' bigger pictures—how their cultures have been shaped over the course of years, decades, or even centuries. Each organization has its own history, as well as its own way of conducting business, so the probability of two identical corporate cultures is virtually nil.

The issue is further compounded by the fact that in nearly all mergers, the players change, leadership is altered, and new expectations are set. As a result, employee behavior becomes less

predictable and less aligned with the traditions that made the two (or more) individual companies successful prior to the venture. But without a consistent behavioral pattern, subcultures persist and profits ultimately suffer.

The fix

When it comes to post-merger cultural integration, few things matter more than employee behavior. Unfortunately, it's often dismissed as "soft stuff" by leaders who are in a frenzy to get approvals, plug names into organizational charts, and hit financial targets. They overlook, or conveniently forget, the fact that their leadership most powerfully influences how their people and businesses perform.

The good news is that it's possible for leaders to create a new culture and new ways of working after a merger or acquisition. The simplest and most basic principle of behavioral science applies: Workers do what leadership encourages and don't do what they discourage. That means leaders must align their visions and expectations with behaviors, and then actively encourage those behaviors through regular coaching and feedback. Here are three key actions to get them started:

1. Get the right people in the right roles and align them with business goals. Carefully select and assign roles to workers. Make the antecedents—events that precede or prompt behavior, such as training, vision statements, business objectives, developmental needs, and measures of success—clear and consistent to those individuals. Encourage new teams to work together and review critical goals at their levels. Pinpoint key behaviors needed to meet those targets.

2. Coach early and often. Be visible; invest your time into coaching staff and lending advice as often as possible. Develop clear and consistent consequences, such as rewards, recognition, and feedback. Whereas antecedents prompt behavior, consequences determine whether the behaviors will recur.

WHEN THE DUST SETTLES

ARE YOU A NEW LEADER WHO IS TAKING THE REINS AFTER A MERGER? TRY THESE TIPS TO SMOOTH THE TRANSITION.

- Develop two transition plans: one for your first 120 days and another for thereafter.

- Systematically gather information to accelerate your understanding of the organization and its history and strategic direction.

- Meaningfully connect with bosses, peers, and staff; let them influence you.

- Be clear about your expectations and create momentum for performance.

- Follow through on commitments.

- Actively listen and communicate often.

- Model the teamwork you seek from others.

- Ensure that existing talent is nourished and fully contributing before bringing in new people.

- Manage your work-life balance.

- Proactively manage others through their transition.

Source: *Unlock Behaviors, Unleash Profits* by Leslie Wilk Braksick

Talk to employees as soon as possible after the particular behavior occurs. Specifically explain how their actions affect the organization. Be precise about your expectations, explain what's in it for them, and objectively deliver constructive feedback.

3. Steward business plans and align performance systems. Maintaining or improving business results takes top priority after a merger. So it is vital that leaders evaluate each employee's performance against the company's overall business plan by tracking progress, removing barriers, taking corrective action, promoting desired behaviors, and reinforcing success. Not only do leaders need to actively coach and encourage desired behaviors, the established performance systems need to reinforce their messages by rewarding desired behaviors that are important to the organization's success.

Leaders' actions are critical to company success, especially during intense periods of change such as mergers and acquisitions. They are in a powerful position to guide the newly integrated workforce toward common goals by shaping its culture. When leaders encourage the behavior they need, execution follows.

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Clash and Learn

Managers: How well does your organization handle conflict? Take this quiz to find out. Answer the following questions and tally your answers according to the scoring directions below.

1. In your organization, is conflict treated as a permissible, resolvable difference of opinion? ○ YES ○ SOMEWHAT ○ NO

2. Do specific channels exist for managing conflict in a structured manner? ○ YES ○ SOMEWHAT ○ NO

3. Is participative decision making encouraged when important organizational issues are addressed? ○ YES ○ SOMEWHAT ○ NO

4. Do staff members at all levels have effective conflict-management skills? ○ YES ○ SOMEWHAT ○ NO

5. Does each employee have an updated job description outlining her major responsibilities? ○ YES ○ SOMEWHAT ○ NO

6. Does each department have a clear understanding of its major responsibilities and how they relate to other departments? ○ YES ○ SOMEWHAT ○ NO

7. Are policies written specifically and clearly enough to provide a guide for making decisions that are uniform and fair to all employees and departments? ○ YES ○ SOMEWHAT ○ NO

8. Are staff members willing to collaborate with one another rather than protect their own domains? ○ YES ○ SOMEWHAT ○ NO

9. Are employees solution oriented and optimistic rather than problem focused and negative? ○ YES ○ SOMEWHAT ○ NO

10. Does management serve as an effective model of good conflict-management skills and methods? ○ YES ○ SOMEWHAT ○ NO

Scoring: Add up the total number of times you gave each response. Then multiply the number of "yes" responses by three, the number of "somewhat" responses by two, and the number of "no" responses by one. Add the three sums together for your overall score.

Source: *Manager's Desktop Consultant* by Louellen N. Essex and Mitchell E. Kusy

Scores

26–30 | Your organization is in excellent condition to handle conflict effectively. Conflicts are unlikely to accelerate and cause ongoing difficulty.

21–25 | Your organization has a good start toward managing conflict effectively, but focus on refining existing practices to reduce the risk of backlash from conflict situations.

16–20 | Your organization has some good conflict-management practices, but conflicts will continue to accelerate and most likely become unmanageable unless you develop an immediate plan for improving your present policies and skill level of staff.

10–15 | Your organization is a powder keg about to explode! It is in a reactive mode with few guidelines or any structure to manage what must seem like a continual crisis. Move at once to develop clear policies and train staff in conflict-management techniques.

Office-Turned-Sanctuary

FOR ALL OF US WHO HAVE WANTED TO TAKE A BASEBALL BAT TO MALFUNCTIONING OFFICE EQUIPMENT, A NEW PRINTER ACCESSORY SOON MAY HAVE US ALL SAYING "OMMM" INSTEAD.

The Zen Cube, an aromatherapy device that attaches to a printer's ventilation slots, improves the workplace atmosphere with every print or fax job. The device diffuses specially developed perfumes into the warm air expelled by the machine. Users can choose among six fragrances in three categories: soothing, purifying, and invigorating.

The cube was developed by Sagem Communication and expert French perfumer Jean-Claude Gigodot. Of course, it's designed to work with Sagem's MF 44 and 54 range of multi-function printers—part of its "no stress" line of wares. The company touts them as ergonomic and intuitive products that are "easier to use, thereby lowering stress and rendering the workplace more enjoyable on a daily basis."

Unfortunately, the Zen Cube is not yet available on U.S. websites such as Staples.com. But European consumers may have a better chance of nabbing one. Sagem says the "fragrance selection" kit, which includes five different cartridges, retails there for about €80 Euros.

MORE/ www.sagem.com

Photo by iStockphoto

Role Models

JUST OUT OF COLLEGE WITH A DEGREE IN HR? BE READY TO SHOW YOUR TALENTS.

According to the RBL Group and the Ross School of Business at the University of Michigan, greater demands and expectations are being placed on Generation Y professionals entering the workforce than on previous generations.

Specifically, those organizations say new HR professionals must be prepared to play these roles:

- **The credible activist.** Workers are respected, admired, and listened to. They offer their points of view, take a position, and challenge assumptions.

- **The cultural and change steward.** These HR professionals recognize, articulate, and help shape a company's culture.

- **The talent manager and organizational designer.** They master theory, research, and practice in both talent management and organizational design.

- **The strategy architect.** These HR professionals have a vision for their organizations' futures and help establish an overall strategy to deliver it.

- **The operational executor.** They carry out operational aspects of managing people and organizations, such as drafting, adapting, and implementing policies. They also ensure that employees' basic needs—being paid, relocated, hired, and trained—are delivered efficiently.

- **The business ally.** These workers contribute to the success of the business by knowing the social context or setting in which their companies operate. They know how their businesses make money and have a basic understanding of the functions of various corporate departments.

MORE/ www.rbl.net

Attention U.S. Workers

ASTD Policy and Public Leadership has posted a new federal training assistance guide on its website.

The guide provides information on more than 200 federal grants and other assistance programs that can be used for workforce training and development. It provides information on two important sources of public assistance: direct financial assistance from the federal government and the national job training system covered by the Workforce Investment Act of 1998.

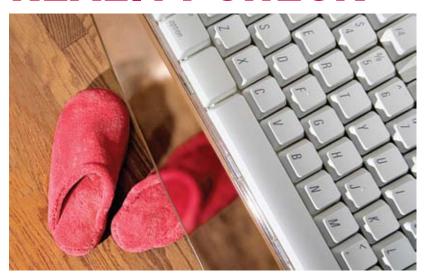**MORE/** www.astd.org/ASTD/public Policy/PublicSectorResourcesfor-WLPProfessionals.htm

IS LOYALTY A ONE-WAY STREET?

According to Adecco's Labor Day Workplace Insight survey, 56 percent of Americans feel appreciated at work and 75 percent said that they are at least somewhat loyal to their employer. However, only 13 percent believe that their company is very faithful to them, and 16 percent said their company actually is disloyal.

In addition, four out of five employed Americans are worried about something job related. Their chief fears include a stagnant paycheck and an unbalanced work life.

MORE/ www.adecco.com

Remote Worker
REALITY CHECK

Work from home? If you live in the United States, consider yourself lucky. According to two technology companies, most Americans aren't even offered the option.

In July, software company Intranet Dashboard released information from its U.S. telecommuting survey. Seventy percent of respondents said they cannot telework, and they cited upper management's lack of trust in employees and concerns regarding reduced productivity as the major reasons why.

Dimension Data, an information technology services provider, released similar results from its global survey. The research found that companies in the United States are not offering telecommuting options nearly as often as their European and Australian counterparts. Ironically, however, the United States is adopting the technology to do so more frequently than any other region. Other findings from the survey include

✳ Only 55 percent of the U.S. companies surveyed offer fully supported flexible working environments, compared with much higher adoption rates in other regions such as France (75 percent) and Switzerland (73 percent). The United States had the lowest percentage when compared with Australia and all European regions that were surveyed.

✳ U.S. companies generally either offer flexible work environments with full IT support, or they don't offer it at all. Organizations in other regions were more likely to provide a flexible work environment regardless of IT support.

✳ Unlike those in the United States, companies across Europe and in Australia cited "increasing employee productivity" as the key driver behind the adoption of a flexible work environment. American companies, however, said "employee retention" is their top motivator, while more than 55 percent of organizations in Australia and France cited "increasing employee productivity."

How Boomers Plan to Retire

Quit work entirely **34%**

Change fields or do something new **24%**

Consult **14%**

Work fewer hours for the same company **14%**

Don't know **6%**

Other **3%**

Continue to work (not retire) **2%**

Take a part-time job **2%**

Volunteer **1%**

Source: Robert Half and Associates

Two More Years?

Testifying before a House Appropriations subcommittee in March, United States Secretary of Labor Elaine Chao pointed out that almost 90 percent of new jobs in rapidly growing, high-wage fields will require workers who have at least some training beyond high school. Consequently, some states are testing programs that would provide universal funding for at least two years of post-secondary education.

Michigan's No Worker Left Behind Program provides up to $10,000 to individuals seeking an associate's degree or occupational certificate in high-demand or emerging industries. Georgia's HOPE program, first introduced in 1993, provides Georgia residents with grants or scholarships for two free years of tuition and fees toward degree, diploma, or certificate programs at public technical colleges.

Similarly, the state of Washington recently passed a bill creating the Opportunity Grant Program, which will offer all residents who are living below 200 percent of the federal poverty line the chance to take classes at eligible institutions. In addition, the bill calls for the creation of "opportunity partnerships," in which participants are matched with a mentor in their chosen field. The goal for the program is to offer universal coverage by 2012.

The Workforce Alliance, a coalition that advocates for improving the skills of the American workforce, is launching an awareness campaign called Skills 2 Compete. It's supposed to encourage and highlight state policies that help workers get the post-secondary training they need. TWA officials hope that the campaign will boost awareness of workforce development issues as the nation prepares for the 2008 presidential elections.

MORE/ www.workforcealliance.org