

Communication skills

How to handle internal negotiations after a merger

Question:

I lead a national sales organization. Prior to a company merger six months ago, 50 percent of my negotiations focused on new client acquisition. Today, the majority of my negotiations are internal. What suggestions can you offer for negotiating change in a post-merger climate?

Response:

Executives who perform best in the complex, constantly shifting post-merger environment, are those who have a clear focus on long-term goals, are deliberate and analytical communicators, are accessible to managers, front line employees and the media, and view mistakes as key learning points. They encourage teamwork by involving their team when making strategic decisions so team members understand and own the initiative.

Leaders must be credible and project plans that promise a better future. Walter von Wartburg, head of communication

when Ciba-Geigy and Sandoz merged to become Novartis said, "If the promise is plausible, it will immediately be honored by the stock markets. But employees need much more time to let go of things that worked and try something new. For this, you need trust: you need a top executive who is credible."

Jacqueline Fendt, former dean of the Graduate School of Business Administration in Zurich has just completed a 10-year research project that examined more than 40 international change situations in various stages. From her research she found that most leaders fit into one of three communication style profiles: (1) the Cartel Communicator, whose central concern is power: obtaining it, wielding it, maintaining it; (2) the Aesthetic Communicator, whose high degree of communication savvy is driven by the need to create and project an attractive, likable and credible image; and (3) the Video game Communicator, whose high energy level, technological expertise and intellectual restlessness make him or her a natural multimedia communicator and an inspirational, innovative leader. As you read these descriptions, determine if your leadership style is consistent with any one of these.

Cartel communicator

Cartel communicators are solitary, non-nonsense, facts-and-figures leaders who do not mingle much, except within their close inner circle. They have a strong network of cronies, in which they covertly negotiate inside deals. They loathe post-merger environments because they become transparent and accountable. Their communication style is dry, utilitarian, and focused on power and control. When they speak of change, it means others must change. In

times of crisis, they withdraw and hide.

The cartel communicator's strengths include an unflinching determination, an excellent network of top-level political and economic leaders, bold decision making, and long-term perspective. Jurgen Schrempf, former CEO of Daimler-Chrysler is a cartel communicator.

Aesthetic communicator

The aesthetic communicator is highly focused on creating and maintaining an image. Personal media appearances are carefully staged and his or her PR consultant is always close at hand. Aesthetic communicators possess a highly attuned sense of how to communicate with various stakeholders. They have a systematic process for planning and executing communications and view change as a step by planned step process. They rely heavily on their intuition and are charismatic. Examples of leaders who exhibit traits of this style include Steve Jobs and Oprah Winfrey.

The downside is that the aesthetic communicator is so skilled at spin, that he or she can be blinded to reality. Like the cartel communicator, the aesthetic communicator tends to shut down communications during a crisis. This can be traumatic during a crisis because followers feel as if they have been abandoned by a trusted friend.

Video game communicator

The video game leader is a natural multimedia communicator. For the video game leader, change is a way of life. They want to have fun. They are inspirational even when delivering bad news. They always tell the truth, good or bad. They see themselves and their employees as a team. Many have experienced losses in the

dot.com era, but this has not eroded their self-confidence. Rather, they see this failure as a valuable learning experience.

The downside of a video game leader is that they thrive on new challenges. They get bored easily and will often hop from one project to another. Followers can feel as if they have been casually abandoned.

Many leaders of innovative high tech companies including Skype Technologies, Google, and Janus Friis are all video game leaders.

Jacqueline Fendt's study confirms that executives who perform best in complex, constantly shifting post-merger environments are those who combine the strengths of all three communication styles. She calls these leaders holistic communicators. Like cartel communicators, they project unflinching determination, inspire a focus on the long term, and are skilled at developing and leveraging a powerful network. Like the aesthetic communicators, holistic communications possess an appreciation for the strategic importance of communication.

Like video game communicators, they view mistakes as opportunities for growth and innovation. Their candor, empathy and openness to new experiences, and new ways of looking at and talking about issues, make them skilled at inspiring followers.

For most leaders, successfully leading change requires undergoing change themselves. They become a holistic communicator. Here are seven tenets of being a holistic communicator:

1. Be an example of change first.

People don't resist change, they resist what the change represents. They know that changing what they do and how they do it means they must learn new systems and processes. This ignites feelings of vulnerability. Can I

be as effective and productive operating under this new system as I am now? What happens if I can't produce at my current level? What will this mean to my compensation? As the leader, be seen letting go of old habits and adopting new ones. Show vulnerability. Make mistakes, own them and move on. Encourage team members to share their ideas about how to navigate through the change process.

2. Execute and deliver what you promise. Make a promise and deliver. Be public about your plan, progress, challenges and successes. Your openness will ingratiate your team to follow.

3. Be candid, truthful and answer the tough questions. Be frank about what's happening, what needs to be done and immediately take action. Don't hide problems from employees or the public. Instead, face the situation head-on and describe how the company is prepared to respond.

4. Focus on results, be empathetic to people. Be clear and forthright about what needs to happen. At the same time, be sensitive to the fate of individuals. These are tough business decisions, but being callous in the process is counter-productive. Employees don't want to be disenfranchised.

5. Be visible and available. Visit the field, shop floors, R&D facilities and regional offices. Be present and reinforce your conviction that you have the right team in place to achieve the desired goals. Use this time to review your plan and take time to answer questions. It's okay to say, "I don't know." Don't placate your employees. They will see right through

the rhetoric.

6. Focus on what needs to be done. Track and reassess progress against key initiatives. Catch issues early, own them and identify how to move beyond them. Frequently communicate short-term wins and losses and simultaneously reinforce long-term goals.

7. Use modern media to communicate. If you want employees to change behaviors, be first at embracing change. Use your company's technology to show new applications. Set up a chat room or internal blog where employees can field their questions and you agree to personally respond.

All leaders have the opportunity to make a positive difference and manage through the challenges and opportunities associated with a post-merger environment. Communication is essential. Develop a plan and communicate to all stakeholders the long-term goals and short-term plans. Own your mistakes, there's bound to be many along the way. And celebrate successes – people need encouragement. When they see progress, it refuels their inspiration meter.

For a period of time, your best investment is to continue to focus whatever time is necessary to build a firm infrastructure. Once this is in place, and operating efficiently, you can reallocate more time to customer field visits.



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