When Learning Functions

BY WENDY WEBB

Merge
What happens to the learning departments when two companies combine? Well, that depends on the learning leaders’ attitude and strategy.

Every day, it seems, there’s news of a major merger or acquisition. Time Warner or Comcast trying to swallow DirecTV, Verizon gobbling up AOL.

They’re rarely seamless transitions. When two companies become one, it can cause growing pains similar to those of a newly blended family. Whose holiday traditions do they use? Whose rules will the kids now have to follow? Just as it can be tough for the families to figure out everyone’s roles in their new family unit, so it goes when companies merge or one acquires the other.

People in both companies may worry about losing their jobs or their stature. Employees wonder if their leadership teams will stay intact. And through it all, departments with different ways of doing things now must work together as a unit, despite clash-
The chief learning officer and the learning team are a first line of defense for worried employees who are questioning the new status quo. Navigating people through these choppy seas can be a tricky business, because not only might the chief learning officers not have all of the answers employees are seeking but also they must deal with the merger or acquisition within their own departments as well.

Greg Moran, CEO of Chequed and Assess Systems, an HR technology firm created in August 2015 when then-separate Chequed and Assess Systems merged, understands completely.

He said learning is a key part of the company, and learning leaders are working hard to integrate its training programs and strategies in a practical way that serves current and potential clients’ needs.

Through the process, he said he has found four keys CLOs should remember for a successful transition:

1. **Take the time to educate internally.** Moran said it’s vital for the learning teams at one company to understand how their counterparts at the other company operate. What processes are used? What programs are most important? What projects are in the pipeline? “Getting everyone on the same page is a critical initial step toward a smoother transition.”

2. **Review program and product details.** Key individuals from each company’s learning team should teach their counterparts from the other company how their programs and products work, including how each is pitched to potential customers, Moran said. This will not only educate everyone about what the combined company has to offer, but also might spur ideas on how to package programs and products for maximum effect.

3. **Bring the entire company together.** By joining the learning teams with employees from other departments companywide, with leaders taking an active role, everyone can become clear about where the new entity is headed. “You can discuss plans for the future, the business plan, and changes to the organizational strategies; unrest amongst employees. The flip side is: Absence of a learning culture at the department level; delay in implementing organization wide strategies; unrest amongst employees.

4. **Share research.** Encourage employees to share links to articles, white papers, news stories and other items about important topics related to the company’s industry and its learning programs. This pays dividends in multiple ways. It keeps employees on top of key issues affecting its industry, gives them an opportunity to contribute to the new company’s direction.

### Reader Reaction

**In the midst of a merger, what happens to learning? What is the most important thing learning leaders need to know?**

**Bill Bruck:**

One of the most important things in major M&As, that experienced consultants know but often is unnoticed by the rest of us, is how the corporate cultures will fare. My very limited experience suggests that the acquiring company’s learning culture winds up dominating the company being acquired. In the three situations I’ve observed closely enough to have an opinion, the technology, roles and responsibilities, and approach to learning of the acquirer completely took over that of the company being acquired.

**Maitreye Reddy:**

During mergers there is a complete restructuring of the learning department, roles and responsibilities. The learning department may be decentralized to a large extent to cater to individual department needs. Until the time various processes are stabilized within the organization, the focus of learning is usually limited to meet only the department’s goals and needs.

The good thing is: More opportunities get created; new training approaches can be leveraged; there are faster learning curves at the department level.

The flip side is: Absence of a learning culture at the organization level; delay in implementing organization wide strategies; unrest amongst employees.

There is tremendous pressure on the L&D department in not only molding the employees’ attitude back towards a more positive outlook, but also to run the show. During an organization’s restructuring process not only are the employees’ attitudes filled with resentment, uncertainty and lack of perspective, their receptivity toward any learning programs/initiatives is also usually low.

**Nick Tatone:**

Many L&D type of areas talk about the importance of vision, purpose, engagement (etc.) to business results. When an L&D shop is undertaking changes, we should be walking that talk. It is very easy to overlook change management or the people side of change in many organizational changes.

When the work of any large change starts getting to smaller department levels, the originally communicated reasons for the change need to be more specific. The “it’s good for the business/customers/our future/etc.” reasons don’t get as much buy-in when we get down to department and more role-specific changes.

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Opposite Ends of the Spectrum

That’s solid advice when companies are merging, but learning departments don’t always stroll hand-in-hand into the sunset after one company acquires another. Now the CLO at enterprise application software giant SAP, Jenny Dearborn has been on both sides of an acquisition—one that went smoothly, and one that did not (Read the profile of Dearborn on p. 22).

A decade ago, when Dearborn was in the learning department at Sun Microsystems Inc., Sun acquired a much smaller company for $1 billion. “Because we paid so much for the company, its executive team came in with an overinflated view of themselves,” she said. “They fought our learning system from day one, and it was a struggle.”

Despite the fact that Sun had a centralized learning team of 500 people and solid programs, courses and procedures in place, the smaller company’s team refused to integrate with them and continued with its way of delivering learning to its employees. “They put on their own learning events; they put out their own newsletter. We couldn’t figure out why they were fighting us on everything,” she said. “It sends a signal to the whole company about the value of integration.”

She said it was a painful and drawn-out process. “We were the bigger company; we were going to use our system and our tools, period. At one meeting, they were putting up a fuss, and at one point one of our execs said: ‘What part of you’ve been acquired don’t you understand?’ ”

Through that experience, Dearborn said she learned plenty about how not to handle the new world order when your company has been acquired. That learning paid off 18 months ago when SuccessFactors, where she was CLO, was acquired by the much larger SAP.

The first thing Dearborn did when she learned of the acquisition was research. She said it should be the CLO’s goal to deeply understand the acquiring company, its learning functions and its culture in order to pass that information along to employees. “People will be looking to the learning leaders for answers,” Dearborn said. “So it’s up to us to be clear about why the company was acquired and what will happen to employees and departments after the deal is done. Look into how the culture of acquisitions works at the company that’s acquiring yours. Employees will want to know if they’re going to retain leadership. They want to know, ‘Will they keep us on?’ ”

Another critical piece in the smooth transition puzzle was training the SAP sales team about SuccessFactors’ products and tools, which they would now be selling to their customers. One of the first things Dearborn did, literally Day One post-acquisition, was to prepare training literature for SAP’s sales staff. She said as soon as the news release about the acquisition hit the streets, she knew customers would ask about it. The sales team had to be brought up to speed quickly.

As to the merging of learning functions themselves, she said it’s critical to remove emotions from the process and respect the other department’s systems, tools and programs. That doesn’t mean rolling over and giving up all of the tools and courses the parent learning department has put time, effort and passion into creating. It means evaluate both teams’ offerings, and make a solid business case for courses based on data and facts. “You lose credibility if you get emotional,” she said. “Advocate for your programs but also know when to acquiesce.”

When her company was acquired by SAP, Dearborn looked into SAP’s learning functions and found they were very decentralized. She said, “There was no CLO at SAP. They had 65 learning teams all operating independently, but there was no big-picture learning strategy.”

So she went to her new CEO and made a case to become the CLO. She proposed integrating the learning teams, centralizing the learning functions and strategically helping to drive the company’s goals through learning. He bit. That was some 18 months ago. She has gone through the 65 departments’ catalogs to merge them, find redundancies and decide what will stay and what can go. But she’s doing so carefully, respecting the time, effort and

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Keep an Eye on Culture

That’s the right attitude to have, said Erin Rocchio, FMG Leading’s vice president of leader development and learning who guides companies through mergers and acquisition like the one Dearborn described. Her best advice to CLOs to ensure a seamless M&A transition? Keep an eye on culture, and focus on business goals.

Address culture right away. “When companies merge, learning strategies often get hijacked by the flurry of activities related to the integration,” Rocchio said. “The key human capital issue immediately becomes culture integration, which learning helps to reinforce. If culture isn’t addressed as a strategic priority in a merger, huge issues arise, and no learning strategy will suffice to resolve it.”

She said integrations go poorly when the two company cultures aren’t fully understood before the transaction. It’s even worse if culture fit is left unmanaged post-transaction.

“The CLO is also the chief culture officer during a merger or acquisition,” Dearborn said. “Culture comes through learning. It’s the best way to teach it.”

Look at big-picture business goals. The best way to integrate learning strategies in a merger or acquisition environment is to focus on the big-picture business strategy, Rocchio said. What is the new enterprise’s focus in the market? What are the short- and long-term business goals? What will company leaders, departments and employees need to deliver on that strategy? From there, build a learning strategy, perhaps from the ground up, addressing the new world order.

Rocchio said inflexibility can sink a learning leader whose business was just acquired. For instance, don’t stubbornly hold onto an old learning strategy for an old environment, act in a vacuum, or take the toys and go home. “Before you disengage or check out, seek first to understand the strategic objectives, align people and ideas, then support the new enterprise with creativity.”

Bottom line? Mergers and acquisitions can be rocky, uncertain times. The CLO is often the person employees look to for help and answers. Keep an open mind, check emotions at the door and be willing to work together to make the transition a successful one.

Wendy Webb is a freelance writer and author based in Minneapolis. To comment, email editor@CLOmedia.com.

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should be tailored to the capabilities of the talent management technology being used. Finally, tangible benefits help engage supervisors and individual contributors.

2. Use facilitators as competency experts. Trained facilitators yield superior results compared with having supervisors and job incumbents pick competencies unassisted. Over time, CME doubled down on facilitators, transitioning from meeting leader and data collector to competency expert. Experienced facilitators learn the competency library and gain valuable cross-functional knowledge. This enables them to preselect lists of competencies. Subject-matter experts validate the list and suggest what is missing.

3. Shorten the competency library. Having a good competency library with cross-functional and technical competencies, behavioral indicators and behavioral interview questions was a boon. CME was able to simplify by removing competencies that no longer fit and reduce the number of variations for a single competency. For example, while there may be different critical behaviors for “making presentations” and “verbal communications,” one competency can cover both.

4. Craft a story. Rather than having subject-matter experts pick competencies, have them describe upcoming goals they need to accomplish, such as operational efficiency or opening new markets. Include questions about how their work affects the organization and industry, followed by what skills managers and teams need to deliver the desired impact. Then validate the preselected competencies against that story.

CME realized several benefits:

• The competency modeling meetings are helpful when setting expectations.
• Managers are happy they now have a means to articulate career paths.
• Hiring managers no longer have to create interview guides. It’s also easier to compare candidates.
• Everyone sees the new role profiles, and managers and individuals can agree on up to three critical competencies to focus on for the year as part of CME’s performance management process. This helps to make feedback richer.

Jim Graber is managing director of Business Decisions Inc., a talent management software company, and co-founder of The Competency Toolkit. To comment, email editor@CLOmedia.com.

Wendy Webb is a freelance writer and author based in Minneapolis. To comment, email editor@CLOmedia.com.