

# CULTURE CHANGE AS A CONVERSATION

**Nokia Siemens Networks (NSN) is a global telecommunications solutions supplier. Created by a joint venture between Nokia and Siemens, NSN employs some 60,000 people and operates in 150 countries. An estimated one billion people are connected through its networks.**



The creation of the world's second largest provider of mobile telephony services out of former subsidiaries of Nokia and Siemens was always going to be complex. Although the fusion of Nokia's networks infrastructure expertise with Siemens' experience in fixed telephony made total sense from a business point of view, there was clearly going to be enough detail to harbour many potential devils as the merger progressed! Fortunately, NSN CEO Simon Beresford-Wylie made the people aspects of the deal one of his prime focuses. He was supported in this by Head of HR Bosco Novak, whose former line management experience had taught him that no matter how strong the strategic imperative, if people are ignored, the result is failure.

As soon as the intention to merge was signed by both organisations, in the summer of 2006, the executive board declared its commitment to

building a 'value-based enterprise' with a new culture that would differentiate NSN from its rivals. *"The board recognised that they were bringing together not just two balance sheets, but two living organisations, with self-generated values and cultures,"* said Alistair Moffat, the Nokia internal consultant appointed to the project. He invited Ashridge Associate Adrian McLean to work with him in the capacity of external consultant. Rather than seeing this as a 'cultural integration' project, both framed this as a 'cultural creation project'. The NSN culture would reflect the strengths of former cultures, rather than being an uneasy compromise or coexistence between the two.

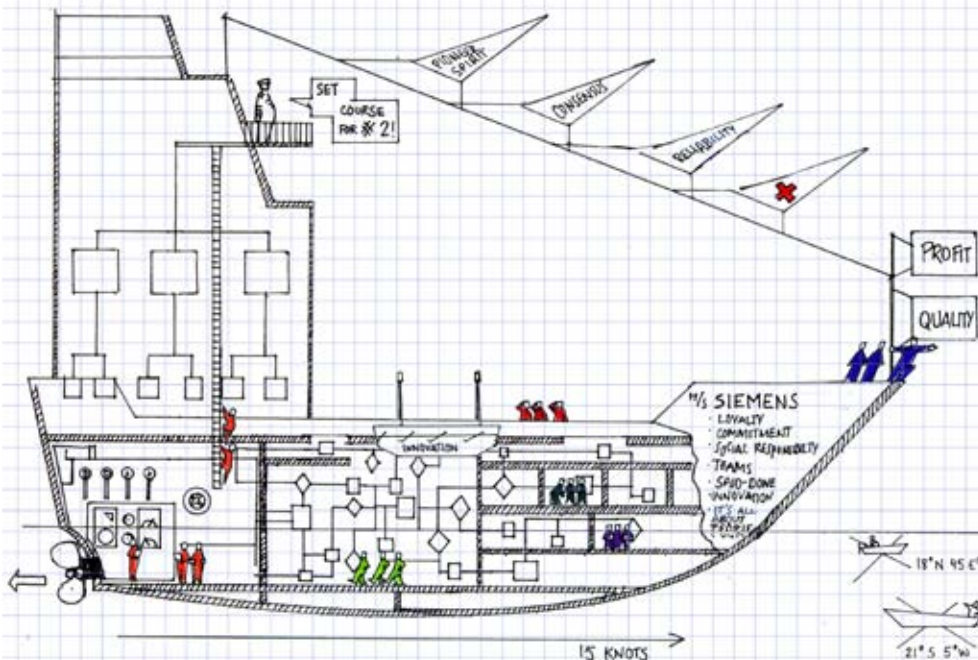
By elevating the importance of joint values and behaviours, the aim was for these to shape the design of work processes during the integration stage: this would be a far cry from an artificial overlay at a later stage.

## The challenge

In practical terms, what sort of culture would be created for an NSN employee who had never left their native India, or China? Would it be predominated by the North European, more egalitarian, project culture of Nokia, or the Southern German, more process-driven, structured culture of Siemens? How would these cultures morph with local cultures – in some 150 countries? It might be the board's wish that the new culture and values should be created by the people, but how could so many voices be represented and heard?

Alistair and Adrian worked from the view that cultures form when people reach a shared understanding and begin to cooperate together. This process is accelerated when people participate in dialogue, debate, assertion, argument and agreement. It was their experience and belief that through a 'company-wide conversation', new norms, values and behaviours can emerge. The four main challenges they shared with the board were:

- Participation – how to design a highly participative approach for all 60,000 employees dispersed over many geographical regions?
- Connection – how could they involve large numbers of staff in the process of change and through connecting them, draw together a richness of insights and views?
- Co-creation – how to achieve a shift away from concerns about 'winners' and 'losers' and towards a sense of shared benefits and opportunities?
- Global integration – as Bosco Novak put it: "How could the new company serve their customers in the same way irrespective of their country of location? This calls for strong cross-functional, cross-country collaboration, very often in virtual team environments and it represents a shift away from a proliferation of local processes towards a global way of working."



**Siemens COM culture**

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## The process

Neither Alistair, Adrian nor the board wanted to define a new culture: their role was to enable a process that would create the conditions in which an authentic, distinctive NSN culture could emerge. The work started soon after the announcement – a time when culture is normally ignored and legal restrictions hamper joint work between merger partners. This design had four phases:

*Exploring the legacy of both cultures.* The first step was to help both companies explore and celebrate their unique history and qualities. This was intended to encourage a climate of exploration and mutual curiosity. Adrian and Alistair ran separate, one-day workshops for groups of 30 employees, ranging from vice-presidents to assistants from each company. Using an inquiry method based on storytelling, metaphor and dialogue, these workshops built a rich sense of cultural understandings. The result was powerfully summarised through two vivid graphic metaphors, as shown.

### Nokia NET culture



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*Expanding the conversation: engaging the top 300.* Using these graphics as a stimulus for debate and story-telling, members of the newly appointed executive group were invited to talk about their cultures and consider together the features they wanted to reduce, amplify and bring in to the new business. The group responded energetically and agreed on the first, tentative, articulation of cultural values and intentions.

*Expanding to a social networking conversation – the Culture Square.* In response to the considerable challenge of involving the remaining 59,700 employees in this conversation, Alistair and Adrian chose to experiment with social networking technology. Legal constraints meant that both legacy companies were prohibited from direct contact with each other until the formalities of the merger had been completed. However, two parallel intranet sites were created that allowed members of both companies to ‘meet’ in cyberspace. Named the *Culture Square*, the site was configured as an opportunity for all employees to comment on the early thinking from the inaugural meeting of the top 300. How did people feel about the working set of values that had emerged from the meeting? What were their hopes and concerns for the future company and what would they like to see as the defining features of the new NSN company culture?

By its very nature, social networking cannot be controlled. Deploying social networking as an instrument to facilitate change involved taking a risk, as the opportunity to express hopes and fears about the merger could have led to a negative downward spiral. However, Adrian’s facilitation of the online conversation from an early stage helped what started as an informal, ‘shadow conversation’ which gradually became constructive and helped build enough trust for staff to voice their views more openly. While initially there were only between 150 – 250 contributors, some 7,000 people became regular readers of the posts; the contributors in effect became the ambassadors and spokespersons for different factions and interest groups. As trust in the process grew, anonymous contributors became confident enough to identify themselves and own their views and opinions, leading to a healthy, open debate.

*Rounding up the conversation: the ‘Values JAM’.* Alistair chose to bring this conversation to a climax using an IBM virtual conferencing tool called the Jam, that enables thousands of users

to brainstorm specified topics simultaneously over the internet. All 60,000 members of the new company were invited to participate in this three-day global conversation in June 2007. More than 25% of the company participated in this event and generated a strong sense of participation and co-creation. Four areas of enquiry provided the focus for the conversation:

- Getting closer to our customers
- Enabling our people to flourish
- Making NSN different
- Becoming one great company.

The conversation brought the values discussion to a culmination and generated an extraordinary amount of constructive suggestions. These were analysed using various methods, such as intuitive reflection, tag clouds and other data mining methods.

The output of this company-wide conversation was developed further by various volunteer working groups via a Wiki site. These groups helped propose and test high level value statements and behavioural descriptors. Five of these were eventually endorsed by the board. A group of ‘Values Ambassadors’ then worked with process leaders to embed the new values into organisational behaviours.

## The results

It is expected that it will take some five to seven years to fully develop the ‘Nokia Siemens Networks culture’. So the initial discussion groups, the Culture Square and the Values JAM – in the context of that timeframe – were simply preparing for cultural evolution and helping to establish new values-based behaviours that could be incorporated into the design of processes involved in the merger. Was this approach to cultural integration successful? Time will tell. But early indications are that the impact of the process was positive. For example, there was an astonishing level of participation in both the Culture Square site and the Values JAM. According to IBM advisers, it is reasonable to expect that a maximum of 12% of the available population participate in social networking events. This statistic was far exceeded as 28% of NSN registered and 52% of these registrants logged in. In the immediate aftermath of the Values JAM, 250 people volunteered to be part of virtual working groups charged with analysing the vast amount of data and ideas generated in the course

of this event. There was no formal recognition or additional time allocation for the analysis work. This level of spontaneous interest was taken as another indicator of the success of the Values JAM and suggested a high level of ownership and commitment to the material. People believed in what they were doing and wanted to be involved in the follow-up implementation activities.

The provision of detailed behavioural descriptors for each of the values allowed them to be incorporated into NSN business processes. One indication of their utility is that, despite redundancies and financial setbacks, NSN has so far avoided strike action. In the Culture Square people have continued to vigorously advocate the new values and constantly challenged each other to live up to them. At the same time, a number of local initiatives arose spontaneously. These were creative ways of celebrating and affirming examples of when colleagues were considered to demonstrate the values in their everyday behaviour. A year later an Employee Engagement survey found that 82% of respondents fully supported the NSN values. From the board’s perspective, Bosco Novak made the following observations: *“The young NSN values provided a unifying emotional bond for all NSN employees that supported extensive change management activities including those involving customers. The rapid transfer of large infrastructure projects into NSN processes was greatly enabled by the strength of commitment to the new values. Finally, these benefits showed up in the bottom line in the form of synergy savings.”*

With the benefit of hindsight, would Alistair and Adrian have approached this differently? In short, no. According to Adrian: *“There’s no doubt that everyone involved has experienced an enormous amount of learning. But new technologies and social networking have proved exceptionally useful in their facilitation of spontaneous expressions of concerns and emotions, resulting in real ownership of the cultures and values that NSN’s people communicated and created. The formation of a culture is as much about the process by which norms, standards and values are arrived at as it has to do with the content of the value statements that are finally agreed. The process, as a form of low profile cultural symbol, can either reinforce or contradict the high-profile expression of values. When the two carry the same message, the effect can be powerful indeed.”* ■