



**A**s part of his role, Saumen Chakraborty focuses on integration of people, processes, and information across the organisation to facilitate a culture of total quality, execution excellence, and high performance. He also champions the Quality by Design (QbD) program across Dr. Reddy's.

**Q. Highlight key HR issues during M&A, especially when it is a cross-border.**

**A.** The important issues are continuity, retention of critical talents, manpower costs, and long term liabilities. Besides these, integration, role parity, fitment, reporting, review, and performance management are also relevant. When we talk of cross-border M&As, the primary differentiating factor is culture. This is followed by areas such as country-specific rules and regulations, language, unfamiliar territories, community practices, evolved or emerging HR benchmark, and presence or absence of authentic data.

**Q. How can HR impact the decision-making process in a cross-border M&A?**

**A.** HR plays a key decision-making role in a cross-border M&A, including go/no-go type decisions. It can also play an important role in helping to understand cross-cultural sensitivities and integration challenges, which today are prime elements determining the success or failure of any M&A.

# UNBIASED EXCHANGE

**SAUMEN CHAKRABORTY**, GLOBAL CHIEF OF HR, DR REDDY'S LABORATORIES

**Q. How does HR deal with M&A pressure? Mention some of the most 'tough-to-crack' HR issues.**

**A.** When faced with issues involving different cultures, the HR department should appoint an integration manager to execute the articulated integration strategy and assist in the unbiased exchange of people and ideas. The integration manager should also be made responsible for conducting cross-cultural induction and language training to enable seamless communications right from the start of the merger and acquisition process.

Some of the most tough issues to deal with involve standardisation of policies and procedures, getting a higher level of commitment and engagement across borders, and overcoming the language barrier. The impact of culture and geography is huge – it cannot be underestimated. Standardisation of performance must be deferred in such cases; it can be better-managed separately to start with.

**HR IS A KEY DECISION-MAKER IN ANY CROSS-BORDER M&A, WHERE THE IMPACT OF CULTURE IS HUGE**

**Q. What steps can HR take to mitigate power struggles (at top level and between the various departments) post M&A.**

**A.** Availability of talent, changes in regulations, unforeseen liabilities, and wrong integration strategy are some of the factors that could also affect cross-border deals. The most effective way of dealing with power struggles is through transparent multi-channel communications

and having an integration manager with high emotional intelligence.

**Q. Highlight issues faced by your department in acquisition of a German firm. How did you deal with it?**

**A.** In 2006, when we acquired Betapharm in Germany with a large and diverse portfolio, we also got a team of about 350 people who became part of Dr. Reddy's. The business landscape changed over the last few years which required a re-look at the way we operated in that market. This called for a rationalisation of manpower. The HR team managed it peacefully and amicably with the local work council. 

Aamir Nowshahri