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.

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.