

# MeritaNordbanken – sewing machine or fast-food joint?

*Imagery digs deep to discover managers' real feelings*

## Figuring out what people think

The fact that the Finns fought an epic battle to repel a Soviet invasion more than 60 years ago should not really have much bearing on how banking colleagues get on with each other in the twenty-first century.

Neither should the fact that Finland was once part of Sweden, nor that Swedish teams have had great success at ice hockey and football, nor their neutrality, nor the particularly Swedish view of a welfare state.

Such things should not matter when you are faced with merging two big banks, but they do. The problem is figuring out why, and trying to find out which views seem to be positive or negative, and how the whole mixture can be turned into an encouraging new look at a mutually beneficial future.

When the Merita bank of Finland and the Swedish Nordbanken merged in the late 1990s, it was not only uncommon for such a cross-border linkage of Scandinavian financial institutions to take place, it was the largest merger ever to take place between any of the two countries' organizations.

The new MeritaNordbanken decided to keep the name Merita in Finland and Nordbanken in Sweden and, even though the Swedes owned 60 percent of the share capital, there would be equal voting rights.

## Equality – but you have to speak Swedish

However, it was not long before MeritaNordbanken top management took the controversial step of announcing an "official corporate language" for the new company – Swedish. Furthermore, there was evidence that some of the Finnish members of "corporate cultural seminars", formed to understand other people's viewpoints and strive for common ground, were being picked partly because of their skills at speaking Swedish.

The potential for problems ahead was underlined by the Finns' experience two years earlier when Merita itself had been created out of a merger between the Union Bank of Finland and the Kansallis Banking Group. The fact that Kansallis had been recognizably Finnish, yet UBF's outlook was bilingual and the organization employed Swedish-speaking Finns, led to employees being referred to as "Serbs" or "Croats". This was not a situation anyone wanted to repeat in the new merger.

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## “ Using imagery to extract information from staff who may not otherwise be able fully to articulate or explain can be an important tool. ”

A priority of senior management at the new MeritaNordbanken was to launch a program of “cultural seminars” to promote, through discussion, cross-border understanding. This was not talk for talk’s sake. Senior management wanted practical suggestions for measures to develop a new corporate culture. Participants were asked to come up with practical and personal ways to form, or maintain, bonds.

Some 330 top managers and experts took part in 200 seminars in 1999 and 2000, part of which involved detailing their own views of the “other” company involved in the merger and to list any problems or opportunities they immediately identified.

### Using metaphors to explain

Important and useful as these discussion groups were, it was decided that, in an attempt to dig out more deep-rooted, and perhaps even subconscious, views, nine seminars would involve an exercise in metaphors. Metaphors provide a way of explaining a concept or a feeling, without having to seek the appropriate words with which to describe them. Using imagery to extract information from staff who may not otherwise be able fully to articulate or explain can be an important tool – as it was in this Scandinavian merger.

The results (175 people came up with 282 metaphors) were used to help individuals to put their views into perspective, and as background for future discussion. Many metaphors took inspiration from wars, others from sports, some from machinery and more from family connections. Managers were asked to come up with metaphors about their part of the company, on their merger partners and on the merged enterprise.

They were variously described in terms of an ice-hockey team, a house of stone, a Volvo automatic, the Great Wall of China, a ship trying to reach harbor, a star player scoring goals, an anthill, a sprinter, a hunter – and many more. All, as the company readily recognized, were open to many interpretations – including the wrong ones. Senior management might take comfort in eliciting a comparison with “an effective and energetic sewing machine”; perhaps less so with another’s view of a “first-class restaurant turning into a fast-food joint”.

However, the metaphors – and the exercise which led to them – proved useful in understanding how employees of different nationalities might react to one another, and point to directions the company should head towards to achieve one corporate culture for the combined enterprise. It was found particularly useful in extracting “feelings” which might otherwise have been concealed. For instance, some Finnish responses indicated that they felt they were the “underdog”, yet Swedish participants did not see themselves as superior. Some Finnish metaphors portrayed themselves as participatory and representing equality, while the Swedes saw them as more authoritarian. A perception that Swedes take an irritatingly long time to discuss matters led to a Finnish “cocktail party” metaphor. Swedish responses indicated their view of order, planning and effectiveness.

Fortunately, there were many metaphors prompted by people’s views that they were “Nordic” – a view that boded well for the future. As Eero Vaara *et al.* (2003) say: “After a subsequent merger with a Danish partner in 2000 and an acquisition of a Norwegian bank, the name of the group became Nordea. In 2000, the corporate management also started an extensive corporate image campaign focussing on ‘Nordic ideas’.”

### HR’s global challenges

The challenges facing human-resource managers working globally lead some to be doubtful about the possibility of ever attaining truly multinational staffing tools and systems.

Although there are huge difficulties, there are equally huge successes attained by companies that are prepared to persevere by listening to opinions from all sections of all their global locations, involving staff in creating a worldwide company culture, informing them of decisions and why they have been made, attempting to treat everyone equally – and learning from mistakes.

As Darin Wiechmann *et al.* (2003) say in their study of Shell: “By creating relationships with key players in policy creation and implementation, Shell has found that perceptions of an ‘us and them’ situation are less likely to come between global team members. Shell has found that successes have been due to making the intent of new initiatives clear to all countries involved. Each culture has its own interests that it thinks are the most important, so Shell tries to make global partners realize this fact and identify the many options available for creating a global system.” Shell advocated the appointment of a “global practice leader” to help to create an understanding among HR staff internationally, so that they did not develop an “us and them” attitude.

### Concept of work and reward

One difficulty communications and electronic company Motorola faced was in its need to create multinational databases, which had to comply with the differing data-protection issues in different countries.

The technology organization Agilent pinpointed the need to understand the different values different cultures gave to the whole concept of work and financial reward. For instance, recruiters in some countries would find it less favorable than others to offer stock options – especially where they would be immediately taxed.

A common theme among companies seeking to globalize the HR staffing functions – and one which found general acceptance among the people who carry out those functions – is that people are people wherever they live and work. Whatever cultural, or indeed educational-system, differences there are to divide them from their overseas colleagues, they are just as likely to have many common values to unite them.

As Darin Wiechmann *et al.* (2003) say: “For example, most people value participation, so explicitly recognizing this as a shared value helps to create an understanding of what the process of creating a global staffing system will be”.

### German car makers in US

Working within a system that embraces more than one country and culture is nothing new to automobile makers, many of which have steadily expanded their global reach.

When two German companies, Daimler-Benz and BMW, began car manufacture in Alabama and South Carolina, USA, respectively, a decision had to be made on what production system to choose. This covered not only the nuts and bolts of putting a vehicle together, but everything that goes with it, not least labor relations.

Should they copy the way they had successfully been doing the job they were famous for at home in Europe, should they do things the US way, or should they base production on Japanese car manufacture that had enjoyed almost legendary success?

The answer to both, even though both companies had different ways of doing things and very different products on offer, was somewhat similar. Even though Daimler-Benz’s priority was building vehicles for the US market, while BMW had its focus on creating products for an international market, both invested in “hybrid” systems, taking the best from what had gone before and avoiding any mistakes competitors might have made in the past.

Ludger Pries (2003) comments: “The fact that there was no clear and dominant production model at the end of the 1990s could indicate either that – after a period of transition – new production models will emerge . . . or that things up to now have been changing so fast that the times of fixed production models have gone forever”.

#### Keywords:

**Organizational culture,  
National cultures,  
Acquisitions and mergers,  
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### Comment

This review is based upon “The international match: metaphors as vehicles of social identity-building in cross-border mergers”, by Eero Vaara, Janne Tienari and Risto Santti, “Emerging production systems in the transnationalization of German car manufacturers: adaptation, application or innovation?” by Ludger Pries and “Designing and implementing global staffing systems: part 1 – leaders in global staffing”, by Darin Wiechmann, Ann Marie Ryan and Monica Hemingway.

The Eero Vaara *et al.* (2003) article explains how an exercise in imagery – people’s perceptions ascertained through metaphor – helped senior management to create a cultural identity for a company formed through the merger of two large banks, one Swedish and the other Finnish.

The Darin Wiechmann *et al.* (2003) article takes an in-depth look at six US-based, but global companies (Agilent Technologies, Dow Chemical Company, IBM, Motorola, Procter and Gamble, and Shell) and how challenges to HR practices in dealing with staff on a multinational scale have been met.

Ludger Pries (2003) deals with the manufacture of German automobiles in the USA, and how the system of production was decided upon. He presents two case studies based on BMW’s plant in Spartanburg, South Carolina, and Daimler-Benz in Tuscaloosa, Alabama.

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