

Managing a Merger Integration:

A Conversation with Baxter CHRO Jeanne Mason



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Baxter completed its acquisition of Hillrom, its largest acquisition by far, in December 2021, with the goal of accelerating the company's vision for transforming healthcare. This includes a focus on connected care, expanding its digital capabilities, and driving innovation and top-line and bottom-line growth. Integrating a major acquisition is a challenge at any time, but Baxter leaders were dealing with the additional complications of a lingering pandemic, a challenging talent market, remote working and decisions about returning to the office, and social and political turbulence.

Jeanne Mason, Baxter's senior vice president of human resources, has been at the forefront of navigating this complex set of issues for the company. We spoke with Mason about managing the people side of a large acquisition amid the COVID-19 pandemic and the advice she has for other leaders based on the experience.

What were the priorities of the integration from a people perspective?

We put a lot of attention on people. We were very focused first of all on the talent, and also culture. From the merger integration standpoint, the talent and culture workstream has been of equal importance to integrating systems, value capture and other elements of the acquisition. I had a small team (head of talent management and the business partner for our chief operating officer) leading the talent and culture workstream and we spent a lot of time working through all of the pieces.

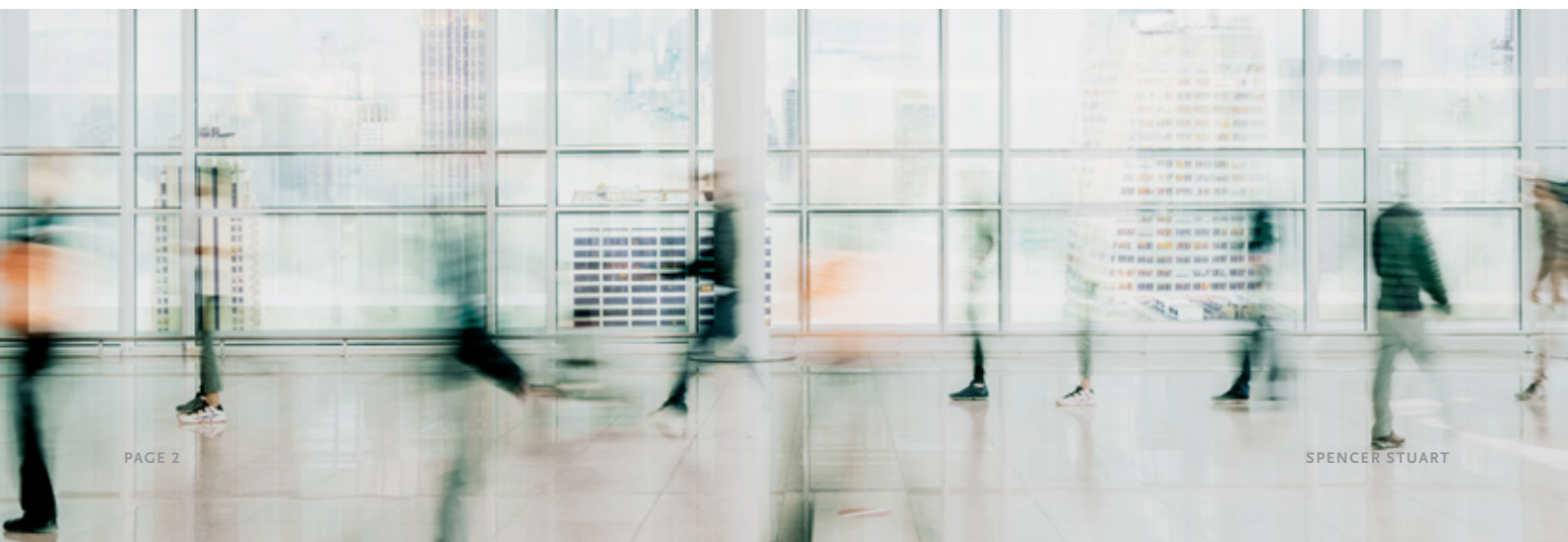
Talent had to be a top concern, especially given the hot talent market at the time. What approach did you take to decide who from Hillrom should join Baxter?

We started the selection process by holding talent review meetings with Hillrom's senior leaders. Every person at the N-2 layer (mostly VPs) was interviewed by a Baxter leader and, in some cases, more than one Baxter leader. The objective was to get to know the individuals and determine if there was a role for them in Baxter. Clearly there wouldn't be a seat for everybody, but we felt it was critical that we made decisions after we spent time getting to know the individuals, versus a paper exercise. We had the view that it wasn't only a one-way street, and it was possible a Hillrom person could displace a Baxter person. We had an open mind on how that could work.

Talk more about the communication during the integration.

From the beginning, we did extensive communication. We wanted people to feel welcomed from the first day. We guided managers to call their team together on day one, have a team meeting and introduce the new team members. In many cases, this had to be virtual given the circumstances of the pandemic. We had a very hands-on approach, with messaging, guides and agendas that equipped managers with what to do from the first day and beyond.

I feel really good about the level of communication we provided. It was a great collaboration between the HR and communications teams. I've been on both the acquired and acquiring side of a transaction, so I know that when your company is being acquired, your biggest anxiety comes when you're not hearing what's going on and you don't know what is happening to you or the organization around you. You cannot communicate too much because people make up their own stories in the vacuum.



The integration no doubt was even trickier because of the pandemic and remote work.

This was, remember, the time when there was a new variant percolating out there and we had to be very cautious about bringing people together. Everybody was still wearing masks. We were dealing with the vaccination crisis and were trying to get people vaccinated where it was mandated. Some hospitals were requiring our employees be vaccinated or they wouldn't be allowed in. We were dealing with that on the Baxter side, while stepping into Hillrom's approach to vaccination and reporting. We were having task force calls once a week on what's happening, vaccinations, government regulations, what the hospitals want us to do, absenteeism in our plants, mask mandates, federal vaccination mandates. There was a lot to navigate.

The whole vaccination issue was very polarizing because vaccinations became a political issue versus a health issue. I created a messaging channel that we called WorkSafe@Baxter. In our communications, I partnered with our chief medical officer and together we made sure the information we provided was grounded in medical science.

There continues to be a lot of talk about remote work and its impact on productivity. What are your observations?

We have asked our leaders whether they are seeing productivity issues from employees working remotely and they say it's as good, if not better, than it was before the pandemic, because their teams have learned to work remotely. What I've said from the beginning is that the people who were not productive in the office are the same people who aren't productive at home. So don't assume that your great workers are now goofing off at home. Actually, I think the work ethic in general has gotten stronger because people have figured out how to navigate working remotely with their colleagues and teams and family.

That said, we have communicated the expectation that employees be in the office two or three days a week because it is critical to our culture. The fewer people in the office, the more you lose the community that you're trying to build. It takes longer for new people to move up the learning curve as fast without a community to tap into, and early career employees don't have access to role models. And there is definitely a different energy level when you are in direct contact with another human being.

Another challenging issue occurring during this period was the Supreme Court's Roe v. Wade decision.

In situations like this, you're guaranteed to alienate half of the organization no matter which direction you go in. When the decision was announced, we stepped back and said, "What is the right thing to do here for employees?" We are a healthcare company, and we believe access to healthcare is a fundamental right. Our healthcare plans provide for employees to travel to another location for healthcare. If you need heart surgery and must travel to another location, our health plans support that. That is the message that we tried to present. As you can imagine, a lot of people liked it, and a lot of people didn't.

You have talked about tough decisions that had to be made. How do you think about making decisions amid all the uncertainty?

There is a lot of noise out there, and to make these decisions, you have to clear away the noise and focus on what your true north is. I've always tried to put employees at the center point of the true north. HR is a balance between what the business needs and what the employee needs, and how you bring those two pieces together and get a winning solution is what guides my decisions.

As you look back at the past couple of years, do you have any other observations from the experience?

I have learned so much. There were so many times when we encountered issues we never had to deal with before. We're trying to make decisions: How many test kits should we buy when there is no direction about what kind of test will even be acceptable? Should we spend a lot of money on self-tests, or will we need the PCR test? Often, there was no obvious right answer. We had to dig down and do our research and, sometimes, take a moment and say, "Okay, nobody knows any more than we know. We're just going to have to use our best judgment and go with what we think is best."

What advice do you have for other HR executives?

The past two years have put a spotlight on the human resources function in a very positive way. That's a good place for us to be, and we should hang onto that and look for new ways to contribute to our organizations. The experience of the past couple of years has demonstrated that there are many areas where we can contribute. Whoever thought we'd be dealing with vaccinations and Supreme Court decisions?

As we've navigated the many unique challenges associated with the pandemic — often with limited information to draw on — we have had to rely on our critical thinking. The best HR people are those who are strong critical thinkers, because I've found that the best HR talent are problem solvers. HR leaders have the opportunity to bring their problem-solving skills to bear on a vast range of issues, from the highly strategic to the very tactical business challenges. There has never been a better time for the HR function to shine.



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