



Nokia Turns Two Cultures into One

Adjusting to a new reality requires a shift in mindset, decision-making, and more



Impact

10%

improvement in manager behavior scores, according to direct report surveys

Scale

3,500+
line managers

Speed

2 years

At the end of January 2016, Nokia finalized its acquisition of Alcatel-Lucent, a French telecommunications company. By that point, it was already clear to Nokia leadership that one priority needed to be addressed: turning two cultures into one.

When two companies merge, it's common for leaders on both sides to feel uncertain, overwhelmed, and to view stepping into the other person's shoes as a challenge. Fortunately, this outcome isn't inevitable. As the NeuroLeadership Institute has found, the right mindset can quickly turn a threatening situation into a rewarding opportunity.

"Sometimes culture is like breathing," says Michael Kirchner, Global Program Manager in Nokia's Organizational Development team. "You do not notice how valuable it is until it is threatened."

Through its experience of tremendous change — Nokia sold its mobile phones business in 2014 to focus on the telecommunications infrastructure market — the company understood this critical piece: A willingness to embrace uncertainty creates the strongest cultures.

Nokia's plan was to build and cement three key aspects of its budding culture: quality conversations, growth mindset, and less-biased decision-making. In less than two years since the first rollout, more than 3,500 line managers around the world have gone through the programs Nokia co-created with NLI. And already with the roll-out of this program and other culture initiatives, internal surveys indicate innovation, collaboration, and culture overall are reaching new heights.

"We designed the program together with NLI as we needed leaders to create an environment of trust and safety. And that really happened."

- Michael Kirchner, Global Program Manager
Nokia Organizational Development



The science behind creating culture

Acquisitions are hotbeds for threat states. People face incredible amounts of uncertainty about their new role, their colleagues, the new ways of working, and their livelihood. With new talent coming in, they may also feel threats to their status and relatedness. All of which explains why it's critical for leaders to begin creating a greater sense of certainty over where the company is headed, boosting employees' and teams' autonomy through a sense of ownership in their culture. They can also create a sense of fairness and relatedness by involving everyone.

Concepts like these belong to what NLI calls the SCARF® Model. It's a framework that refers to the five domains of social threat and reward: status, certainty, autonomy, relatedness, and fairness. Neuroscience research has shown that humans process social threats in much the same way we process physical threats, since our ancient brains still put social exclusion on par with a charging predator.



The consequence of entering a threat state is that the brain quickly diverts resources away from regions that let us problem solve, and instead narrows our focus and activates our freeze, flee, fight response. That's why it's so important for leaders to put employees in a reward state during times of change: In order not to feel threatened, people need to see how a new reality can be rewarding.

The way to do that is by cultivating a growth mindset — the belief that skills and abilities can always be improved, not that they are somehow permanent. At NLI, we define an organizational growth mindset to be one where most people in a given company believe they're capable of developing and improving. If companies instead believe that traits are fixed, and that the star players will always remain star players and those who aren't won't, they'll be more likely to view failures as signs to give up or quit, rather than opportunities to learn from their mistakes.

Fixed Mindset = Threat

What if I'm not good?
Maybe I don't have the skills
I could make mistakes
Others may do it better

Growth Mindset = Challenge

I can get better
I can always improve
A great chance to develop skills
A year ago, I wouldn't have done this well

"Putting all this together helps you seek to understand before being understood."

- Participant



The final piece for Nokia is bias. Without a plan to address bias, acquisitions can lead people to rely on mental shortcuts that discount newcomers' ideas and favor what's familiar. NLI's research has found that avoiding these pitfalls first requires spotting them, and then developing a shared language to find new, common ground.

DRIVE, DARE, CARE

	EXPECTED	RESULT
Minimum Participation Rate	40%	64%
Satisfaction Score	5.5 of 7	5.7 of 7

Follow-up surveys showed

90%
of the feedback
was positive or
constructive

Nokia strives to Drive, Dare, and Care

A few months after the acquisition of Alcatel-Lucent, Nokia launched a pilot program consisting of 160 line managers going through NLI's CONNECT solution — a four-week program, delivered remotely in small groups, that is designed to rapidly improve the quality of workplace conversations with easy-to-use guides.

"I recommend it to everybody within Nokia," says Pekka Pesonen, Manager of Organizational Development. "The SCARF® Model and the idea of social threat put it all together for me and explained why some things work and some things do not work."

Nokia set three goals for the pilot, and it hit them all. It wanted a minimum participation rate of at least 40%; it got 64%. It wanted a satisfaction score of 5.5 out of 7; it got a 5.7. And it wanted to see signs of positive behavior change from both participants and their direct reports; follow-up surveys showed 90% of the feedback was positive or constructive.

Following the pilot, Nokia rolled out the CONNECT module to all 10,000 of its line managers, followed by a similar rollout of NLI's GROW solution (focused on growth mindset) in September 2017, and DECIDE (unconscious bias) in February 2018. These solutions were aligned to Nokia's culture transformation initiative called "Drive, Dare, Care" and given the formal title "Train the Brain."

To date, more than 400 line managers have gone through each of the newest programs, GROW and DECIDE, and more than 3,500 have gone through CONNECT since the pilot launched in early 2016.



CONNECT

The Neuroscience of Quality Conversations



GROW

The Neuroscience of Growth Mindset



DECIDE

The Neuroscience of Breaking Bias

The impact

Nokia staff took to the simplicity and elegance of the science underlying each program, Kirchner says. Employees did need some convincing that learning ought to be challenging, rather than as easy as pressing a button. But as they grappled with the material, Kirchner says the benefits became clear right away. Nokia's internal metric for culture, the Culture Cohesion Tracker, has shown increases across the board between March 2017 and May 2018.

For example, NLI's conversation guides gave leaders the tools to change how they interact with team members within days of going through their solution. Internal Nokia data show that manager behavior scores, which, among other things, reflect how often managers listen and encourage growth, have jumped by 10% within the last year, according to direct reports. According to managers' self-evaluations, scores have jumped by 20%.

Going through the Train the Brain program has also given Nokia leaders greater clarity of thought around decision-making, Kirchner says. He calls the DECIDE program a great help to strengthen decision making capabilities, and says people have used the Train the Brain program more broadly to develop a shared language around growth mindset and insight.



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*Pekka Pesonen
Manager of Organizational Development*



As for the other programs, Nokia has made it optional for employees to enroll in any of the three they choose. Making it à la carte allows people to tailor the instruction to their team needs, Kirchner says. The approach seems to be paying off. Each day, more leaders within the company develop the optimal mindset, have high-quality conversations, and make smart decisions — all as a united organization.

“Together with NLI, we enhanced our change management capability, and helped our leaders to create an environment of trust and safety.”