

# Peoplesoft and oracle essay



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PeopleSoft (Nasdaq: PSFT) is the 2nd largest provider of enterprise application software in the world. The company was founded in the mid 1980s by Dave Duffield and Ken Morris. The company started out with the introduction of a human resource application which “ offered flexibility and ease of use to a class of users previously barred from simplified access to the information and capabilities centralized in the mainframes”(PeopleSoft Cooperate Backgrounder).

PeopleSoft does business on a global scale with \$2. 8 billion in revenues, 13, 000 employees and more than 11, 000 customers in 150 countries. It is the only pure internet architecture with no code on clients. It allows organizations to connect people directly to Business processes without intermediaries which is efficient and low in cost. (PeopleSoft, 2003). Oracle: Company Overview Oracle Corp. (Nasdaq: ORCL) is the largest enterprise software company in the world. The company boasts of over 11, 000 customers who live on their cost-cutting engine. “ Although 2001 proved a daunting year for many Technology companies, Oracle boasted record attendance at its global events” (PR Newswire, 2002).

Oracle’s product strategy includes globalization, implication, standardization, automation, and innovation. These five principles underlie everything that Oracle does. There are five product lines- Database, Application Server, Collaboration Suites Developer Suites, and E-Business Suites. Oracle services include general information, outsourcing, support, consulting, education and financing. ( Nasdaq: ORCL) The Merge of PeopleSoft and Oracle There are principally two types of mergers: one is an acquisition where the acquired company is merged into the existing operation, and the second is a true

merger where two companies merge together and the two previous owners become the new owners of the merged entity. In the case of Oracle and PeopleSoft, the merging is a joining of two companies. Instead of the hostile takeover, PeopleSoft and Oracle will strive to succeed through the merge acquisition. ”

Oracle Corporation develops, manufactures, markets and distributes computer software that helps its customers manage and grow their businesses and operations” ( Naude, 2003). PeopleSoft on the other hand, is “ dedicated to building client/server applications that redefine traditional approaches. These applications put power in the hands of users, adapt to the fast-changing nature of modern business, and are supported by the highest-quality customer service” (PeopleSoft, 2003). With the two companies merging into one, the two companies will be one competitive, major company.

Owners seek to merge companies for several reasons including combining breakeven or profitable companies to become more profitable, combining competitors for succession planning or combining for synergistic reasons. The merging of two companies together can be extremely profitable and rewarding; however, there are many important factors to consider. The single most important factor is the compatibility of the two owners. Since it is not possible for a company to have two leaders, they must agree on what roles each will have going forward. Mergers work best when owners possess different areas of expertise such as sales, production, administration or a special skill required by the company.

Difficulties we may face As management, we may face difficulties in communication with the employees at the beginning. The most important thing to remember during the merge of the two organizations is that communication should be a top priority. Thus, we have to make sure that we begin communicating in a two-way matter. Care must be taken to involve, encourage, and support these individuals through the early adjustment phases.

It is also important to provide opportunities for members of the boards and staffs of the two organizations to get to know each other, and work together, as soon as possible. Open communication between the groups must also be nurtured at this young stage in the company's life because it is so important for this type of relationship to become habit and common place.

Communication is utterly the most important tool that the young management teams and the employees will have in common.

We also need to pay serious attention to the cultural differences between the two organizations, and respect the way things have always been done by our partner. This is not to say that we cannot change anything. However, a cavalier attitude, scoffing at a less sophisticated system or staff, or an assumption that our organization's way of doing things will be the merged way of doing things can make a tense situation worse. People from each old organization should share their traditions and stories with their new colleagues, and everyone should contribute to the creation of new traditions and stories.

The New Strategies Communication One major issue that our upper management should deal with is communication. To be more specific, we must deal with it in a two-way matter. “ Unfortunately, internal communication is frequently one-way, directed downward from the employer to the employee. Upward communication enables employees to say to management what they are saying to one another” (Wohlfarth, 1998).

We should be more open to our employees, allowing time to communicate in a give and take manner. We should also listen more to what employees have to say, rather than do the talking. According to Sharon Wohlfarth, “ Whether personal or professional, relationships cannot exist without two-way communication. It is necessary for all members of the relationship to express themselves to the others” (Wohlfarth, 1998).

We, as management, want to make our employees happy through communicating their concerns and problems to us. One can really gain knowledge about the other through a two-way communication. Moreover, we ought to allow feedback about our performance. “ More than a few studies have revealed that catastrophic failure might have been prevented if the senior person had created a climate in which employees could feely provide input, rather than an environment in which they were forced to subjugate their thinking to my way or the highway”( Cassidy, 2002).

Interpersonal skills Another issue we should think about enhancing is our interpersonal skills. These skills are a great value to both our employees and our clients. “ Managing the technical environment offers a unique set of challenges. From directing the strong-willed, independent spirit of technical

guru to leading fast-paced, innovation project teams, technical managers must rely on their interpersonal skills to retain valuable employees and communicate a sense of teamwork and corporate vision” (Work Relationships, 2000). Interpersonal skills can imply the difference between success and failure in actually getting the job done.

These skills improve every aspect of the organization’s working relationships. With the merge of the two companies, implementing people skills through the Shared Values course would be an excellent step. The course will not only help employees communicate better, but it will also help them deal with people from all over the world. “ Cultivating the art of influence and the ability to connect is called people skills. If you can develop your people skills, you can talk to any corporate village in the world”(Brandau, 2003 ) These skills will be most useful for the merger because the employees who used to be competitors are now on the same team. “ Your new knowledge and experience will come as you learn how to interface with diverse cultures and global counterparts while creating an environment where everyone is just one of us”(Brandau, 2003, p. 2 ).

Motivation There might have been a motivation plan for each company before the merge, but we must make that plan even stronger. Motivating employees plays a significant role in the success of organizations. “ Motivation is the willingness to do something and is conditioned by this action’s ability to satisfy some need for the individual” (Robbins, 2000, p. 108 ). When people are not highly motivated, their performance drops and they rarely rise to their potentials. There are many ways that we can motivate our employees. We can begin by showing appreciation and giving

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credit where it is due. Feedback is very important between management and employees. Even the simplest feedback can be considered a big deal to employees.

Another way to motivate our employees is by challenging them to an appropriate level. We should also give them a chance when opportunities prevail along with the challenges. Boosting the employees' morale will also make them feel good about themselves and their work. Furthermore, reward systems can be an excellent motivating method. Extra bonuses like a day off, extra pay, half a day off, lunch with management etc. can all motivate employees. “ People who are motivated exert a greater effort to perform than those who are not motivated” ( Robbins, 2000, p. 108 ).