

# After the Final Merger

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Call me Frank. I was CEO of a Fortune 500 company in the year 2000. Back then, the stock market kept going up and most of the world measured its success by how well the economy was doing.

I spent most of my time on mergers and acquisitions. My main job was to swallow up or be swallowed by other companies that would give us new markets, new products, and new "synergies" as we used to call them. With synergy, two plus two was supposed to equal five. That hardly ever happened, of course, but we kept saying it anyway. Every time we merged, we changed the names of our companies. Bestar Bank became Moon Bank became Horizon Bank became Gesellschaft Bank. As time went on, the names meant less and less, but we kept making up new names in the hope that we had finally reached the critical mass we had been seeking.

Looking back, all that merger mania was more about finding ways to deal with our lack of creativity, our always increasing costs, the constant drain on our people, and our lack of anything but the same corny old visions: shareholder satisfaction, globalization, results. After trying any training program that looked promising and reorganizing ourselves to the point of boredom, we resorted to masking our problems with mergers.

Human nature, however, didn't want to cooperate. People became selfish, careerist, and power hungry. Groups seemed small-minded and almost everyone avoided conflict or saying what they really thought. In this world, the CEO was the hero, the more decisive and commanding the better. Sometimes I thought we had done no more in centuries than shift from a system of royalty to one of corporate hierarchy or even corporate slavery where culture, rewards, and the encouragement of timidity had taken the place of chains and physical threats. There was little honest enthusiasm on most people's faces.

As a country, we were a well-developed democracy. We had bill of rights protections for individuals, and free speech in public places. In companies, though, people had almost no rights. They had no right to assemble, little free speech, and almost no due process except within employment contracts. Senior managers determined what counted and if their lower-downs dared to disagree, they were shunned or otherwise exiled to hinterlands of unimportant activity.

As long as we were growing it was easy to make light of many of our problems. It was easy to say that they would be solved by the next stage of growth, cost cutting, and reorganization. It made sense at the time. Plus, with everyone closed off into gated communities and fenced off even from their own self-experience, who was to know? People didn't think much in those days. They did what they were supposed to do. Consultants made a lot of money. Many consultants thought very well and made great suggestions. The results were almost always short-lived and the consultants also didn't fight for what they believed because they wanted more business. Keeping people from being upset was the game.

I've lost my last CEO job. I was running the number two machine tool business in the world and could do no wrong. Markets were safe. There were only two machine tool companies on the planet and we were able to control prices and customers seamlessly. Our 400,000 employees didn't complain much in public, and I was always at the main table at major political dinners. Our contributions went a long way towards determining who was elected. Then the number one company bought us and I was out on the street along with a third of our workforce. Of course, they said that much of this could happen from

normal attrition and no one would be treated badly. It's amazing how gullible people are even when they hear the same lie over and over again.

Now, in most of the world, there is no one left to merge with. Some still try to force-fit companies together, but the fact is that every sensible merger that could have happened has already happened. The stock market is still holding its own as people and mutual funds choose between different companies. But the game is over. And there is the smell of profound change in the air. It used to be that there were so many companies, and the oppressive effects of arbitrary hierarchy and bureaucracy were so widespread, that there was no clear target to resist. Now there are fewer targets. So much of what mergers were able to mask is still there: people not committed to each other; people treated like objects; a phony commitment to results; an environment in which process is more important than results; a lack of diversity; an absence of ethical vision; arbitrary actions by bosses and quiet compliance everywhere else; company interests that are more important than customer service; staying in business being more important than delivering value; the lack of shared meaning as a platform for people to live and work together.

When the subject turns to money and power, I've not seen much sustained corporate learning. Don't get me wrong. There was learning along the way. The problem is that it happened entirely in events like great meetings, training programs, seminars, startups, and hot projects. Sometimes it occurred in simple sharing with colleagues in airplanes, restaurants, and social situations. At these times, we seemed to wake up, to become conscious of our world as it was, and not as we were being told it was, or hoped it was.

In these events, each with a beginning, middle, and an end, we saw our past, present, and future clearly and distinctly. We felt powerful and aware. Then the event ended and we fell back immediately into the decisive corporate context that did most of our thinking for us. We felt like we were running through a huge maze inside a box programmed with its own agenda. The next day, 90 percent of our conversations were on cost-cutting and what was wrong with people.

We should have taken this "wake-up" primer with the same authority as the ten commandments. It seems idiot simple now: Tell the truth about your actual experience. Co-invent models for balancing extraordinary economic success with integrity in relationships, thinking, spirit, and shared meaning. Encourage the John Kennedy-like speaking of dreams and visions of companies in which people are individually 100 percent responsible and held to account for the quality of their relationships and results. Ask forbidden questions, and then talk in an open and vulnerable way about possible answers. Ask why no one has ever written a poem or love song about their corporate life. Listen generously.

In events, people would sometimes feel protected and many would let their guard down, speak openly, and generate alternatives outside the existing context. They would find their passion, compassion, and enthusiasm for extraordinary results. But, when trying to apply these principles to business-as-usual situations the unspoken reaction, almost always, would be, "I agree but I've got my job to do." "You are a touchie-feelie, woolly-thinking, naive softie who lacks rigor. What's really important here is performance. Everything else isn't real. If I listen to you I won't be able to do my job, which is who I am." "Your style just doesn't fit here." "Stop complaining and give me an alternative I can use. I need help with what to do and not with how to change my thinking. If you can help me with what I am measured on, you can do what you want as long as it doesn't look weird. I know you are right but I must look good in public, no matter what."

Looking back, I would create a new model of leadership and management. My target would be the way the world measures performance. I would insist on measures that emphasize performance and results, relationships and conflict, inventiveness and creative thinking, and attention to spiritual values and principles. Too many corporations still only measure and act on performance. The transformation they need is in areas they don't measure.

Every organization believes in the righteousness of its existing measures. "Of course, without profit, we could not stay in business." "Of course, relationships are the most important." "Of course, values and shared meaning are most important." "Of course, thinking is most vital." While all of these measures are valid, there are times when one in particular will need to be made a priority or the whole enterprise will falter or fail. For years, I told people that their singular focus on performance, or relationship, or research, was insufficient to their needs, and that they were paying a very high price for this. While many admitted this was so, no one changed their behavior or point of view. While they gained insight, their moment-to-moment ways of measuring success were not altered. Many non-profit organizations selected the most value-oriented person as their leader when what they needed most was a strong business person. Many corporations chose the most financially hard-driving person when what they need ed most was someone who could turn the company into a genuine team. It became clear that unless a way could be found to change people's perspective--and the measures that they use to determine success--there would be little conscious change in the world.

Human nature, the way people think, and the overpowering presence of existing institutions make some things hard to imagine. For example, it's hard to imagine an organization or community where people rise above their own point of view; where genuine and caring relationships are common; where intellectuals feel their ideas and compassionate people honor ideas; where spiritual people appreciate money and rigor; and where spirituality and profound meaning walk hand in hand with business as usual. Einstein said, in a personal letter to a friend, that there was no necessary relationship between sense experience and thinking. In other words, all thinking is arbitrary, and not logically related to the experience from which it is derived. Everyone, he said, literally makes their own mind up and while their choice makes perfect sense to them, it makes no necessary sense in any absolute way. This insight, Einstein said, was the code breaker in any field from physics to social relations to business.

Once we can see that our thinking need not be tied to our sense experience, our imaginations are free and our futures limitless. As long as we are locked into the personal certainty that what we think is true and based on absolute necessity, we will continue to be caught in a hopeless trap of self righteousness, avoiding any points of view other than our own. To begin to create new measures, we need to continue developing new ways of seeing, new ways of examining our own assumptions, and new ways of talking to one another. We need to teach ourselves to measure and discuss what is missing, as well as what is there. We need to learn to appreciate where integrity and energy are out of balance, to self-assess and re-adjust, to re-balance at critical junctures, and to break out of automatic and ineffective thinking. This is now my project.

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