

Making Misfits Fit

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Is it a marriage of the misfits? That's the big question on Wall Street since Morgan Stanley, an investment banking firm with a corporate client focus, and Dean Witter, Discover & Co., a brokerage firm made up of small investors, decided to tie the knot. The Wall Street Journal recently wondered how long the honeymoon will last, given their mismatched cultures — Morgan Stanley's sophistication and Dean Witter's mom-and-pop orientation. Will their differences bring about their demise?

Experts say no. Not if the leaders of the merging companies emphasize effective communication and teamwork as they choose key managers, reconcile different compensation structures, reduce duplication, determine the degree of separateness between the two companies, and create new business strategies together.

All successful mergers, acquisitions and consolidations are built on a foundation of teamwork and communication. But blending even the most cooperative and open corporate cultures can be complicated and confusing.

"Good communication is critical as both cultures learn to work together. This means everything from using world-class e-mail and voice systems to talking openly and honestly, one-on-one and in groups," says Tom Wallace, whose [systems integration] company, The Waldec Group [Inc.] , is a recent acquisition of Ikon [Inc, a division of Alco Standard [Inc.- Alco Standard trades on the stock exchange and is a public company - Waldec was privately held until the acquisition]. Wallace now is area president of [Tampa-based-yes] Waldec Ikon.

Today's trend toward mergers, acquisitions and consolidations has left many organizations struggling to assimilate disparate cultures and to curtail the financial impact of poor productivity. Culture clash, and the low morale it causes, can cost large companies \$1 million or more each day in performance. The price small and mid-sized companies pay is proportionate, but still high enough to almost negate the reason they merged in the first place — to grow and raise capital. How can organizations communicate more efficiently and effectively so the assimilation has positive results?

One approach to organizational development is large group systems change, a practice shaped during the merger of the Bristol and Siddeley aircraft companies in England in the 1960s. The pioneers of the practice, Britons Eric Trist and Fred Emery, had great success blending dissimilar technical cultures — a maker of jet engines and a maker of piston engines. That's because significant numbers of people from the two companies shared

information about the business environment, the aeronautics industry and their collective visions for the future.

Large group work involves the "whole system." It brings a representative sampling of employees, managers, top executives, customers and industry experts from both sides together in a room to deal with pressing issues facing the new company.

The process is democratic, and based on the premise that an organization need not depend on consultants and experts to facilitate change. It can create and analyze its own information. The consultant's role usually is to design and support the large-scale events that enable organizations to communicate in this way.

Large group work is an innovative management tool for tough times because it heightens communication across an organization and helps to reveal a common goal or direction. It builds trust and enhances teamwork because it gives employees a stake in the future of their companies.

Large group work is still a relatively unfamiliar concept in mergers and acquisitions, but many companies are using large group work to plot corporate strategy. Take Mobil Exploration Inc., a division of Mobil Oil, for instance.

Mobil Exploration recently spent more than \$4 million to determine why it was the least prolific driller in the Gulf of Mexico. The company rented the Houston Astrodome and brought together thousands of employees to brainstorm about more efficient and effective work methods. "The ideas for change [they] generated resulted in over \$120 million in increased productivity and cost savings," says Robert Jacobs, the consultant in charge of the event. Jacobs is the author of "Real Time Strategic Change."

Consultants Marvin Weisbord and Sandra Janoff, authors of "Future Search," have used large group work to help hundreds of organizations develop shared visions for the future. Their process for organizations lasts two-and-a-half days. Representatives from all levels within the group, along with key customers and other influential outsiders, gather in a retreat setting to discuss the past with an aim to learn from it. They analyze present situations with an eye toward desirable scenarios for the future.

The meeting focuses on agreements rather than disagreements so that more is accomplished and the participants feel energized. The result is a mutually accepted goal for the organization and the start of an action plan for achieving it. Participants bridge gaps in culture, class, gender, ethnicity and authority because the process respects everyone's input.

"When people listen to each other and use concrete examples to back up their views, they get a clearer picture of each other's reality and are more likely to have a dialogue leading to shared understanding," says Weibord.

If you plan to combine cultures or to deal with a compelling business issue in your company, consider bringing the "whole system" into the room to effect change. You'll need expert help to get you started, but with a little practice, you can make it part of your standard operating procedure. As your employees learn to address change on a large scale, your company will become more adaptable -- better able to satisfy market demands and to take advantage of future opportunities.