TRUST IN TRANSITION
Navigating Organizational Change

Bob Whipple
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Also, I thank my wife, Kay, who has been my rock through this process, once again. Having a life partner who freely gives so much to help my business on a continual basis is inspiring. I am blessed.
This book about organizational change presents a new conceptual framework and strategy that will enable smoother transitions. Unlike many other books on change, this work advocates a holistic approach that considers the impact on all stakeholders.
Introduction

*Trust in Transition* was written for professionals who need to navigate organizational change and will be most helpful to the people who lead these efforts. Leaders who heed the advice in this book will improve all aspects of any major change initiative.

The following chapters cover all kinds of change, including minor changes in reporting relationships, changes in job scope, and reorganization efforts—from department consolidations to major upheavals like mergers and acquisitions. The issues are similar regardless of the magnitude. Most organizational changes are attempts to pool strengths and eventually drive costs down to improve competitive positioning. Normally envisioned as a way to ensure survival, change efforts often lead to chaos and even to extinction.

One root cause of failure is when top leaders focus too much energy on the mechanical and financial aspects of the consolidation and not enough on the cultural integration. The solution is to begin the cultural integration work at the same time that the mechanical aspects are being considered, and to staff the cultural effort for success. A central thesis of this book is that the culture determines the effectiveness of an organization at all times.
Every day organizations announce changes and expect, or at least hope, that people will react positively to them. How leaders manage a transition has everything to do with how successful it will be. Any reorganization is likely to fail unless the cultures can be made to mesh well.

Business leaders are smart people, but their attention has been directed so strongly toward the physical, financial, and mechanical aspects of organizational change that they miss the boat on the cultural aspects until they are too far into the process. The root cause of the high failure rate for reorganizations is that people are often left out of the equation, or there is little consideration for how they will be affected by the move. This is a critical mistake.

All disruptive reorganizing activities have an impact on people. A change does not need to be a full-fledged reorganization to be disruptive, even devastating, to the people involved. It is imperative that leaders consider any change that impacts the way people work and interact to be an important structural change that has great significance for their business. Organizations suffer because of ill-advised change implementation. The changes may be brilliant but poorly administered.

We will examine the process starting with a germ of an idea and carrying it through the execution phases to identify leverage points that have a profound impact on outcomes. In reality, the business world presents a continuous parade of improvement opportunities for any organization. The function of leaders is to decide which ones to develop and execute.

Trust and culture are recurring themes, because they are the most important ingredients in unlocking the potential for organizational integrations. This book delivers insight on how to build and maintain trust, even when draconian or challenging actions are being contemplated.
Trust in Transition will:

- Present a two-sided model contrasting the mechanical side of a change process with the cultural side of the same change effort.
- Explain the role that trust plays in creating successful change and teach you how to create and maintain it.
- Explore how leaders can make far more effective structural changes in order to improve the trajectory of their business.
- Give a clear view of the pitfalls and what to avoid. Learn the steps to take as well as the symptoms to watch out for.
- Explore problems in execution that increase the risk of failure.
- Discuss specific antidotes for each issue presented and the actions that will make reorganization efforts more effective.
- Walk through a recovery process to help impacted people recover equilibrium.

These concepts are easily applicable to every organization. This book boils the issues down to the smallest denominator—human interaction. As long as people are involved, these concepts and techniques will apply and enhance your ability to merge two different groups into a single functioning unit. Conceptualizing how to put two completely different groups together can lead to successful creative solutions.

While this work identifies the various problems and their root causes, the emphasis is on tools, techniques, and the positive steps that can be taken throughout integration to ensure a better result for all stakeholders. It is critical to design solutions to balance the benefits so that all stakeholder needs are considered, rather than to create a solution that benefits one group of stakeholders at the expense of another.

To help guide your change journey, this book offers the following additional tools:

- Key points that can improve the process are called out in each chapter along with questions and concepts to ponder.
• Video summaries of key points provide an alternative way to explore and share the information. These video segments can be found online at www.astd.org/trustintransition.

• Worksheets and checklists are presented in the text to help guide change efforts, or open some helpful dialogue on important topics to address.

• Diagnostic evaluations to test your organization’s readiness to perform a change activity are provided. This precursor is a great way to reduce the probability of problems when the real action gets started. Each evaluation can be customized to fit your specific situation by editing or expanding on the questions provided.

Why We Make Changes

Most change occurs because the status quo is inadequate. It may be an extreme case where the business cannot pay its bills or it could be many lesser symptoms that signal an organization’s inability to meet its goals or obligations. Continuing on the current path is not an option, so the leaders begin to plan a change in direction.

Change can also occur because of an opportunity to improve the future outlook. Survival under the status quo is not in question, but there is a significant opportunity to improve the future for all stakeholders. This realization prods leaders to form change strategies to capture the opportunity.

Another cause of change comes from external factors. These can be in the political, technological, geospatial, or legal environments in which the organization operates or the market in which the organization sells its goods or services. Success in a global workplace requires flexible organizations that adapt well to change.

Regardless of the impetus, once the need for change is recognized, it is followed by a strategic and tactical decision process to identify
which option will produce the best result. This planning phase is a prime opportunity for leaders to set the course for the organization’s future. If the decisions are wise and well executed, the organization will thrive. If the path is flawed or implemented poorly, the organization is at risk.

Choose the Right Change

Change initiatives can take hundreds of different forms based on the paths leaders select. Here are just a few examples for clarity:

- incorporating a new philosophy like “Lean” manufacturing
- reorganizing for better market penetration
- developing new technology to enable a better product
- improving employee engagement through an organization development initiative
- changing the business structure.

There are two main challenges here. The first is how to decide what makes sense. With thousands of opportunities, leaders need wisdom and patience to not become enamored with a solution too early. The analysis phase needs to be objective and applied fairly for all relevant possibilities, including changes done in several phases. Next leaders must share the benefits in a way that gets people excited about the idea. A brilliant vision can fail if it is rejected by the people who define the culture.

Understand the Risks

Would you get on an airplane if you knew the chances of having a problem, even a crash, were more than 70 percent? Of course not!

Then why are so many CEOs anxious to get involved with reorganizations in an effort to make improvements? Most reorganization efforts produce disappointing results. Estimates of failure rates for mergers, acquisitions, and other reorganizing initiatives run from 50 percent
to 80 percent, depending on the author and the criteria used to define “success.” If success means living up to the performance expectations of the change effort within three years, the failure rate is at the higher end of the range: 80 percent (Selden and Colvin, 2003).

Given the financial risks involved in change efforts, it is important to find ways to improve the odds. This book presents a new framework and approach with solutions to perpetual problems in the change process.

**Understanding the Causes of Failure**

The prime cause of failure is a form of self-deception by leaders. When contemplating reorganization, most benefits are tangible and can be estimated rather easily. If an organization merges with another company, their market share may increase. There may be new products to sell. These benefits are tangible and visible, but they may be overstated.

On the cost side, things are not as precise. Costs can be reduced by cutting redundant staff, but failures in cultural integration can increase costs in ways that are hard to predict. We know that integration is going to take time and cost money to accomplish. We can make some vague estimates of how long it will take to merge the cultures. We can try to figure out how much additional training is required. The problem is that the things that impact these intangible costs are more hidden than the hard financial benefits, so the true cost of cultural integration is hard to predict.

Often, top leaders have an unbalanced view of the cost-benefit ratio and become over-sold on the venture from the start, seeing benefits that are real and tantalizing. Sure, there are going to be costs and problems, they say, but “we can work through them.” This assumption is a formula for poor results.
When leaders fall in love with the idea of the reorganization, it leaves them more likely to closed minded about the dangers. A mindset emerges from the fog of “the deal” where the top leaders are “going for it,” and if people bring up legitimate questions or concerns, they are labeled “not team players” and sent packing. Once word gets out about the punishment for people who speak up, nobody will speak up about problems or issues, which creates a runaway train on the track at full throttle. This dynamic is one root cause for the poor track record for reorganizations.

Take Preventive Steps to Avoid the Traps

There are three potential antidotes that can save your organization from making a costly error in a reorganization. First, during the planning phase, there will be numerous estimates of the return-on-investment (ROI) for the project. The return calculation relies on estimates of benefits and costs. An easy solution is to allow the benefits estimates to stand, but inflate the costs using some multiplier applied to the original estimates. For example, multiply the time to complete the integration by a factor of three (you apply your own estimate). Multiply the impact of loss of customer goodwill by about five, then run the ROI calculation again to see if the change initiative is still a good business decision. If not, it would be wise to do some more research upfront on the real costs of the integration or to find a way to mitigate these costs with a proper investigation into the cultural and human implications of major changes.

A second antidote is to anoint a devil’s advocate. It is critical to have someone on the senior team who can challenge assumptions without being clobbered for it. The devil’s advocate must be someone in a senior position, but not the prime driver of the effort (the leader who is head
over heels in love with the concept). She has to be someone the senior managers respect enough to actually listen to and consider her points. Often the devil’s advocate slows down the process or causes great unrest within the senior team, so it needs to be made clear to everyone that this person has been appointed as the official PITA (pain in the “rear”) on this reorganization project. It takes a special person to operate effectively as the devil’s advocate, but this role can be extremely important to provide ballast for otherwise overzealous executives.

The third solution is to make the issue of cultural integration part of the decision-making process before deciding on any reorganization and then make it part of the planning all the way through the change process.

Taking these three preventive steps will not guarantee a smooth reorganization process, but it will reduce the probability of going into the process partially blind.

Once the decision to proceed with some kind of change effort has been made, the focus must turn to ensuring that the goals are reached. The solutions in the remainder of this book are intended to combat the most common problems that occur during integration. By understanding these techniques, you will increase your company’s chance for success.
Food for Thought

1. Think about a reorganization you have been through that did not work out well and try to identify the root cause of the failure. Was there a way to save the effort?

2. List the qualifications for a good devil’s advocate.

3. Name some of the danger signs in everyday conversation that would alert you that top executives are overzealous about a change effort.

4. Try to identify a change initiative that would make a major improvement in your current organization. Think about why you made this particular selection. Would others in your organization agree with you?
In this section we will look at two models of performing organizational transitions, using a merger as an example. In one model, we look at some of the symptoms that create problems or barriers. The second view looks at solutions.
1

The Classic Barrier Model

“Life is what happens to you while you’re busy making other plans.”

John Lennon

In this chapter you will learn:

- There are two change processes that go on in parallel. One side deals with the mechanical parts of the reorganization process, and the other side concerns how the change impacts people and the whole corporate culture.
- The level of trust at the start determines the success of any reorganization.
- Reorganization efforts fail when cultures don’t merge successfully.

Let’s put a major change process as it typically happens under a microscope to see what is going on beneath the surface. From that examination there will be tangible recommendations that can make a huge
improvement in the success of a change initiative. We will use a merger as an example.

Two Processes

What may look like a single process from the outside is really two processes going on simultaneously. While many leaders focus on the mechanical aspects of the merger, their actions are being noticed and processed through the corporate cultures, often sending shockwaves through both organizations.

Figure 1.1 is a representation of the dual processes. On the left side is a flow chart of the Mechanical Process where the valuations are determined and the financial deal is created. The right side of the chart is the Cultural Process that is going on simultaneously. The Cultural Process contains the responses of people who are caught in the tidal wave of events they cannot control.

The actions are in the larger shapes and the people involved are in the rectangular boxes off to the side. In the middle is a list of the barriers that are diminishing trust during the process.

The classic approach to reorganizations fosters an “us versus them” mentality that puts walls between the leaders in the know and the rest of the employees who can only speculate. These walls erode the trust that is so necessary for business success. They make it more difficult for the managers to do their important work and infinitely more difficult for the people in the organization to have trust in their management, both during the process and afterward.
### Developing the Idea/Steady State

Any merger starts out as a gleam in the eye of a senior leader, often the CEO. Some leaders just get restless if things have remained the same for a few years. They think there must be a better existence out there somewhere, so they begin to look. The impetus may be defensive (a financial crisis) or offensive (a potential expansion), but the result is the same.

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#### Figure 1.1: The Classic Barrier Model

<table>
<thead>
<tr>
<th>People Involved</th>
<th>Activity</th>
<th>Type of Wall</th>
<th>Situation</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior leaders</td>
<td>Developing ideas</td>
<td>Low trust</td>
<td>Performing in a steady state</td>
<td>Both organizations</td>
</tr>
<tr>
<td>Advisors</td>
<td>Performing initial research</td>
<td>Visits by strangers</td>
<td>Starting early rumors</td>
<td>Employee cliques</td>
</tr>
<tr>
<td>Bankers</td>
<td>Engaging in early discussions</td>
<td>Leaders gone a lot</td>
<td>Growing fears</td>
<td>Human resources</td>
</tr>
<tr>
<td>Other party</td>
<td>Conducting due diligence</td>
<td>Off-limits rooms</td>
<td>Loss of morale</td>
<td>Union officials</td>
</tr>
<tr>
<td>Accountants</td>
<td>Negotiating the deal</td>
<td>Playing games or lack of honesty</td>
<td>Performing damage control</td>
<td>Suppliers and vendors</td>
</tr>
<tr>
<td>Managers</td>
<td>Announcing the merger</td>
<td>Confusion</td>
<td>Dealing with fear and panic</td>
<td>All staff</td>
</tr>
<tr>
<td>Senior team</td>
<td>Deciding who leaves</td>
<td>Incomplete information</td>
<td>Holding it together</td>
<td>Head hunters</td>
</tr>
<tr>
<td>Entire staff</td>
<td>Finishing the integration</td>
<td>Low trust</td>
<td>Managing the transition</td>
<td>Employees</td>
</tr>
</tbody>
</table>

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Next there is a small and very quiet investigation of some ideas to find a reason or perhaps a combination of reasons to proceed.

Before long, the idea has become more tangible and the focus narrows on one type of solution: a merger. Typically, a merger follows a process that will receive most of the attention from this point on because the vast majority of mergers are a “you bet your company” type of decision.

The Cultural Process starts in the steady state configuration, where people were unaware of any discontinuity because there was none. As soon as the CEO decides that a merger may be helpful, the chemistry starts to change. If the prior behaviors of leaders have created fear or at least uncertainty about the future, then people will be edgy about what secret plans may be coming. This history of low trust will cause problems as the process continues.

Performing Initial Research/Early Rumors
The Mechanical Process gets all of management’s attention, as they do the initial research and bring in experts to discuss possible moves. The idea is still developing at this point and subject to changes that will impact the success of the venture.

Perhaps nobody is saying anything about a merger, but it is clear something different is going on. Attempts to hide the discussions make for an interesting charade. It is illegal to divulge information that will materially impact the company valuation until a deal is struck, so for several months there is an uneasy atmosphere where people know something is happening, but there is no official confirmation of it.

It is impossible to hide the hundreds of signals that go on every day with special closed-door meetings, strange lawyers wandering around, people whispering to each other, and the body language of nervous
executives. Nobody is fooled; they are just don’t know the true impact and details. That kind of backdrop is most concerning because it lowers trust. People playing games and telling half-truths takes a toll on trust, and there is no completely adequate solution. The real barrier here is the presence of different people and no explanation of what they are doing. Without any communication, management appears to be insensitive to how people might be interpreting these activities.

Engaging in Early Discussions/Growing Fears
Often with the hiring of outside help, the official process steps begin. It is critical to recognize that a parallel process has also started, which the CEO did not intend, but has happened anyway. Word has gotten out that some interesting discussions are occurring in the corner office, and people in the organization are whispering about what might be happening.

The leaders are much less visible than before. They go to meetings off-site, and when they are in the building, they are having heavy discussions. When employees are most in need of information, the leaders are inaccessible, and that creates a barrier that further lowers trust.

Regardless of information flow, there are bound to be growing fears about the future and those fears create rumors. The most difficult part about these rumors is that they take on a life of their own and often picture a future that is bleaker than reality. When there is a void of credible information, people fill in the situation with information of their own (often untrue) invention.

Conducting Due Diligence/Morale Loss
Due diligence is where each party is allowed access to all relevant information about the other party. The objective is to disclose all information
in a confidential way so there are no surprises, and the negotiation can be
based on facts. The due diligence process can be short or long depending
on the desires of each party, the complexity of the deal, and the trust level
between the entities.

In *The Speed of Trust*, Stephen M.R. Covey tells the story of how
Warren Buffet of Berkshire Hathaway once completed a $23 billion
acquisition of McLane Distribution from Wal-Mart with a two-hour
meeting and a handshake. This was possible because the two parties
trusted each other going into the meeting. In an interview for the book
Buffet said: “We did no ‘due diligence,’ We knew everything would be as
Wal-Mart said it would be—and it was.”

The due diligence phase is a good place to test the integrity of each
party. You should not play games. The idea is to disclose whatever the
other party wants to know honestly, in order to avoid surprises later.
Of course, this is extremely difficult to manage with 100 percent
transparency.

The attention to the detail, plus all the cleanup work in preparation
for due diligence, does not go unnoticed by people in the organization.
The whole parade of cleaning and inspection steps cannot be hidden
from view, so the rumor mill begins to make their own explanations.

A data room often is created for convenience. Access to the room is
carefully controlled to include only those executives who need to know.
Usually, the room is locked and the windows are covered so that people
cannot see what happens inside. Having a secret room where data is being
analyzed creates a wall that demoralizes people in the organization. It is
further evidence that something big is happening, but the employees are
not allowed to know what it is.
Negotiations/Damage Control

The negotiation process has been going on for months at this point, but the legal meeting to determine the financial deal has not happened yet. Negotiations are commonly done off-site because it is more convenient to negotiate without any interruptions. Hotel conference rooms are often used for negotiating sessions because the visiting team can stay at the hotel. It becomes a kind of bunker where both teams live to work toward an agreement. Another format has the parties meet at the office of one of the lawyers involved in the deal. The location of the negotiation has a lot to do with the outcome because it influences the power of each party.

The wall here is that the leaders are operating a secret deal that comes off as a mystery to the rest of the company. There may be times when the discussions break down and cause anxiety for executives. The struggle for employees is in trying to interpret the abnormal actions and demeanor of their leaders.

Once employees are aware of and upset by the secret change, it is time for damage control. This means paying attention to the emotional decline, even if you cannot make people feel great about what is going on at the moment. Good communication is essential. Managers at all levels need to listen to the rumor mill and answer questions as best they can even if they cannot share everything that is happening.

Do not deceive people. First of all, it does not work. People have an amazing aptitude for picking up smoke screens. They can tell as much by the body language of the leaders as by what they say. In fact, if there is a discrepancy between the body language and the words being used, employees will believe the body language nearly every time.
Announcing the Merger/Uncertainty and Panic

Once the company makes the deal, it is time to roll out the news. In some cases, organizations do a careful job of informing the employees first and explaining the significance. Other times, the employees hear the dreaded news through the media. Someone’s wife will call him up at work and say, “I just heard on the news that your company has been sold.” You would think that kind of callous indifference to employees would never happen, but it happens every day. The same holds true for announcements of lesser significance.

When the announcement is made all employees realize they will be affected in some way. The shockwave going through the organization resembles an earthquake. At this point, many managers make a huge mistake. They tend to hide in their offices or go into briefing meetings so they are unavailable to their shocked workers. This practice tends to amplify the damage. Once the merger is announced people generally go into a kind of shock. They can still function, but they have lost their bearings. For one thing, they are not sure they will have a job, and even if they do, they are not sure what will change. If leaders do not have enough information on what will be happening, the incomplete story does little to assuage their employees’ panic.

Along with shock comes a bit of relief that the news is finally out. Often the reality is not nearly as bad as the persistent rumors made it out to be. For example, the rumor might have been that the entire operation was going to be outsourced and the plant closed. The reality may be that the operation has been sold to a strong organization that really needs the expertise and processes of the existing operation, so in fact, the future may be brighter than before and a whole lot better than anticipated.
Deciding Who Leaves

Deciding who leaves and who stays takes on many different forms. Typically the managers decide how large the merged staff should be and then they do a ranking of resources. This usually takes some time, so there is great angst and loss of focus among the workforce—another barrier to trust. People continue to work during the transition, but productivity is compromised. The needs of the customers receive less attention as people are worried about their own survival. People just do the best they can, try to cope with the uncertainty, and eagerly wait for more information from management.

I have coached numerous people and groups through this part of the process, and the best word to describe how they feel is “powerless.” They care about what is happening, but recognize they have very little say in it. They worry, but try to keep their heads down so they do not get chopped off. Managers deal with the uncertainty for themselves while trying to project a calm attitude to the people below. For example, “you should feel good that you have a job.” For the employees, hearing those words does not elicit comfort; they bring out justifiable rage. If this stage lasts for any significant time, the business will suffer irrevocable damage.

Completing the Integration

With the mechanical steps completed, leaders begin to put the pieces back together and determine the processes that will govern the merged organization. Slowly, some framework starts to emerge, and people begin to accept their fate and make contributions to the new company. It is in making a contribution that the healing begins. The whole process is grueling for individuals and their families who only want stability and security.
At this point, any trust in the combined organization and leaders is in shambles, which is a huge barrier on the road to success. Compounding the loss of internal trust, the employees are now in a position where they must try to trust their counterparts in the other part of the organization. They often know very little about the other culture and are skeptical at every signal that comes along. The end result is that the merger is off to a very shaky start. It is no wonder that the success rate for mergers and acquisitions (M&As) is so low.

While the personal angst plays out, the combined organization is not focusing on the basics of business. The supply chain is changing, so the flow of product will be compromised. The sales organization is not capable of telling customers what is going on, so there is a noticeable dip in sales. Customer service is confused because the lineup of products is now different. Billing and other administrative functions are changing. Both sides of the new business are in disarray as people focus their energies elsewhere. Just trying to get the product out the door and not lose customers is incredibly difficult at the start of an integration.

Cautionary Tales

Let’s look at examples of unsuccessful mergers that illustrate what can happen if the cultural aspects are not considered to the extent they should be.

Daimler-Chrysler Merger

The 1998 merger of Daimler-Benz of Stuttgart, Germany, and Chrysler Corporation of Detroit, Michigan, was billed as a merger of equals. The product lines were similar but did not totally overlap, so the market position was favorable for both organizations. Investors never really believed
that it was a merger of equals and suggested it was really Daimler taking over the weakened Chrysler. The principle idea for the merger was synergies in manufacturing and marketing while allowing two iconic brands to coexist in the marketplace. Chrysler had been the perennial third place automobile company in the United States behind General Motors and Ford.

The deal did not work out as planned. Daimler sold the unit to Cerberus Capital Management in 2007 for $6 billion after a series of financial setbacks for Chrysler after the merger. The reason for the break up was that the culture of Chrysler never integrated with Daimler’s formal organization and very rigid culture. Daimler’s management style was formal in reporting structure and even dress code. Chrysler was much less formal, with a cowboy management style and informal dress code. From the start, the Daimler rules were impressed upon the American company, and the difference in style took a toll every day. Even conference calls and email exchanges were stressful.

Originally billed as a merger of equals, it became a takeover situation that lasted 10 contentious years. The monetary loss to Daimler ultimately reached more than $36 billion. That number is hard to fathom, so think of it as a $10 million loss every day for a decade.

The basic problem was simply the inability of the two different cultures to get along. Had the organizational cultures been studied in advance and the leadership work been done to blend the cultures or leave them autonomous, the tribulations could have been prevented.

P&G’s Acquisition of Gillette

Getting cultures to mesh is a giant task worthy of a master strategist. It is often the little differences between the groups that can irritate people enough to become large obstacles for integration.
It is rather like a marriage where the couple is obviously in love. They have a great deal of respect and shared goals and values—but they still find areas of friction in the little things, like the toothpaste tube cap or the toilet seat position. It is often not the macroscopic ideological alignment that causes marriages to fail, but the little daily annoyances. This is something to keep in mind when trying to get corporate cultures to mesh.

A case in point is the acquisition of Gillette by Proctor & Gamble (P&G) in 2005. These two titans of consumer products were well aligned in terms of product strategies and marketing. The integration should have been easy, right? Wrong! Just ask CEO A.G. Lafley who tried for years to get the cultures to work well together. It was the little style differences that kept getting in the way. For example, Gillette was used to driving fast decisions by getting consensus using online memos, while P&G took a more methodological approach using face-to-face meetings to drive decisions. Ray Fisman (2013) wrote an article in Slate magazine entitled “Culture Clash” about the struggle to merge the two cultures. He wrote, “You’d think these sorts of cultural hurdles would be easy to overcome, especially given the promise of strong technological and strategic advantages. Yet attempts to get disparate groups to work with one another—whether across departments or across companies—are often fraught with unanticipated complications and misunderstandings.”

It took several years and a considerable investment to make progress in the P&G/Gillette integration. They made progress by employing a special cultural integration task force to help individuals and groups concentrate on areas of agreement and become more tolerant of style idiosyncrasies.
Summary

We have worked through the model and looked at examples of failed mergers in a condensed view of the main steps. It is important to understand that the actual process may contain hundreds of steps, numerous meetings, thousands of financial calculations, months of negotiation, and a lot of distraction from business as usual.

With the corporate culture falling deeper into a trust deficit while leaders are focused on the mechanical process to actually cut a deal and reconfigure the business, it is a huge challenge not to slip backward on all levels. These barriers to trust can be turned into bridges that enable the organization to withstand trauma and uncertainty with grace and perhaps even maintain trust during this difficult period. Leaders must learn to consider trust levels and corporate cultures in the planning and execution of the change initiative.

Food for Thought

1. Looking at the two-sided flow chart of the process, think back to a reorganization you were a part of and identify which areas were done well and which ones went badly.

2. Assess the level of trust in your current organization. What steps could be done immediately to encourage trust?