

# Career Management: Navigating in a World of Mergers

By Richard V. Michaels

You're an employee in a large company, and you've just heard that your organization is going to be acquired. Or maybe your company has already started the merger process with another organization. Either way, you are worried about whether you'll still have a job in six months and what kind of job it will be. Is this a career disaster or an opportunity? How can you maximize your opportunities?

## **The Changing Environment**

Last year merger deals in the U.S. totaled in the billions, and there were thousands of mergers and acquisitions worldwide. All indicators point to this trend continuing. While certain industries—notably finance and telecommunications—seem particularly prone, no executive can ignore the probability of a merger or acquisition impacting his or her career.

Inevitably, this leads to an “executive level” of anxiety and stress. In fact, a 1997 survey by Robert Half International Inc. revealed that the number one fear of executives is job loss due to an acquisition or merger. But before anxiety leads you to desperate actions in an effort to protect your job, consider some data.

Fifty-five to eighty percent of all mergers fail, in the sense of not meeting financial objectives in the planned amount of time. The primary reason—cited by eighty-five percent of respondents to a 1992 survey by Coopers & Lybrand—is differences in management styles and practices. Similarly, a 1996 study by the British Institute of Management found that difficulty in merging two cultures contributed the most to failure. Clearly, appropriate executive management is critical to a successful merger.

However, research indicates that six out of ten key managers leave within five years of the merger closing date, and that the turnover rate of key employees in merged organizations is three times the rate of other companies. In addition, employers are having trouble finding qualified executives. As Valerie Patterson pointed out in a recent National Business Employment Weekly article, “These days, churn at the highest levels of corporations isn't unusual, but most executives aren't suffering through long periods of unemployment.... the executive talent pool is dwindling while world-wide demand for executives keeps rising.”

Given the intense need for executive abilities in accomplishing a successful merger, and the shortage of qualified employees, you can see that mergers actually present a possible source of opportunity.

## **Competencies of the Successful Navigator**

Navigating mergers means dealing with change. To take advantage of change, you must approach it with the right mindset. Change can provide opportunities for you. But only if you embrace it.

“Situations change much faster than people do,” says Audie Tunney, former Executive Director of Human Resources Planning and Development at Novartis Pharmaceuticals in East Hanover, New Jersey. Tunney was Director of HR, Planning and Development for Sales and Marketing at Ciba-Geigy, which merged with Sandoz Pharmaceuticals to form Novartis early in 1997.

However, says Tunney, “The change process has creative appeal. It’s invigorating to those who are confident in their abilities and enjoy the work they do. Yet even for those people, coping with change takes a great deal of personal discipline,” she says. “You have to open yourself up to a different way of doing things and that takes personal energy, discipline and commitment.”

Central to your success will be your willingness to remain flexible, adaptable, and tolerant of ambiguity. Your willingness in this regard is a personal state of mind.

The positive characteristics of flexibility, adaptability, and tolerance for ambiguity become increasingly important because they distinguish you from all other executives when dealing with the challenges of mergers.

According to Tunney, the change caused by a merger or acquisition also means dealing with paradoxes. “You have to be patient with anxieties but also impatient when they impact productivity. You must listen actively and support open communication but you must also be willing to control communication and filter out the naysayers. You have to move with speed but also take it slow at times. Be open to new ideas but also make tough decisions. Follow your established plan of action yet have the willingness to make mid-course corrections. These are very delicate and difficult paradoxes to deal with!”

Sam Bidwell, former Director of International Human Resources for Chiron Diagnostics Corporation, producers of medical diagnostic systems and chemical reagents for blood testing equipment, can rightfully claim to be an expert on the career challenges of mergers. Since he joined Gilford Instrument Labs in 1978 in Oberlin, Ohio, the core company has merged four times, the last time in 1995. He has survived every merger. His secrets: “You need to be perceived as a team player who is ready and willing to play on the new team. If you have a positive, supportive attitude things work out better. You also need to be able to demonstrate to the new team the skills, abilities and knowledge that you bring to the table.” Over the past 20 years he has held almost every type of job in training and human resource development in the merged companies.

Bidwell agrees with Tunney that, whether you like it or not, you need to be prepared to deal positively with change. “Being resistive and trying to hold on to the old ways won’t work,” he says. He has identified three different ways that managers and executives faced with a merger situation handle it:

1. Being positive and trying to be part of the new team. “This has the best chance for success,” he says.
2. Being a “turtle” – taking a low profile and waiting for the dust to settle. “That won’t get you ahead in life,” he says.
3. Challenging the new system. “You can challenge the new leaders, but unless you can convince them that you’re fantastic and they can’t manage without you, you’ll probably be out the door in a hurry with this attitude,” he says.

A willingness to be an active learner is another key attitude to possess. Don’t be so bold as to think that you have all the answers.

According to Tunney, “If you’ve already been through a merger—you’ve only been through one. Every one is different. It’s better to know how to ask the right questions and stay open to new learning.”

Asking the right questions requires you to think critically. Thinking critically requires thinking analytically, strategically, systemically, emotionally, and creatively when faced with the challenges mergers and acquisitions bring. In fact, Critical Thinking should be the number one core competency for all executives according to 99% of the managers surveyed by Yankelovich Partners/Kepner-Tregoe in a 1995 study.

Critical Thinking is more than just problem solving. It is a rigorous process that transcends rote learning to create personal understanding and wisdom. To successfully implement the merging of two cultures—including changing hierarchical structures, and integrating new team-based work environments—requires superior levels of understanding and wisdom in interpersonal relationships, teamwork, communication, and managing conflict.

### **Take Charge of Your Career Navigation—It’s “You, Incorporated”**

Developing the personal competencies needed to navigate in the world of mergers is a very good place to start your career management process.

You also need to take charge of your career navigation and begin viewing yourself as “You, Incorporated.” Think of yourself as a business that has customers, vendors, work processes, inventory (measured in personal energy), income, and expenses. When you free yourself of the mental dependency on employment by your present employer you free yourself from much of the anxiety and fear that mergers and acquisitions naturally bring.

Bidwell points out that during the chaos of a merger, “everyone is being watched, and decisions are being made by people who don’t know you. And, the traditional performance measures associated with your work are tough to employ during so

much chaos. So importance is placed on how you act — your personal values and your ability to stay positive and do the right thing — these are what others are able to observe and assess you on.”

If as an outcome of a merger or acquisition you are asked to continue your association with your present organization — great! The merger navigation abilities you’ve developed and nurtured will benefit both you and your company. And it’s always nice to have repeat customers.

If, on the other hand, you elect to sever or are asked to sever your association with your present company, this is okay also. The demand for executive talent being what it is, “You, Incorporated” has a huge potential market.

Michael Richardson, former Director of Sales for GTE Internetworking in Cambridge, MA took the view of “what’s the worst that can happen — go find something else?” when his company BBN, Inc. merged with GTE in 1997. The biggest lesson he learned, he says, was “worry about what you can control and focus on learning new skills so that you will be more valuable in the next assignment, wherever it may be, in the new company or the next place.”

Richardson, who has the same title and job at GTE Internetworking as he had at BBN, says that “You need to build your portfolio of skills and abilities and you’ll naturally become more valuable. Stay focused on what you can control and the objectives you can achieve — then you can’t lose. In an era when careers are measured in five-year increments, not twenty, continuing your education and learning is essential!”

### **Career Management — Where to Begin?**

How do you go about defining your work vision? There are a seemingly endless number of factors to consider, including your knowledge, skills, and personal characteristics, your values, your work style, your preferred work environment, and what kind of people you like to work with.

However, there is a way to use the lessons of managing a business to help you in managing your career. As an executive, you are undoubtedly already aware of the following seven key areas that you must focus upon to ensure your organization’s success:

1. The organization’s vision, mission, goals, and objectives.
2. The organization’s culture, operating principles, and core values.
3. The organization’s communication strategies for acquiring and distributing information.
4. The roles and responsibilities of members in the organization.
5. The scope of work, critical measures, and other parameters for the various functions of the organization.

6. The interdependent work processes, infrastructure requirements, and performance measures of the organization.
7. The recruitment, retention, maintenance, and development of the organization's members.

By imagining the organization to be yourself, you can see how these same elements apply to your personal career management. Thus, taking charge of your career can be accomplished by focusing on your personal vision, mission, and goals, your own core values, your particular communication strategies, etc. In this way, you can use the business skills you already possess to help you define your personal work vision.

If a merger is upon you, then you already feel the urgency of these issues. If not, don't wait for crisis to strike—when it does, you will thank yourself for time spent now. Only by embracing change and developing your personal work vision can you hope to navigate successfully in a world of mergers. Taking charge of your career enables you to take charge of the opportunities mergers afford.

### **How to Take Charge of Your Career**

1. Embrace change.
  - Cultivate attitudinal characteristics for dealing with change.
  - Open yourself to learning and dealing with paradox.
  - Seek new possibilities using critical thinking skills.
  - Develop superior interpersonal, teamwork, communication, and conflict management skills.
2. Take charge of your career navigation.
  - Free yourself of mental dependency on your present employment.
  - View yourself as "You, Incorporated."
  - Develop a vision of what you want your work to be.
3. Manage your career by focusing on:
  - Your personal vision, mission, goals, and objectives.
  - The working culture, operating principles, and core values you hold dear.
  - Your communication strategies for acquiring and distributing information helpful to you.
  - Your desired role and responsibility within an organization.
  - The kind of work you enjoy doing, the work that you are particularly masterful at, and how you measure success.
  - The work processes, infrastructure, and performance measures you require from an organization.
  - Your personal career maintenance and development, to assure your own recruitment and retention.

### **About the author:**

**Richard V. Michaels is the President & CEO of Great Circle Learning.**