♦ ♦ ♦

ESSAYS

Corporate Judo

Exploiting the Dark Side of Change When Competitors Merge, Acquire, Downsize, or Restructure

DAVID T. BASTIEN
Bastien Consulting

TODD J. HOSTAGER
University of Wisconsin

HENRY H. MILES
Waypoint Associates

Corporate judo is an innovative approach to increased growth, market share, and profitability. In this paper the authors present a framework for applying judo to competitors that have recently undergone a merger, acquisition, downsizing, or restructuring. Case study data illustrate the potential benefits of corporate judo. The authors conclude by discussing some implications of the framework for competitive theory and practice.

Firms that merge, acquire, downsize, or restructure present significant growth opportunities to their rivals. Dave Smith, President of Combank, learned this lesson firsthand. Combank was a small community bank that had operated with a stable level of assets for more than a decade—a solid foundation, but no real growth. Combank's very survival was threatened one day when a local competitor was acquired by a large regional bank (Metbank). Smith saw the writing on the wall. Metbank's product and cost advantages could drive Combank to the brink of disaster. Although Smith was aware that employees and customers of acquired banks are sometimes unhappy with the new arrangements, this provided little comfort as the Metbank threat loomed larger on the horizon.

Shortly after Metbank announced the acquisition, however, Smith was pleased to find that Combank's fortunes actually had changed for the better. Combank picked up several large accounts when some customers became frustrated with changes imposed by Metbank on the local competitor. One customer in particular took offense that Metbank would charge him for cashier's checks that he previously had obtained for free.

Smith began to see the hidden opportunities in the Metbank acquisition. He used deposit slips to find out who the customers of the acquired bank were and actively solicited their business. This tactic produced noticeable results—Combank's customer base and assets grew at rates far exceeding those of recent mem-

AUTHORS' NOTE: Authors are listed in alphabetical order to reflect their equal contributions to this paper.

JOURNAL OF MANAGEMENT INQUIRY, Vol. 5 No. 3, September 1996 261-275
© 1996 Sage Publications, Inc.

from the SAGE Social Science Collections. All Rights Reserved.

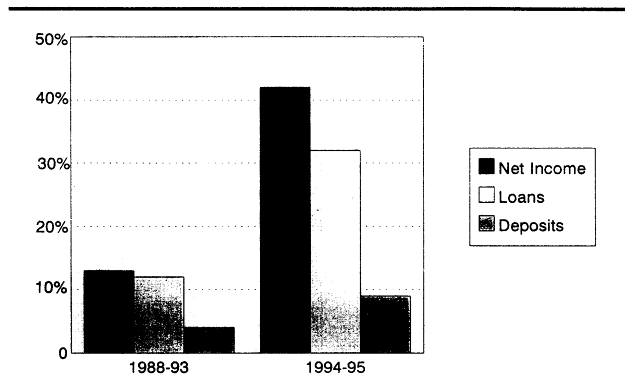


Figure 1: Combank's Growth Rates Before and After Judo
Note: Net income before extraordinary items.

ory. Smith then decided to hire some key people away from the competitor, and they brought additional accounts to Combank.

Figure 1 shows that in the 6 years prior to Metbank's acquisition of the local competitor, Combank's net income, loans, and deposits grew at a compound annual rate of 13%, 12%, and 4%, respectively. In the 2 years following the Metbank acquisition, Combank's growth rate doubled or tripled in each of these three categories. According to Smith, Combank could have done even better than this if they had pulled out all of the stops in taking on Metbank.

What the Combank case demonstrates, among other things, is that strategic change does not always live up to its promises. Metbank's strategy embodies the belief that acquisitions are a quick and effective route to increased profits and an improved competitive position. Mergers, downsizings, and other forms of strategic change often are viewed in much the same way. Porter's (1980) early position reflected this conventional wisdom: "A merger can instantaneously propel a weak competitor into prominence, or strengthen an already formidable one" (p. 50).

Contrary to these beliefs, however, the Combank case directs our attention to the dark side of strategic change and the windows of competitive opportunity that it opens for rival firms. Combank found that paying attention to the dark side of a competitor's threatening change can indeed pay off on the bottom line. This example shows that it is possible to "judo" a larger and more powerful opponent by using the natural forces and momentum of the dark side of change to strengthen one's own position at the expense of the competitor or aggressor.

This approach—corporate judo—may be one of the best kept secrets to increased growth, market share, and profitability. It has not yet been made available in any classroom, seminar, book, magazine, or journal. In this article, we will break new ground by presenting the first framework for understanding and applying corporate judo. We will explain how the judo framework can help firms to exploit the dark side of change whenever a competitor merges, acquires, downsizes, or restructures. Corporate judo represents a fundamental departure from traditional theories and models of competition by focusing on the change process itself as the primary competitive opportunity rather than the products and services of the competing companies. Implications for competitive theory and practice will be discussed in the final section of this paper and will underscore the novel contributions of the approach.

AN OVERVIEW OF THE CORPORATE JUDO FRAMEWORK

The concept of corporate judo is to take advantage of a competitor's inevitable weaknesses when it merges, acquires, downsizes, or restructures. The key components of this concept are certainly not new. Identifying and exploiting an opponent's weaknesses have been staples of competitive theory and practice for years (e.g., Andrews, 1980; Ansoff, 1965; Porter, 1980, 1985). Moreover, numerous scholars have detailed the dark side of mergers, acquisitions, downsizings, and restructurings, including characteristic declines in productivity and customer satisfaction (e.g., Buono & Bowditch, 1989; Cascio, 1993; Kitching, 1967; Leana & Feldman, 1992; Marks, 1994; Marks & Mirvis, 1985; Mirvis & Marks, 1986, 1992; Noer, 1993).

The real insight of corporate judo lies at the *intersection* of these accepted facts of organizational and competitive life. Weaknesses resulting from major organizational change provide real and significant competitive opportunities to a company's rivals. This is the untold story that Dave Smith and other practitioners have stumbled on. The basic plotline is to identify which of your competitors is implementing a change, wait for the right moment, then act to exploit the predictable weaknesses that result from self-inflicted organizational dysfunction.

The Underlying Philosophy of Corporate Judo

Judo is "an art of weaponless self-defense developed in China and Japan that uses throws, holds and

blows, and derives added power from the attacker's own weight and strength" (American Heritage Dictionary, 1994). This definition points to the first fundamental principle of corporate judo: *Increase your leverage by using the opponent's own force and momentum against them* (Domini, 1977; Rokudan, 1969; Seabourne & Herndon, 1987). Opponents who merge, acquire, downsize, or restructure unleash both positive and negative forces. Dave Smith found that paying attention to the latter can yield a windfall of new customers, talented employees, and corporate growth.

To leverage the dark side of strategic change, one must first be able to see it, however. Appearances can be deceiving, and even the most threatening attack by an opponent will expose one or more points of vulnerability. The key is to look beneath the surface of aggressive attacks for signs of the negative forces and weaknesses that the opponent has unleashed. Accordingly, the second principle of corporate judo goes beyond a standard assessment of strengths, weaknesses, opportunities, and threats: *Search for weaknesses that lie beneath the opponent's strengths and opportunities that lie beneath the opponent's threatening moves* (cf. Domini, 1977; Seabourne & Herndon, 1987; Sun Tzu, 1963).

The Dark Side of Strategic Change: Opportunities to "Judo" a Self-Disrupted Competitor

Dave Smith and other practitioners have found that the reality of strategic change rarely lives up to the promise. Recent studies confirm that downsizing and restructuring often do not yield expected benefits and that they typically lead to decreased productivity, morale, market share, and revenues (e.g., Begley, 1995; Byrne, 1994; Cascio, 1993; De Meuse, Vanderheiden, & Bergmann, 1994; Dove, 1995; Downs, 1995; Filipowski, 1993; Gombola & Tsetsekos, 1992; Henkoff, 1994; Leana & Feldman, 1992; Lesly & Light, 1992; Madrick, 1995; Marks, 1994; Noer, 1993; Stambaugh, 1992).

A similar story is observed in the case of mergers and acquisitions (M&As). M&As have been a regular aspect of U.S. business for more than 150 years. During this time they generally have been touted by economists and business strategists as quick and powerful ways to gain competitive advantage. Despite this broad optimism about the competitive power of M&As, the historical record shows that they have never performed well as a whole. Although different types of data and different definitions of success and failure have been used, all studies since 1860 have demonstrated that 60% to 80% of M&As fail to achieve their expected results (e.g., Baker, Miller, & Ramsperger, 1981; Boyle & Jaynes, 1972; Cooke, 1986; Davidson, 1985; Magnet, 1984; Michel & Shaked, 1985; Williams & Feldman, 1986; Zweig, 1995). Indeed, Porter's (1987) research led him to conclude that

> the track record of corporate strategies has been dismal. I studied the diversification records of 33 large, prestigious U.S. companies over the 1950-1986 period and found that most of them had divested many more acquisitions than they had kept. The corporate strategies of most companies have dissipated instead of created shareholder value. (p. 43)

Beyond this, studies of strategic change since the mid-1980s have consistently demonstrated a predictable and universal pathological process in which change leads to decreased organizational performance—lower productivity and quality, coupled with increased errors—that in turn contributes to decreased customer satisfaction and decreased revenues (e.g., Bastien, 1987, 1989; Buono & Bowditch, 1989; Cascio, 1993; Leana & Feldman, 1992; Marks, 1994; Marks & Mirvis, 1985; Mirvis & Marks, 1986, 1992; Noer, 1993). Consistent with these findings, practitioners of corporate judo have discovered that it is very profitable to probe beneath the surface of appearances when a competitor implements major change. Hidden opportunities and weaknesses are ripe for the picking if your firm is aware of them and is poised to capitalize on them. By reacting to the threat of a competitor's M&A to downsize or restructure with intelligence and skill, it is possible to quickly gain significant increases in market share and profitability.

In the following sections we will outline five key components of the corporate judo framework—the generic change syndrome, competitive intelligence, a corporate judo infrastructure, fundamental corporate judo tactics, and the timing of tactical moves.

UNDERSTANDING THE DARK SIDE OF STRATEGIC CHANGE: THE GENERIC CHANGE SYNDROME

Effective corporate judo requires a solid understanding of the inevitable dysfunctions that strategic change creates in the competitor's operations and their customer relationships. Detailed knowledge of the dark side of change could have helped Combank to "pull out all the stops" while taking on Metbank. The dark side appears early in the competitor's decision-making process, and it becomes increasingly evident

as the change is enacted. Because the dysfunction affects employee morale and product or service quality, the dark side ultimately translates into dissatisfied customers who are ripe for the picking by rival firms that are versed in the ways of corporate judo.

Dysfunction Rooted in the Decision-Making Process

M&As, downsizings, and restructurings often are prompted by self-interested individuals and by outside pressures to improve the firm's position. Executives who are looking to merge or acquire, for instance, see M&As as a quick way to increase the size of their empires, please the stock market, and improve their standing with peers and the company's directors. Executives who are looking to be acquired see M&As as a way to quickly generate resources needed for expansion or to provide protection from a hostile acquisition. Junior executives and middle managers on both sides see M&As as a means of moving up the career ladder, and they press their superiors to consummate the deal (Jemison & Haspeslagh, 1991; Mirvis & Marks, 1992). Finally, outside advisers—financiers, accountants, attorneys, and so on—act in their own self-interest by pressing executives to act on their well-paid advice (Mirvis & Marks, 1992).

Decisions to downsize or restructure involve similar self-interested motives. Executives see downsizing and restructuring as ways to retain control and please the stock market and company directors (Downs, 1995; Marks, 1994; Noer, 1993). Junior executives and middle managers see the change as a way to eliminate personal rivals while they show how "lean and mean" they can manage. Accountants, attorneys, management consultants, and others provide well-paid advice on where to make cuts and how to restructure the firm.

Four problems commonly arise when self-interested insiders and outsiders press the decision-making process.

Inadequate attention to formulation and implementation. The decision process happens so quickly that the organizational implications of the proposed changes are rarely thought through in sufficient detail (Mirvis & Marks, 1992). The processes of formulating and implementing a plan of change are more complex and difficult than the process of deciding to make a change. Often the resulting decision is not implementable (Jemison, 1986; Jemison & Sitkin, 1986).

Hidden agendas and conflicts. Although self-interested parties push for the same decision—to do the change—their motives and agendas may vary considerably. In M&As, for example, the acquirer and acquiree often have fundamentally different reasons for entering into the deal and different expectations of how it will be implemented. Acquiring executives believe that because they bought the other firm they should be the ones to manage it, but executives at the acquired company believe that because they know how to run their business, they ought to be given the resources to run it better (Bastien & Van de Ven, 1986). If these agendas are disclosed at the outset, the deal appears less attractive and so the parties keep their agendas to themselves.

Unrealistic assessments of customer impacts. The decision-making process reduces customers to market share, revenues, and other quantified abstractions. Predecision analyses assume that the change will not negatively affect customers and their continued patronage. According to Bastien (1994), however, at least 10% of an acquired company's customers will look for new vendors simply as a result of the acquisition announcement, and more customers leave as the dark side of the change emerges and spreads. Studies of downsizing reveal similar negative impacts on customers (e.g., Cascio, 1993; Leana & Feldman, 1992; Marks, 1994; Noer, 1993).

Executive hubris. Hubris, or "overbearing pride or presumption; arrogance" (Morris, 1978, p. 639) is another common driver of strategic change. Roll (1986) and Mirvis and Marks (1992) found that pressures in the M&A decision process lead executives to think of themselves as infallible. Outside advisers and their subordinates use flattery to convince them of the wisdom of their strategic change decisions. As one investment banker put it, "It's my job to convince my clients that it's their destiny to own and control other companies." As a result, executives may be so unprepared for implementation problems that they fail to formulate contingency plans, they misinterpret information that is contrary to their expectations, and they refuse to believe that problems exist even when their own data clearly suggest that they do.

Taken together, these four factors yield unrealistic expectations for the proposed M&A, downsizing, or restructuring. In the case of downsizings, they lead to inflated estimates of savings from cost reductions that

are assumed to occur without undue negative impacts on customers. In the case of M&As, they lead to inflated estimates of cost savings, synergies, and market share, based on the assumption that employees and customers will not be unduly affected by the change.

Dysfunction Rooted in the Implementation Process

Poor decisions, unrealistic expectations, and inadequate planning are not the only sources of problems during strategic change. Major change of this sort invariably shifts managerial attention and organizational resources away from the daily conduct of business. Executives become isolated from their organizations during the initial decision-making phase, and they remain isolated as pressing problems and issues emerge during implementation (Bastien, 1987, 1989; Jemison, 1986; Jemison & Haspeslagh, 1991; Jemison & Sitkin, 1986).

Shifts in resources and managerial attention have an impact on the organization in several profound ways:

Task overload. On an operational level, employees and middle managers must accomplish the same daily tasks with fewer resources and with less guidance from above. At the same time, these individuals often are asked to take on additional change-related tasks, some of which may involve significant time, effort, and learning curves (Bastien, 1989). As a result, productivity, quality, and efficiency decline as tardiness, absenteeism, turnover, errors, and customer dissatisfaction increase (Bastien, 1989; De Meuse & Tornow, 1990; Leana & Feldman, 1992; Mirvis & Marks, 1992; Noer, 1993; Zemke, 1990).

Uncertainty. On a deeper level, the very act of shifting attention and resources away from daily operations calls into question the shared definition of the organization, its future direction, and each member's place in the future organization. Members of the organization are no longer sure of where the company is headed (strategic uncertainty), what the company will look like (organizational uncertainty), and what their role in the company will be (personal uncertainty) (cf. Bastien, 1987; Buono & Bowditch, 1989; Knox, 1992).

Information constipation. Employees and middle managers look to the top for help in reducing uncertainty only to find that the attention of their leaders remains focused on other change-related matters. The result is a condition of information constipation along the vertical dimension in merged, acquired, downsized, or restructured organizations. Problems and uncertainties escalate in the absence of vertical feedback, negatively affecting the firm's productivity, customer relations, and the bottom line (Bastien, 1994).

Rumor mills. Rumors proliferate as employees turn to horizontal channels of information to make sense of the situation and speculate about the managerial motives behind the change. Consistent with Shibutani's (1966) seminal study, these rumors are often worst-case scenarios that include visions of an impending disaster and negative attributions of the motives (Bastien, 1987; Marks & Mirvis, 1985; Mirvis & Marks, 1986). Negative, pervasive rumor mills have a demoralizing effect on the organization (Shibutani, 1966). They divert precious time, effort, and resources away from productive activity. Indeed, Bastien, McPhee, and Bolton (1995) found that employees facing the uncertainty of strategic change spent up to 20% of their time seeking and discussing unsanctioned information.

A fight-flight mentality. Rumor mills also contribute to a fight-flight mentality among employees and middle managers. Job search activity and voluntary turnover are two indices of flight following a rumor or an announcement of a merger, acquisition, downsizing, or restructuring (Bastien, 1987, 1989, 1992; Marks & Mirvis, 1985; Mirvis & Marks, 1986, 1992; Zemke, 1990). As job searches yield successful results for a few, others follow, creating added task demands for those who remain behind. Critical organizational functions may suffer seriously because organizations often do not have redundant talent, and the best talent is often the first to leave (Bastien et al., 1995).

While the flight response is in full swing, managers and employees may fight the change by mobilizing against both the change and the decision makers. The fight side of the reaction usually takes the form of culture clash and culture conflict (Bastien, 1994; Marks & Mirvis, 1985; Mirvis & Marks, 1986). Sometimes employees and managers mobilize to attempt to dominate the postchange scene, hoping that their values and practices will dominate. Sometimes employees and managers are no longer certain of work standards or the future of the organization, so they cease to be

aggressive and proactive in their execution and pursuit of regular daily business.

Adverse Effects of Strategic Change on Customer Relationships

The generic change implementation scenario—task overload, uncertainty, information constipation, rumor mills, fight-flight—diverts the attention, skills, and resources of employees and managers away from the conduct of daily business. Productivity declines, errors increase, and deliveries fall behind schedule (Bastien, 1989, 1994; Bastien et al., 1994; Mirvis & Marks, 1986). In this context, remaining employees become increasingly overloaded, uncertain, and demoralized (De Meuse & Tornow, 1990; Leana & Feldman, 1992). Customer dissatisfaction mounts, leading some to switch to other vendors. Customer losses contribute to higher levels of employee uncertainty and an escalating bail-out of personnel. Customer losses also encourage isolated managers to mandate cost-cutting measures that further amplify the dysfunctional change syndrome (Bastien, 1994).

Customer alienation is the most important aspect of the change syndrome for practitioners of corporate judo. Customers are the source of revenues and are the object of all competitive action regardless of context. The fundamental goal of corporate judo is to take customers away from a merging, acquiring, downsizing, or restructuring business. Customers and customer alienation must be the central focus of all corporate judo activity, including competitive intelligence, corporate judo infrastructure development, and tactical planning. It would be pointless after all is said and done to judo a competitor if there is no significant return to the firm. It is only by taking customers and the revenues they provide that corporate judo becomes an effective business strategy.

The Generic Change Syndrome as a Vicious Circle

Vicious circles are positive feedback loops (Maruyama, 1963; Masuch, 1985; Weick, 1979). Bastien (1994) observed such a loop operating in M&As—change led to customer losses, and more customer losses led to more change, and so on. A second loop involved the actions of a rival firm—increased marketing by the rival led to greater customer losses at the merged firm, and greater customer losses led to intensified marketing by the rival, and so on. Bastien noted that these two loops intersect through the customer, leading to the model shown in Figure 2.

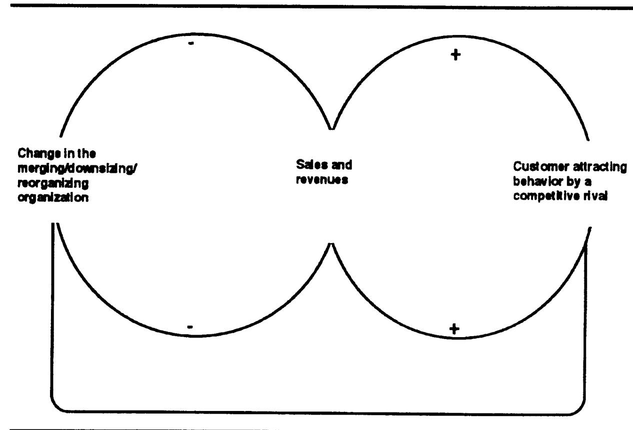


Figure 2: The Complex Causal Cluster (vicious cycle) Involving Change in the Merging or Downsizing Organization, Sales, and the Competitor's (rival's) Response

Vicious circles are self-reinforcing and are very difficult to stop once they have begun to operate (Maruyama, 1963; Masuch, 1985; Weick, 1979). Vicious circles disturb the fundamental flow, synchrony, and quality of productive work in organizations. In the case of M&As, downsizings, and restructurings, when the change decision is made, executives become isolated, which leads to poor daily management, which leads to uncertain employees and poor productivity, which leads to customer dissatisfaction and revenue loss, which leads isolated executives to implement additional changes to adjust to lower than expected revenues, which starts the loop all over again.

THE ROLE OF COMPETITIVE INTELLIGENCE IN CORPORATE JUDO

Understanding the dark side of strategic change is the foundation of corporate judo. The next logical step is to augment this generic knowledge with case-specific information about a competitor that is considering or undergoing a merger, acquisition, downsizing, or restructuring. Detailed information about the competitor and the generic change syndrome will help rivals to see the full range of their opportunities and to determine exactly how and where and when to move to "judo" the competitor.

Competitive Intelligence: Know Thy Opponent

Competitive intelligence—the art and science of obtaining information about one's competitors—is a growing field of inquiry and practice (Coombs & Moorhead, 1992; McGonagle & Vella, 1990; Sutton, 1988; Vella & McGonagle, 1987). Formed in 1986, the Society of Competitive Intelligence Professionals now boasts a membership of 2,800 competitive intelligence professionals from companies and consulting companies around the world. Firms such as Monsanto, U.S. West, Hewlett-Packard, and Cigna are leading the way in the race to tap the power and profits of competitive intelligence systems (Stewart, 1995).

Effective competitive intelligence is an essential cornerstone of corporate judo. Thorough knowledge of an opponent is important because it enables the rival firm to more accurately identify the nature, location, and timing of the opponent's weaknesses as they emerge during the change process, thereby increasing the rival's chances of a successful "takedown." Porter (1980) identified two major sources of information on opponents—public and field sources. Examples of public sources include articles in the national and regional business press, local and regional newspapers, and government documents available at local Department of Commerce repositories (McGonagle & Vella, 1990). Public sources may provide rivals with important information about the expressed nature and purposes of the announced change, including the specific type of change, the strategic intent behind the change, and plans for implementing the change.

Field sources also may furnish valuable subjective information about the actual nature, purposes, and progress of the opponent's merger, downsizing, or restructuring. For example, sales and service representatives are likely to hear about rumors of the change before it is made public. Due to their close contact with customers, they are also likely to be the first to hear about problems arising from the change process. Advertising agencies, suppliers, and other vendors also may be a crucial source of information. In addition, rivals can commission market research agencies to survey customer responses to the competitor's products and services before, during, and after the change. Porter (1980) also noted that networking via trade and professional associations also may provide important information about the opponent's postchange situation.

Dissatisfied employees are another key field source. By hiring employees away from a newly merged, downsized, or restructured competitor, a rival can obtain detailed information about the true nature, purposes, and progress of the change. This includes information on task overload, uncertainty, information constipation, rumor mills, and the fight-flight reaction. Inside information of this sort is especially valuable in preparing plans that precisely target the competitor's windows of vulnerability. Hiring the best and most competent employees also can (a) increase the rival's customer base and (b) create gaps in competence that disrupt the flow, synchrony, and quality of work done by the competitor.

The change syndrome provides the essential framework for competitive intelligence in corporate judo because it identifies the targets of the data-gathering efforts. In particular, it tells the competitive intelligence practitioner what kinds of data to gather and what events to focus on when faced with a competitor's M&A, downsizing, or strategic alliance.

Organizational Intelligence: Know Thyself

Sources of competitive intelligence also should be tapped to generate a realistic picture of the strengths and weaknesses of one's own organization, especially in relationship to the competitor. Customers and other vendors—ad agencies, market research agencies, and so on—are especially helpful in obtaining an external view of the firm's capabilities and limitations. A realistic view of the organization will help the firm to shore up its own weaknesses and identify ways to exploit its strengths when it makes a move to judo the competitor.

KEY ELEMENTS OF A CORPORATE JUDO INFRASTRUCTURE

Knowledge of the dark side and good intelligence are not enough, however: Rival firms must build and maintain a readiness to capitalize on the windows of vulnerability that open when a competitor announces and implements a major change. An effective corporate judo infrastructure will enable rivals to accomplish and sustain six crucial functions in this regard:

1. *Intelligence:* Acquiring, applying, and updating information about opponents and one's own firm. This

includes information on strengths, weaknesses, opportunities, and threats associated with potential and actual attacks launched by the competitor.
2. *Capability management:* Securing and maintaining the resources, technologies, systems, and skills that are necessary to ensure that the firm is able to capitalize on opportunities presented by a newly merged, downsized, or restructured competitor.
3. *Engagement planning:* Designing detailed blueprints for engaging newly the competitor in head-to-head battles. This includes goal setting, options exploration, strategy selection, and an outline of tactics, timing, and resource deployments.
4. *Implementation:* Executing plans of engagement. This involves the enactment and adjustment of planned courses of action, including the specification of roles, responsibilities, and resource allocations.
5. *Evaluation:* Monitoring the effectiveness of engagement plans during and after their implementation. This includes communicating positive and negative feedback to those who are implementing the plans.
6. *Vigilance:* Continual monitoring of the environment for opportunities and threats associated with all major organizational changes enacted by competitors.

FUNDAMENTAL TACTICS OF CORPORATE JUDO

A fourth component is necessary to increase the effectiveness of judo activity—proper tactics directed to proper points at the right times. The best tactics yield two effects simultaneously: (a) They disrupt the changing company, depriving it of resources, and (b) they enrich the rival, bringing in new customers, revenues, information, and talent.

Tactic #1: Solicit the competitor's customers. First and foremost, it is important to identify which customers are ready to switch vendors and why this is so. Effective competitive intelligence will help rivals to understand when a competitor's customers become dissatisfied and the specific ways in which they are dissatisfied. The next step is to tailor a marketing strategy to meet the needs of these customers.

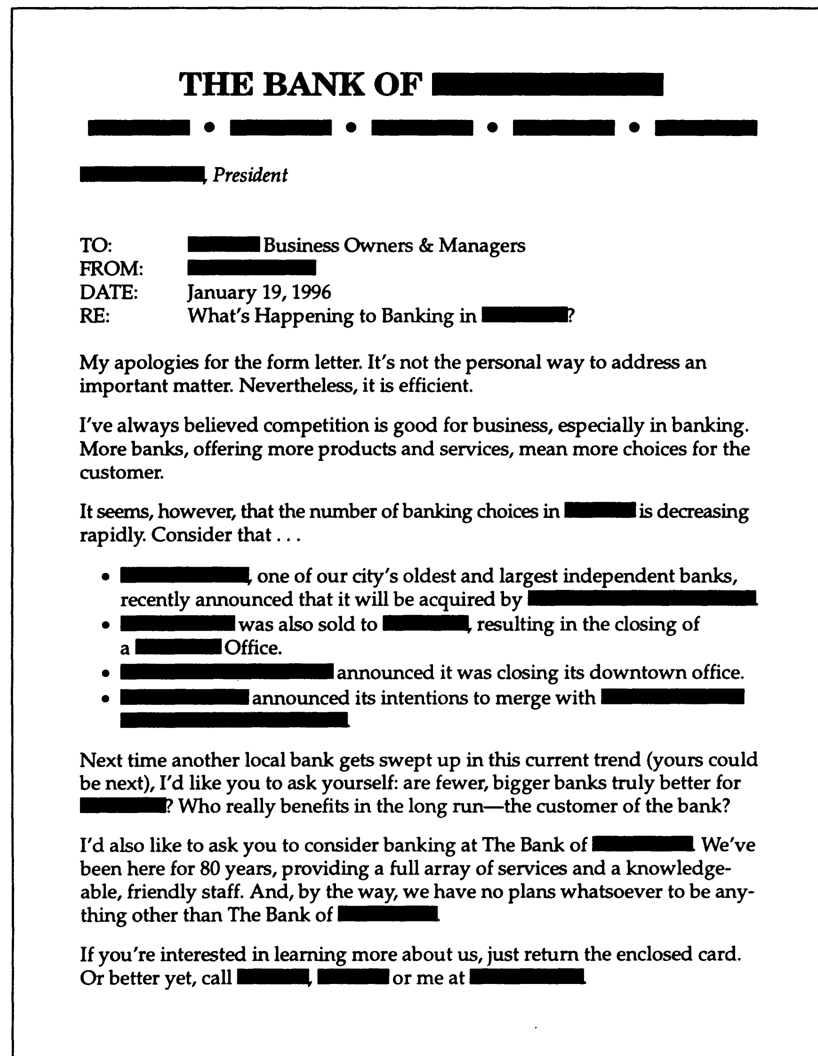
For example, in the wake of several bank acquisitions, The Bank of The City (hereafter TBOTC) sent a letter (see Figure 3) to small businesses in the downtown area of the city. The letter suggested that bank mergers were greedy and selfish moves by the acquiring banks, bad for small businesses in the community, that TBOTC was not going to acquire or be acquired, and that a way to "strike back" would be to become customers of the rival. Relying on competitive intelligence, the mailing list for the letter was derived by checking with publicly accessible data to identify those small businesses that had initiated loans with the acquired banks.

Tactic #2: Solicit the competitor's employees. Hiring employees away from a recently merged, acquired, downsized, or restructured competitor hits the opponent in two ways. First and foremost, employees hired from a competitor will bring a percentage of their customers with them to the rival. Second, the competitor suffers a loss of competent employees, which invariably affects the quantity and quality of work. Decreased revenues and declines in competence fuel the dark side of change, resulting in further declines in productivity, performance, and customer satisfaction (Bastien, 1994).

Tactic #3: Surprise and deceive the competitor. Surprise and deception are standard tools of the trade in judo (Otaki & Draeger, 1965; Seabourne & Herndon, 1987). The proper degree, placement, and timing of competitive countermoves can catch an opponent off-guard and unaware. For example, if a rival firm's raid on a competitor's talent and customer base is subtle enough, it will not be detected until the damage has been done and it is too late to stop the deleterious effects on the preexisting weaknesses and dysfunctions within the competitor's organization. In fact, in the context of managerial isolation and the other problems of the change syndrome, it is unlikely that the changing company will ever react to retaliate.

Sometimes, of course, the rival's raids are very unsubtle and the competitor cannot help but notice and react. For instance, when Kidder Peabody was acquired in 1994, the acquisition announcement triggered a broker raiding frenzy by competing brokerages on Wall Street (Facts on File, 1994). The raiding was so blatant and done by so many rivals that Kidder's new owners had to respond. Their response was to dramatically increase incentives for brokers to stay with Kidder. This budget-busting response, however, weakened them considerably. Furthermore, it put customers on notice that the weakness existed and still caused a substantial loss of customers and revenue. Thus, even when the corporate judo countermoves were noticed and countered, the momentum of the change syndrome still improved the competitive position of the rivals and cost the changing firm.

False rumors and other deceptive ploys can distract the attention of the opponent and create false im-



THE BANK OF ■

■ • ■ • ■ • ■ • ■

■, *President*

TO: ■ Business Owners & Managers
FROM: ■
DATE: January 19, 1996
RE: What's Happening to Banking in ■?

My apologies for the form letter. It's not the personal way to address an important matter. Nevertheless, it is efficient.

I've always believed competition is good for business, especially in banking. More banks, offering more products and services, mean more choices for the customer.

It seems, however, that the number of banking choices in ■ is decreasing rapidly. Consider that . . .

- ■, one of our city's oldest and largest independent banks, recently announced that it will be acquired by ■.
- ■ was also sold to ■, resulting in the closing of a ■ Office.
- ■ announced it was closing its downtown office.
- ■ announced its intentions to merge with ■ ■.

Next time another local bank gets swept up in this current trend (yours could be next), I'd like you to ask yourself: are fewer, bigger banks truly better for ■? Who really benefits in the long run—the customer of the bank?

I'd also like to ask you to consider banking at The Bank of ■. We've been here for 80 years, providing a full array of services and a knowledgeable, friendly staff. And, by the way, we have no plans whatsoever to be anything other than The Bank of ■.

If you're interested in learning more about us, just return the enclosed card. Or better yet, call ■, ■ or me at ■.

Figure 3: Letter From The Bank of The City, Soliciting New Customers

pressions of a rival's capabilities and intentions (Mintzberg, 1987; Sun Tzu, 1963). Although there are serious ethical questions about these tactics, they are a standard part of the tactical repertoire of some companies and some industries. Therefore, we mention false rumors and deception here without advocating them as corporate judo tactics.

Tactic #4: Anticipate the competitor's retaliation. Retaliation is a common theme in Porter's (1980, 1985) work. Focused attempts by a rival firm to take on a newly merged, downsized, or restructured competitor may lead to a counterattack. Rival firms actively searching for signs of retaliation should make every effort to ensure that their actions remain within the boundaries of the law and reason. Failure to do so could result in retaliation by the competitor in a court of law.

Tactic #5: Consolidate your gains. If the gains from corporate judo are to be meaningful, they must be long term. Moves to consolidate gains have played an important role in battles throughout the ages (Green, 1970; Sun Tzu, 1963) and certainly are important in corporate judo. Sharing the spoils of victory with employees and customers will further cement their loyalty and will help to solidify the position of the firm in

the industry. Firms should offer bonuses and other incentives to their employees following successful moves to judo a newly merged, downsized, or restructured opponent. Discounts, rebates, and other rewards should be extended to customers as well.

Most important, however, the corporate judo practitioner must be an excellent company with excellent relationships with its customers. The best ways to consolidate the competitive gains from corporate judo are to ensure that customers' needs are being well met and that employees are productive and effective. This means investing in conventional and well-known organizational improvement practices (e.g., benchmarking, TQM).

FURTHER TACTICAL CONSIDERATIONS: GREATER PRECISION IN THE TIMING AND PLACEMENT OF JUDO TACTICS

"First-Wave" Opportunities: Reaping the Initial Windfall of Customers

News of an M&A, downsizing, or restructuring triggers high levels of uncertainty within the firm (Bastien, 1987; De Meuse et al., 1994). Uncertainty leads to increased turnover as some managers and employees leave to find a more placid and stable work environment (Buono & Bowditch, 1989). Productivity deteriorates as the remaining managers and employees try to make sense of the situation, struggle to keep up with increased workloads, and search for new jobs (Marks, 1994).

The negative effects of formal announcements and informal rumors of change extend well beyond the organization's boundary. News of the change triggers customer uncertainty about the merged company's performance, quality, service, and prices (Bastien, 1994). Loss of clientele results as customers seek to reduce their uncertainty by switching to vendors that are not undergoing a change.

The first and most obvious opportunity for rivals of a firm on the brink of change is to anticipate and actively take advantage of customer uncertainty and dissatisfaction when the news breaks. Recent research shows that downsizing announcements trigger perceptions that the company is in trouble (Gombola & Tsetsekos, 1992), and they produce significant real declines in financial performance (De Meuse et al., 1994). Bastien (1994) found M&A announcements yield up to a 10% loss of customers. This "first-wave" windfall is randomly distributed among rival competitors unless one or more of the rival firms anticipate the fallout and take steps to actively solicit the customers of the newly merged or acquired firm. Thus a company practicing corporate judo sees its first challenge as anticipating the windfall and focusing on it rather than simply letting it happen as it may.

"Second-Wave" Opportunities: Focusing the Fallout

A second window of competitive opportunities opens when the change has become old news and the implementation is underway. Although different types of strategic change will vary in the timing of this second wave, a rival must be prepared to act when the implementation process actually is initiated.

In downsizing, competitive intelligence operations must provide information about when layoffs will actually begin and where in the downsizing company they will be focused. That information will provide essential timing cues for judo action because it points to when and where product and service problems will start and to which employees will be laid off. M&As are more complex and case specific and therefore require a more focused and comprehensive competitive intelligence effort.

For M&As, insight into the timing and placement of corporate judo moves comes from Bastien and Van de Ven's (1986; Bastien, 1989) M&A typology. According to this typology, the fallout from M&A implementations may vary considerably as a function of two key factors: (a) whether one of the M&A partners imposes its structures and systems on the other partner and (b) whether the M&A results in one integrated entity or two separate entities (Bastien, 1989). Figure 4 illustrates how these two factors combine to yield four distinct M&A types.

In a *merger*, all systems must be rebuilt so that two previously separate organizations are integrated into a single entity. Although mergers involve the greatest degree of learning and change (Bastien, 1989), they usually result in a more gradual period of change that is characterized by relatively low customer dissatisfaction and loss in the early stages of implementation. As greater amounts of time and resources are devoted to the integration efforts, however, workloads increase, managers become isolated, productivity declines, and errors rise. Customers become increasingly dissatisfied and switch to new vendors. As customers leave and revenues drop, isolated managers formulate cutbacks and place increasing pressure on the remaining

Number of Postmerger Hierarchies	Imposition of Acquirer's Systems on the Acquiree	
	No	Yes
One	*Merger:* An attempt to bring two equally good companies together into a single hierarchy without one being clearly the stronger of the two. Some customers and employees will leave in reaction to the merger, but serious losses occur later as changes are implemented. Serious problems with productivity.	*Absorptive Acquisition:* The clear acquisition of one company by another in which the acquiree is wholly absorbed and becomes simply a marginally differentiated part of the acquired company. The acquired company customers and employees can be entirely abandoned to competitors or some may be retained. In any event, customers and employees of the acquired company become open to change in the short run but less in the long run.
Two	*Additive Acquisition:* A clear acquisition of one company by another in which the acquiree is supposed to operate independently of the acquirer. Because these acquisitions often are "white knight" acquisitions, initial employee enthusiasm is high and customer anxiety is only moderate. As problems emerge with profitability, employees and customers become increasingly unhappy.	*Conformative Acquisition:* A clear acquisition of one company by another in which the acquirer intends to add value by imposing limited change and in which two separate hierarchies are maintained. Some acquired company customers and employees will leave in reaction to the acquisition, but as changes are imposed and performance drops, the most serious loss of customers and employees develop. Employees in targeted areas leave first.

Figure 4: Postmerger/Acquisition Typology
Source: Bastien and Van de Ven (1986)

employees who, in turn, become increasingly dissatisfied and take flight from the company at the earliest opportunity. Rivals who are competing against a merger should therefore expect a more gradual development of second-wave competitive opportunities that peak at a later point in the implementation process.

In an *absorptive acquisition*, all the acquired company hierarchy, structures, products, or services are replaced by those of the acquiring company through imposition. Absorptive acquisitions involve the second highest degree of learning and change (Bastien, 1989). Absorptive acquisitions yield the most disruption in the early phases of implementation because the acquired firm's identity, systems, managers, and so on are totally wiped out by the acquiring firm. Rivals who are competing against an absorptive acquisition should therefore expect a more abrupt development of second-wave opportunities that peak relatively soon after the M&A implementation has begun.

Although the separate pre-M&A identities are maintained in a *conformative acquisition*, the acquirer selectively imposes some of its systems in an attempt to add value and boost performance in the acquired firm. Because there is no attempt to generate a single, integrated hierarchy, conformative acquisitions entail less disruption than mergers and absorptive acquisitions. Problems first emerge at the points of imposed change and subsequently spread to other parts of the acquired firm. Rivals who are competing with a conformative acquisition should therefore look for problems to first develop wherever changes have been imposed on the acquired firm.

Additive acquisitions are the fourth and final type of M&A. They are, in their essence, portfolio acquisitions with little or no expectation of strategic combination or organizational integration. Often these are "white knight" acquisitions that are warmly greeted by the employees of the acquired firm. Of the four types, additive acquisitions involve the lowest degree of learning, change, and disruption (Bastien, 1989). Although the early losses of customers and employees are low, the acquirer may at some point impose managerial controls and resource restrictions on the acquired firm, resulting in a predictable exodus of employees and increase in customer dissatisfaction. Rivals who are competing with an additive acquisition should therefore look for changes that are imposed by the acquiring firm and expect that problems will develop at those points. In reality, an additive acquisition is not unlike a conformative acquisition that is simply waiting to happen.

These profiles demonstrate how social scientific research can provide valuable assistance in determining approximate times and locations for moves to judo a competitor. Such information is helpful in determin-

ing where and when to probe for more precise, case-specific information via competitive intelligence. The result is a marriage of social science and competitive intelligence that yields more precisely timed and targeted judo moves. Profiles for other types of strategic change—downsizing profiles, restructuring profiles, and so on—may be used to focus the competitive intelligence effort in a similar manner.

CORPORATE JUDO AND COMPETITION: SOME PRACTICAL AND THEORETICAL IMPLICATIONS

Despite its significant gains, Combank could have "pulled out all the stops" by adopting a more systematic and exhaustive approach—the corporate judo framework. A detailed understanding of the dark side of strategic change could have helped Combank to implement a more thorough plan of action. A more intensive use of public and field sources (competitive intelligence) could have yielded additional information about the exact nature and timing of the competitor's weaknesses that, in turn, could have served as the basis for a more precise timing and positioning of its actions. In addition, a corporate judo infrastructure could have enabled Combank to move with greater speed and intensity following the change announcement. Furthermore, a more detailed knowledge of judo tactics, and the timing and placement thereof, could have contributed to a more efficient and effective campaign in the short and long term. Attention to competitor retaliation and matters concerning the consolidation of the firm's gains are two areas in which the tactical aspects of our framework can add significant value for practitioners.

Although this essay has primarily focused on the pragmatic business applications of the concept of corporate judo, the framework has significant implications for the philosophy of business and for competitive theory. With regard to the former, corporate judo represents a philosophy of business that has deep implications for society. In this age of increasing concentrations of power within industries, the economic lives of people and communities appear to be in the hands of executives whose primary goals are (a) to expand the scope of their personal and organizational empires and (b) to attempt to improve shareholder value (cf. Downs, 1995). With each day comes the news of additional layoffs by the very same companies that are posting record profits. In short, large corporations and their executives do not appear to have much of a social conscience or much concern for the communities and people that they affect (Cascio, 1993; Downs, 1995; Meyer, 1995).

In this context, corporate judo is a David and Goliath strategy that puts self-interested executives on notice: Continue with greed-driven strategic change at your own risk. Corporate judo reveals the inherent weaknesses in their approach. By focusing primarily on their own self-interest and short-term increases in shareholder value, they fail to consider the importance of employees and customers in achieving real growth in value over the long term. Employees and customers are critically important for sustaining value and vitality over time. Failing to include these stakeholders as partners in the change process is simply bad business.

Hastily formulated change that aims to generate short-term profits at the expense of people opens up real and significant vulnerabilities for their rivals. Judo is a new business philosophy that offers some real hope for leveling the competitive playing field. It is a thoroughly capitalistic approach that helps to free up the free market so that the natural forces of competitive selection can work to equitably distribute goods, services, and wealth.

Our ultimate social goal is to give executives sufficient pause that (a) they reconsider the real motives for a proposed change and decide whether they are willing to put in the necessary time, resources, and effort to implement the change with minimal damage and maximal benefit (otherwise, they open a window for someone to judo them) and (b) they pledge to devote the necessary time, resources, and effort to the change, if they decide that it is indeed warranted. In short, our hope is that we may reach a point at which the corporate judo framework is no longer effective, a future time in which strategic change is being done well and for the right reasons, with minimal dysfunction. In this future, organizational members, customers, community members, and strategic change consultants will be an integral part of the change process, and their insights and advice will help the firm to generate profits well beyond the current dismal track record.

From the standpoint of competitive theory, corporate judo represents a substantial departure from prior theories and concepts. Strategists from Ansoff (1965) onward (e.g., Porter, 1980) have championed the use of change as a way to generate quick and easy profits. A wealth of research indicates that the opposite is true: Change is a quick and easy route to red ink, poor performance, and a demoralized workforce (e.g.,

Baker et al., 1981; Begley, 1995; Boyle & Jaynes, 1972; Buono & Bowditch, 1989; Byrne, 1994; Cascio, 1993; Cooke, 1986; Davidson, 1985; De Meuse et al., 1994; Dove, 1995; Downs, 1995; Filipowski, 1993; Gombola & Tsetsekos, 1992; Henkoff, 1994; Leana & Feldman, 1992; Lesly & Light, 1992; Madrick, 1995; Magnet, 1984; Marks, 1994; Marks & Mirvis, 1985; Michel & Shaked, 1985; Mirvis & Marks, 1986, 1992; Noer, 1993; Stambaugh, 1992; Williams & Feldman, 1986; Zweig, 1995).

D'Aveni's (1994) recent work takes a step in the right direction by moving us from a position- and equilibrium-based view of competitive strategy to a view of competition as disruption. Like *hypercompetition* (D'Aveni, 1994), corporate judo advocates an active, disruptive approach to competition. Both frameworks assume that disruption per se is not inherently good or bad and that it can yield competitive advantages or disadvantages. D'Aveni (1994), for instance, shows us how to disrupt (a) *the market* to turn our competitors' advantages into disadvantages, (b) *our own firm* to create new competitive advantages before the old ones become obsolete, and (c) *competitors* via our own quick and intelligent maneuvers within the market. As such, D'Aveni proposes a theory of strategic disruption at both a macro level (how to disrupt the market) and a micro level (how to disrupt organizations within the market).

Despite the impressive scope of his work, D'Aveni's primary focus on market disruption leaves significant gaps in the discussion of organizational disruption, gaps that our corporate judo framework fills. In particular, corporate judo takes the next logical step in the evolution of disruption-based competitive theory by enlisting the perspectives and insights of organizational scholars to more thoroughly examine the nature of organizational disruption (change) and its uses as a competitive weapon.

Viewed through the eyes of an organizational scholar, much of what D'Aveni claims about the nature of the macro (competitive markets) also appears to be true for the micro (organizations). Like competition, the paradigm for organizations appears to be shifting from sustainability to disruption, from stability to change, from equilibrium to dynamic efficiency. Recent trends in organizing—downsizing, outsourcing, reengineering, agile manufacturing, virtual corporations, telecommuting, and so on—all point to the same conclusion. In short, we appear to be entering an age of hyperorganization embedded within a broader context of hypercompetition.

Organizational scholars already have been at work developing and applying a range of dynamic models using such diverse foundations as fractal geometry (Wheatley, 1994), chaos theory (Zimmerman, 1993), dissipative structures (Gemmill & Smith, 1985), and grammars (Pentland & Reuter, 1994). Indeed, our corporate judo framework is inherently hyperorganizational in its emphasis on leveraging another firm's self-inflicted organizational disequilibrium by concentrating on the processes of growth and change.

In addition to their obvious value in the competitive realm, studies of organizational disruption help us to better understand the fundamental nature of organizations and how it is possible to organize in a sustained manner within increasingly turbulent market, social, economic, and technological contexts. In the face of this turbulence, knowledge of dysfunction helps us to better understand function. Nonlinear aspects of the change syndrome, for instance, raise the possibility that dysfunctional and functional patterns of activity in organizations may diffuse and proliferate in a manner that is not unlike the patterned, iterative growth of fractals (cf. Gleick, 1987; Mandelbrot, 1977; Wheatley, 1994).

The time is right for those who are working on the cutting edge of competitive theory and practice to join with those who are on the leading edge of organizational theory and practice. More powerful and realistic representations of competitive and organizational phenomena require that we embed our understanding of the macro in the micro and the micro in the macro. Our intent in this essay was to follow our own prescription by (a) placing the change syndrome in a broader competitive context (embedding the micro in the macro) and (b) focusing on the change syndrome as the foundation for a novel competitive framework—corporate judo (embedding the macro in the micro).

REFERENCES

American heritage dictionary. (1994). Boston: Houghton Mifflin.

Andrews, K. R. (1980). *The concept of corporate strategy* (Rev. ed.). Homewood, IL: Dow Jones Irwin.

Ansoff, H. I. (1965). *Corporate strategy: An analytic approach to business policy for growth and expansion.* New York: McGraw-Hill.

Baker, H. K., Miller, T. O., & Ramsperger, B. J. (1981, Winter). An inside look at corporate mergers and acquisitions. *MSU Business Topics*, pp. 49-57.

Bastien, D. T. (1987). Common patterns of behavior and communication in corporate mergers and acquisitions. *Human Resource Management Journal, 26*, 17-33.

Bastien, D. T. (1989). Communication, conflict, and learning in mergers and acquisitions. In A. H. Van de Ven, H. Angle, & M. S. Poole (Eds.), *Research on the management of innovation* (pp. 367-396). New York: Harper & Row.

Bastien, D. T. (1992). Change in organizational culture: The use of linguistic methods in a corporate acquisition. *Management Communication Quarterly, 5*, 403-442.

Bastien, D. T. (1994). A feedback loop model of post-acquisition performance: Customers and competitors. *Management Communication Quarterly, 7*, 46-69.

Bastien, D. T., McPhee, R., & Bolton, K. (1995). A study and extended theory of organizational climate: A structurational approach. *Communication Monographs, 62*, 132-151.

Bastien, D. T., & Van de Ven, A. H. (1986). *Managerial and organizational dynamics of mergers and acquisitions* (Discussion Paper No. 46). SMRC Discussion Paper Series, University of Minnesota.

Begley, R. (1995, June 7). Human impact assessed as companies restructure. *Chemical Week, 156*, 34-36.

Boyle, S. E., & Jaynes, P. W. (1972). *Conglomerate merger performance*. Economic report to the Federal Trade Commission, Washington, DC.

Buono, A. F., & Bowditch, J. L. (1989). *The human side of mergers and acquisitions: Managing collisions between people, cultures and organizations*. San Francisco: Jossey-Bass.

Byrne, J. A. (1994, May 9). The pain of downsizing. *Business Week*, pp. 60, 68.

Cascio, W. F. (1993). Downsizing: What do we know? What have we learned? *Academy of Management Executive, 7*, 95-104.

Cooke, T. E. (1986). *Mergers and acquisitions*. Oxford, UK: Basil Blackwell.

Coombs, R. E., & Moorhead, J. D. (1992). *Competitive intelligence handbook*. Metuchen, NJ: Scarecrow.

D'Aveni, R. A. (1994). *Hypercompetition: Managing the dynamics of strategic maneuvering*. New York: Free Press.

Davidson, K. M. (1985). *Megamergers: Corporate America's billion-dollar takeovers*. Cambridge, MA: Ballinger.

De Meuse, K. P., & Tornow, W. W. (1990). The tie that binds has become very frayed! *Human Resource Planning, 13*, 203-213.

De Meuse, K. P., Vanderheiden, P. A., & Bergmann, T. J. (1994). Announced layoffs: Their effect on corporate financial performance. *Human Resource Management, 33*, 509-530.

Domini, E. (1977). *Teach yourself self-defense*. Buchanan, NY: Emerson.

Dove, R. (1995). The challenges of change. *Production, 107*, 16-17.

Downs, A. (1995). *Corporate executions: The ugly truth about layoffs: How corporate greed is shattering lives, companies and communities*. New York: AMACOM.

Facts on File. (1994, December 1). Paine Webber sues over Kidder raids. New York: Author.

Filipowski, D. (1993). Downsizing isn't always rightsizing. *Personnel Journal, 72*, 71.

Gemmill, G., & Smith, C. (1985). A dissipative structure model of organization transformation. *Human Relations, 38*, 751-766.

Gleick, J. (1987). *Chaos: Making a new science*. New York: Viking.

Gombola, M. J., & Tsetsekos, G. P. (1992, Summer). The information content of plant closing announcements: Evidence from financial profiles and the stock price reaction. *Financial Management, 21*, 31-40.

Green, P. (1970). *Alexander the Great*. New York: Praeger.

Henkoff, R. (1994, January 10). Getting beyond downsizing. *Fortune, 129*, 58-64.

Hymowitz, C. (1990). When firms slash middle management, those spared often bear a heavy load. *The Wall Street Journal*.

Jemison, D. B. (1986). *Strategic capability transfer in acquisition integration* (Research paper No. 913). Stanford University, Stanford, CA.

Jemison, D. B., & Haspeslagh, P. (1991). *Managing acquisitions: Creating value through corporate renewal*. New York: Free Press.

Jemison, D. B., & Sitkin, S. B. (1986). Corporate acquisitions: A process perspective. *Academy of Management Review, 11*, 145-163.

Kitching, J. (1967). Why do mergers miscarry? *Harvard Business Review, 45*, 84-101.

Knox, A. (1992, February 17). By downsizing, do firms ax themselves in the foot? *The Philadelphia Inquirer*, pp. A1, A10.

Leana, C. R., & Feldman, D. C. (1992). *Coping with job loss: How individuals, organizations, and communities respond to layoffs*. Lexington, MA: Lexington Books.

Lesly, E., & Light, L. (1992, December 7). When layoffs alone don't turn the tide. *Business Week*, pp. 100-101.

Madrick, J. (1995, November-December). Corporate surveys can't find a productivity revolution. *Challenge, 38*, 31-34.

Magnet, M. (1984, November 12). Acquiring without smothering. *Fortune*, pp. 22-30.

Mandelbrot, B. (1977). *The fractal geometry of nature*. New York: Freeman.

Marks, M. L. (1994). *From turmoil to triumph: New life after corporate mergers, acquisitions and downsizing*. Lexington, MA: Lexington Books.

Marks, M. L., & Mirvis, P. H. (1985, Summer). Merger syndrome: Stress and uncertainty. *Mergers and Acquisitions*, pp. 50-55.

Maruyama, M. (1963). The second cybernetics: Deviation-amplifying mutual causal processes. *American Scientist, 51*, 164-179.

Masuch, M. (1985). Vicious circles in organizations. *Administrative Science Quarterly, 30*, 14-33.

McGonagle, J., & Vella, C. (1990). *Outsmarting the competition: Practical approaches to finding and using competitive information*. Napierville, IL: Sourcebooks.

Meyer, G. J. (1995). *Executive blues: Down and out in corporate America*. New York: Franklin Square Press.

Michel, A., & Shaked, I. (1985). Evaluating merger performance. *California Management Review, 27*, 109-118.

Mintzberg, H. (1987). The strategy concept: Five p's for strategy. *California Management Review, 30*, 11-24.

Mirvis, P. H., & Marks, M. L. (1986, Winter). Merger syndrome: Management by crisis. *Mergers and Acquisitions*, pp. 70-76.
Mirvis, P. H., & Marks, M. L. (1992). *Managing the merger: Making it work*. Englewood Cliffs, NJ: Prentice Hall.
Morris, W. (Ed.). (1978). *The American heritage dictionary of the English language*. Boston: Houghton Mifflin.
Noer, D. M. (1993). *Healing the wounds: Overcoming the trauma of layoffs and revitalizing downsized organizations*. San Francisco: Jossey-Bass.
Otaki, T., & Draeger, D. F. (1965). *Judo for young men*. Palo Alto, CA: Kodansha International.
Pentland, B. T., & Rueter, H. H. (1994). Organizational routines as grammars of action. *Administrative Science Quarterly, 39*, 484-510.
Porter, M. E. (1980). *Competitive strategy*. New York: Free Press.
Porter, M. E. (1985). *Competitive advantage*. New York: Free Press.
Porter, M. E. (1987). From competitive advantage to corporate strategy. *Harvard Business Review, 65*, 43-59.
Rokudan, D. K. (1969). *Judo*. Dubuque, IA: William C. Brown.
Roll, R. (1986). The hubris hypothesis of corporate takeovers. *Journal of Business, 59*, 197-216.
Seabourne, T., & Herndon, E. (1987). *Self-defense: A body-mind approach*. Scottsdale, AZ: Gorsuch Scarisbrick.
Shibutani, T. (1966). *Improvised news: A sociological study of rumor*. Indianapolis, IN: Bobbs-Merrill.
Stambaugh, D. M. (1992, June 22). Productivity lost in bids to cut costs. *National Underwriter, 96*, 39, 41, 48.
Stewart, T. A. (1995, November 27). Getting real about brainpower. *Fortune*, pp. 201-203.
Sun Tzu. (1963). *The art of war* (S. B. Griffith, Trans.). London: Oxford University Press. (Original work published 500 B.C.E.)
Sutton, H. (1988). *Competitive intelligence* (Research Rep. No. 913). New York: The Conference Board.
Vella, C. M., & McGonagle, J. J., Jr. (1987). *Competitive intelligence in the computer age*. Westport, CT: Greenwood.
Weick, K. E. (1979). *The social psychology of organizing* (2nd ed.). Reading, MA: Addison-Wesley.
Wheatley, M. J. (1994). *Leadership and the new science: Learning about organization from an orderly universe*. San Francisco: Berrett-Koehler.
Williams, J., & Feldman, M. (1986, September/October). Life after the merger: The human resource factor. *Health Care Forum*, pp. 33-37.
Zemke, R. (1990, November). The ups and downs of downsizing. *Training*, pp. 27-34.
Zimmerman, B. J. (1993). Chaos and nonequilibrium: The flip side of strategic processes. *Organizational Development Journal, 11*, 31-38.
Zweig, P. L. (1995, October 30). The case against mergers. *Business Week*, pp. 122-130.