

**"TAKEOVER ATTEMPTS: WHAT DOES
THE LANGUAGE TELL US?"**

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THE MEDDLER ON THE ROOF : Parable of Corporate Matchmaking
(Wm. Safire, The New York Times, Sunday, September 26, 1982)

Long ago in the old country, in the village of Conglomera, an eligible young man from the wealthy Shmendrix family approached the matchmaker with a strangely honest request.

"I want to marry Marrietta," Shmendrix announced. "We're both rich and I'm lonely."

The matchmaker put down her dress-for-success book and sighed. "Marrietta is a naughty girl," she said. "She wants to stay a spinster."

"This is a firm offer," Shmendrix said. "Do your job."

The matchmaker went to Marrietta. "Have I got a match for you! Handsome young Shmendrix, tenderly offering \$48 a share for your hand."

"I don't like him," the nubile maiden decided immediately. "He's sissy. He wouldn't let me run my own house."

"He won't take no for an answer," the matchmaker pressed. "He's already gone to your family. They'll make you do it. Be nice, go along."

The matchmaker saw that the girl was seething, but what could the tempting target of takeover do?

When the matchmaker got back to Shmendrix, the young man was in a frenzy. "Fool!" he cried, "Marrietta went around behind your back and took a marriage contract to all my relatives. She'll marry me all right, but I'll be henpecked and she'll be master of the house."

The matchmaker blanched. "Nobody has ever done such a thing to King Solomon brothers." Her eyes narrowed. "I see in this deed the hand of Harry Grayshark."

Now it was Shmendrix's turn to turn pale. "Grayshark the gobbler, uniter of all technologies?" The young man gulped. "Matchmaker, the last time 'Jaws' Grayshark walked into a house, he threw the management out into a 10-foot snowdrift without earmuffs. And that was a friendly takeover."

The matchmaker went directly to Grayshark. "How could you do this thing? You're forcing the Shmendrix into having a unity day for all the cousins, they're taking ads, their tender is getting tough. Young Shmendrix just voted himself a golden handshake in case he has to retire in a hurry. What's the big idea?"

"They were on my swallow list," Grayshark explained. He took out an envelope and made some notes on the back. "But now I'm not so sure. With all the expenses of borrowing to buy each other out, the new family's debt might be half their total capital, and the interest may depress the amount the both of them could earn together. Let 'em cut each other up, and maybe I'll pick up the pieces."

Back at Marrietta's house, the matchmaker pleaded in vain for the girl to forget the counterattack. "With Shmendrix, you could maybe get along in time - but if you sell your soul to Grayshark, you'll both be out in the cold. And if you spend all this time in court before the wedding, can you imagine what the divorce will be like?"

Marrietta was adamant: "Uncle Harry will help keep your young man in his place," adding darkly, "And who is that blond woman Shmendrix brings with him to meetings?"

The matchmaker threw up her hands. When she returned to the Shmendrix house, she heard sounds of great festivity, with rice

being thrown and cans tied on cars.

"Welcome to the wedding!" said young Shmendrix, "I just married Alice Allied, who despises Harry Grayshark for preferring Haig & Haig Scotch to Hennessy Cognac. This is a real love match, perks all around, and it will enable me to keep Marrietta as a concubine and to do housework, no heavy lifting. We'll sell off a couple of Marrietta's fur coats to lower the debt. A happy ending."

The matchmaker wasn't so sure. She hurried to the village pundit, a heavily bearded pauper wise in the ways of family finances.

"I'm a matchmaker, not an anti-trust lawyer, but somehow I get the feeling it's not right for everybody to be in everybody else's pocket this way," the matchmaker said. "It's all getting out of hand. Do the business schools offer ethical guidance on this?"

"Wharton started to, but just merged with Stanford to avert a takeover by Harvard," reported the wise man.

"My problem is a lack of heroes," explained the matchmaker. "In the old days, the executive who built a better mousetrap, or created a new need and supplied it, or produced a product that took the world by storm - he was the hero, and an easy match to make."

"And now?" asked the wise man, moving to his telescope.

"Today's business heroes are the assemblers of conglomerates which turn out puddings without themes," said the distraught matchmaker. "The purpose of matches should be to introduce real efficiencies, or to create little R&D children to go out and take care of the family later. Instead, the heroes you read about on the business pages are the men who wind up sitting on the largest pile of assets, with the most former cabinet officers on their boards of directors. I tell you, making matches for nonmanaging agglomerators is no fun."

The wise man pressed his eye to the glass and took the long view. "Matchmaker, remember that hard times beget cannibalism, but good times ahead will churn up entrepreneurs. Families will soon be asking of all these brides and grooms, 'Are you doing this to profit the family, or sit atop an empire?'"

The matchmaker rolled her eyes and waited for some wisdom she could put to practical use in gaining perspective.

Suddenly the wise man tensed, turned from the telescope, and punched the printout button. "Here it is," he said, tearing the sheet from the computer, "the wisdom of the ages, from a poem of a hundred years ago, with the long view on all this financial Pac-mania."

The sheet read:

Great fleas have little fleas
Upon their backs to bite 'em,
And little fleas have lesser fleas,
And so ad infinitum;
And all the great fleas themselves
In turn have greater fleas to go on,
While these again have greater still,
And greater still,
And so on.

ABSTRACT

Takeover Attempts: What does the language tell us?

This paper looks at the use of language in the discussions of corporate takeover attempts. The media language evokes images reminiscent of fairytales and myths. The use of this evocative language suggests that underlying dynamics are operating in these events that strike deep chords in both participants as well as observers. The rational arguments for takeover, while necessary, are not sufficient to explain the full picture. More total understanding of "what's going on here" requires exploring underlying motivation as interpreted via the language and imagery used to describe these events. Differences in motivation are described so that the behavior of the firms, those threatening and threatened, may be better understood and predicted. This paper will also raise issues related to the significance of these events as they both affect and reflect core values in present society.

Corporate takeovers, primarily hostile ones, are making headlines daily and saturating the media and business press. The arguments for and against are being debated and discussed in language that leads us to suspect that we are dealing with issues that are more than strictly rational. These events are described in the highly metaphoric and evocative language of fairytales and mythology. Language can be seen as an artifact of culture from which one can infer underlying assumptions (Schein, 1985). As language has been studied to reveal underlying psychodynamics at the individual (Freud, 1955; Lacan, 1966) and group (Bion, 1961) levels, we may be able to use language to infer assumptions that derive from dynamics at the interorganizational level. By analyzing the language and imagery used to describe takeover events, a richer understanding may be reached of the industry culture, epitomized in the symbol of Wall Street.

As both fairytales and myths serve to allay fears and anxieties in children and "primitive people", it seems odd that it is being used in the context of takeovers. The language of fairytales and myths highlights the fears and anxieties associated with these events. Developmental concerns regarding separation, autonomy and control, mastery, identity and intimacy are being addressed by the mythmakers of our times - the business journalists. This "mythology-in-the-making" represents efforts to make sense of the underlying motivation for and value of these events. It also points to important issues regarding the societal values and the heroes that represent them. Just as the glitter of

Wall Street begins to take on the semblance of OZ.

First we will explore the role of language in reflecting and creating social reality and as a vehicle for interpreting underlying assumptions. Next, the role of fairytales and myths will be discussed as they reflect sense-making attempts and as they reveal underlying psychodynamic themes. Four types of motivation for takeovers emerge and their corresponding dynamics will be described and illustrated by the media language. Finally, several case scenarios are developed to highlight important issues that need to be addressed.

The role of language

The reality of a society is reflected, even created, in the language used (Whorf, 1952). Linguistic systems guide the construction of reality; "...'the real world' is to a large extent unconsciously built up on the language habits of the group." (Sapir, 1929). Therefore, language is an important vehicle for interpreting the "deep structure" of a culture (Geertz, 1973).

The use of language to interpret underlying phenomena follows along several traditions. Psychoanalysts have long used language to decipher underlying psychodynamics. Freud's (1901) analysis of everyday language, e.g. slips of the tongue, added to the analysis of dream content (Freud, 1900) as the royal road to understanding the unconscious. The unconscious drives, such as sex and aggression, and the countering defenses are interpreted through the language used by the patient in the therapeutic context.

According to French psychoanalyst Lacan (1966), the study of the laws of language and the laws of the unconscious are the same.

Using an anthropological paradigm, Schein (1985) described three levels of culture: 1) artifacts, behavior and language which represents the most observable; 2) the beliefs and values therein reflected and articulated; and 3) the deepest, taken for granted, basic assumptions which are the most difficult to articulate. Studying language, particularly unusual uses of language, may reveal these deeper levels and thus provide a better understanding of an industry culture, that of mergers and acquisitions.

Coming from a sociological framework, Hirsch (1982) describes the use of language in discussions of takeovers as evidence of their diffusion as an innovation and their gaining legitimacy. He states that, initially, "the adoption of unusually colorful language by any social group may signal states of instability, stress or conflict over normative boundaries" (p.39). However, the persistence of this colorful language indicates that these events are not becoming more accepted nor are they seen as legitimate. These events challenge fundamental beliefs and bring into question core societal values. Also, the fact that reporters describe events using evocative language, and the fact that participants use evocative terms to characterize one another, suggest that it is important to be aware of the extent to which behavior may be guided by metaphoric understandings rather than rational analysis (Jelinek, Smircich and Hirsch, 1983).

The role of fairytales and myths

Fairytales and myths provide meaning and sense making. They serve to manage uncertainty, structure relationships, and explain cause and effect. Myths not only make actions possible, but also legitimate them. Myth-making may be thus viewed as a central process of organizing (here at the industry level)(Pondy, 1983). After all, the mergers and acquisitions business is a 725 billion dollar industry (Williams, 1984).

During times of stress, e.g. developmental crises or threats to survival, there is a greater need for sensemaking albeit at the expense of logic or reason. Myths, ideologies, previously learned responses get called up and may become behavioral constraints, limiting flexibility and more adaptive responses (Staw et al., 1981; Dunbar et al., 1982). As strategy can be guided by implicit metaphors and myths (Sapienza, 1985; Boje et al., 1982; Meyer, 1982), analyzing metaphoric language may prove useful to predict and anticipate reactions by firms targetting or targetted for takeover. If taken as scripts, the fairytale allusions may serve to indicate the sequence of events and the potential outcomes.

As myths may also be seen as vehicles for repression, instruments of denial and self deception, knowledge is needed to elaborate or to demythologize myths (Schwartz, 1985). The sensational reporting of these events contributes to sense-making efforts amid ambiguity and ambivalence regarding core cultural values. In this "mythology-in-the-making", events unfold as in Greek tragedies wherein heroes and villains represent forces of

good and evil and wherein tragic flaws cause falls from grace. Thus the role of Media in creating or perpetuating the myths of Wall Street needs to be questioned.

The psychodynamics of fairytales

The language used to describe takeover attempts alludes to fairytales: white knights, damsels in distress, cabbage patch, defenders, poison pills, scorched earth (see Hirsch and Andrews, 1983 for a glossary of terms). These images arouse emotional responses that are related to fears and desires most overtly expressed by children and "primitive people". Fairytales allow for the expression of basic existential anxieties and provide the vehicle through which they are "worked through", i.e. resolved or managed (Bettleheim, 1977).

Fairytales portray different developmental issues: separation, control, mastery and intimacy. These issues differ in terms of the underlying needs, drives and defenses (Freud, 1955; A. Freud, 1932; Erikson, 1950). For example, separation issues involve dependency needs, oral passive (sucking) and aggressive (biting) drives, and defenses such as denial, splitting and projection. Splitting divides experiences as good or bad to the extent that they gratify or frustrate these needs and as they reflect good/bad breast (Klein, 1932). These aspects are expressed in "Little Red Riding Hood" (good) in bringing food to the helpless grandmother is instead swallowed by the big bad (oral aggressive) wolf. Little Red Riding Hood is then rescued by the

hunter who cuts open the wolf's stomach (rebirth). This story portrays the childhood fears of the strength of their own oral passive (to swallow up) and oral aggressive (biting) drives and fear of retaliation by others (being swallowed up and eaten). Grownups seem to love to play out this scenario with little kids: "I'm going to eat you up!" while the child cries with glee! Themes to eat or be eaten are also evident in "Hansel & Gretel". Jonah too is swallowed by the whale and rescued by the fisherman. Dependency needs and the countervailing defenses are often depicted as the desire and fear to return to the womb, to be engulfed.

Other fairytales reflect concerns that are relevant to other developmental issues. The need for control and autonomy is expressed by themes of retention and expulsion, holding on or letting go. Sadistic impulses are countered by feelings of shame, and "doing and undoing" seen in ritualistic, obsessive compulsive behavior. These themes are depicted in the Midas Touch, wherein all King Midas touches turns to gold as punishment for his greed manifested in his obsessive touching and counting of money.

The need for asserting and developing one's strength and abilities is expressed through erecting towers (by little boys) or constructing houses and safe harbors, receptive enclosed spaces (by little girls). Fear of retaliation and feelings of guilt serve as defenses against aggressivity inherent in taking initiative and competing. The Tower of Babel, Icarus, Jack and the Beanstalk, David and Goliath, all involve scenarios wherein the little person

tries to reach heaven, and/or takes on the giant and wins or loses.

The need to establish intimacy involves both rivalry and identification with the same sex parent for the attention of the parent of the opposite sex (Oedipus myth). Histrionic behavior, repression and sublimation (pouring energy into worthy causes) may be seen. These aspects are reflected in stories in which fair maids are rescued from black (k)night, reviving primal scene fantasies. Sleeping Beauty is rescued by the prince from a spell caused by a poisoned apple given to her by the wicked stepmother and which had rendered her immobile, punishment for being more beautiful than her (step)mother.

The dominant themes that recur express both wishes and fears regarding dependency, control, mastery, identity and intimacy. Fairytales portray the interplay of the forces of good and evil, fear and desire, drives as well as defenses. The use of evocative language, the media sensationalism and the subsequent public uproar, also suggest that it is these dynamics that are being stirred up around the takeover attempt and that it is these very issues that are being played out at the grand scheme, at the inter-organizational level. This is why it attracts as much attention and why it is described in the language that it is, because it stirs and calms these basic developmental anxieties in the same manner as do fairytales and myths.

A Psychodynamic approach to takeover attempts

In the face of hostile takeovers and even in the case of less threatening mergers and acquisitions, the sense of organizational integrity, control and identity is jeopardized. The organization may no longer maintain its uniqueness and may be swallowed up by the "other". This raises concern over maintaining "company culture" to say nothing of individual job and power positions. "Fear and anxiety - they're lurking in executive suites all over the U.S. Chief executives everywhere are looking over their shoulders and asking: 'Am I the next target?'" (Business Week, 11/24/86).

While some of these fears are realistic, the sensationalism and the degree of anxiety, stress and turmoil that accompanies these events, particularly as reported by the press, seem exaggerated and may possibly be driven or fueled by other forces, i.e. the primitive fears and desires that are aroused at the individual level - in the participants, the victims and the observers as well. For example, themes of swallowing or being swallowed, of eating or be eaten, poisoning or being poisoned appear in references to Jaws, Pac-man defenses, and poison pills. Oral aggressiveness is attributed to the raiders' greed or voraciousness. The prey to be devoured are described as dependent, passive and helpless. The rescuers are the nurturers, representing the good breast as opposed to the bad breast represented by the raiders. "Expecting the worst, Bendix had been pleasantly surprised whereas Allied employees getting ready to put Bendix captives into the cauldron were disappointed to be told by their

leaders not to eat them" (Magnet, 1984).

Group dynamics may also shape takeover events. These dynamics may be interpreted as unconscious fantasies regarding the purpose of the group such as being taken care of (dependency); responding to an enemy (fight/flight), and joining together to create something new and wonderful (pairing) (Bion, 1961). These fantasies are also highlighted in the media reports. Dependency themes are seen in descriptions of white knights rescuing damsels in distress. Here an all powerful savior will rescue the helpless, passive victim (friendly takeovers). Fight /flight themes are depicted in descriptions of raiders faced with scorched earth and poison pills. Here hostile takeovers are described as battles in which a siege mentality prevails, (wagon trains circling to fight Indians, or the choice to retreat or die in the stories of Romeo and Juliet, Jamestown, Massada). Pairing themes are evident in friendly mergers, the marriage of equals, wherein "synergy" is the stated purpose and where by combining assets something bigger and better will be created. These dynamics within groups are also played out between groups in organizations. The nature of these dynamics contribute to the corporate culture.

When an organization interacts with other organizations, for example in the takeover dance, there exists a dynamic above and beyond the sum of the dynamics of each organization (its coalitions, intergroups, groups and individuals such as the CEO). Although it is possible to discuss the dynamics involved in takeover dances from the individual dynamics of the CEO involved,

the organization as a context of his/her behavior cannot be ignored nor can the environment as the context of the organization. Therefore it would be of some interest to explore the themes that emerge in the discussion of takeover attempts and relate them to underlying motivation.

Motivation for takeover attempts

The arguments for and against takeover attempts are being battled out in the press, both business and academic. To summarize, the rational side of the argument in their favor includes: 1) restructures industry by market forces (thus supporting free market ideology); 2) increases shareholder wealth by uncovering valuable assets and as a side-effect of takeover activity; 3) identifies inefficiencies encouraging companies to get "lean and mean", i.e. more competitive; 4) reshuffles and redistributes assets between companies resulting in greater industry competitiveness and a stronger, more efficient national economy; and 5) holds top management accountable to the shareholders. The rational arguments against include: 1) results in nonproductive behavior, wasting resources of time, money and managerial attention; 2) provokes self-destructive behavior (poison pills); 3) creates a disincentive for performing well, for being profitable; 4) leads to short-term orientation; 5) encourages acquisition over internal development and innovation; 6) disrupts lives and communities; and 7) incurs high human costs through suicides, turnover and brain drain. However, by using

language reminiscent of fairytales, stories about takeover attempts alert us to the possible links between reported actions and unobservable but underlying motivations which may unconsciously guide decision makers actions (Smith and Simmons, 1983).

The rationale for takeover, conscious or otherwise, may differ. The motivation for takeover may be for growth, for control, for gain, or for synergy.

Takeovers for growth may be stimulated, according to rational argument, by available resources, opportunities for expansion, the need for diversification etc. However, unconsciously, or beyond the rational, they may reflect dependency needs or the countervailing need to grow, to be bigger and thus more powerful. "They seek growth without asking whether it truly increases the value of their assets." (New York Times, 10/10/82). This is "...psychologically similar to that of a man who seeks to become bigger by becoming fatter. Such a man eats too much because unconsciously he is afraid of being so little" (Levinson, 1970, p. 140). The company feels that they will get stronger by getting bigger.

These fantasies and may be reflected in imagery such as "big fish devouring little fish or vice versa", "Jaws, sharks and sharkproofing", "gobbling", "cannibalism", "Pac-man", "voracious appetites". Management is portrayed as fat cats. Predators are described as hungry, puffed up with junkbonds. The rule of the jungle is eat or be eaten. Poison pills may be swallowed to avoid

being eaten. Themes of helplessness and dependency, and desire for rescue are evident. Basic issues of institutional size and institutional trust are discussed.

Takeovers for control may derive from unconscious motives which result "in a heedless scramble to control each other, at the possible risk of their mutual destruction" (New York Times, 10/10/82). The pretender for management feels that they can whip a company into shape getting rid of excess fat, divesting and stripping assets, selling off pieces. "...fickle investors now have a new ideology: the parts are worth more than the whole... [This approach] enables companies to 'slim down' and become more muscular competitors" (Business Week, 7/1/85). However, this risks the goose and the golden egg effect as the profit generating part of the business may be hard to locate and perhaps a function of the whole. Also tighter controls may cause strangulation, killing entrepreneurship, employee motivation and loyalty (Levinson, 1970).

Struggles for control involve the accumulation of shares and pledges culminating in proxy battles and leveraged buyouts wherein managements vie for control. The vanquished management is seen as inadequate or unable to exert adequate control, and is thus shamed. Media discussions revolve around stock accumulation, wealth accumulation, and more generally size and market share accumulation. Raiders, however, may be left holding the bag as Icahn was with TWA.

Takeovers for gain may derive from the motivation to build

empires, towers that reach the sky, to show strength and ability. This motivation may be unconsciously fueled by aggression and narcissism. The imagery bespeaks war. Attacks, scorched earth tactics, sending hired guns, missiles and bombs, under seige, conquests, rape and pillage. What is important here is the competition, the thrill of the hunt. "General Electric is stalking big game again" (Business Week, 3/16/86). This is man to man combat. The company takeover, often depicted as female, may be considered as the prize or the trappings, but not as equal partners. "In any event, totally awful companies are rarely taken over. "'When you're an ugly girl, no one pays attention to you,' says John Norell, President of Phillips Biotech subsidiary. 'Then she gets herself in shape and the first thing that happens is, that someone rapes her.' As a result companies are sometimes doing perverse things to avoid rape: overpay for an acquisition to look less sexy to potential rapists, load up the balance sheet..."(Sloan, 1985).

Takeovers for synergy may be driven by the "pairing assumption". Here the theme is one in which "they live happily ever after". The players are partners whose combined assets will make them worth more together than apart. Sleeping Beauty's dormant assets are now uncovered, awoken by Prince Charming. "A slumberous Disney was a Sleeping Beauty to raider Saul P. Steinberg...until rescued by the Bass Brothers" (Business Week, 3/4/85). Takeovers here are depicted as marriages, with "brides and grooms", "brought to the altar". "A surprisingly sexy computer

marriage" (Fortune, 11/24/86). Speaking of the IBM merger, a Rolm executive said, "'one year later, ..., the newly weds are billing and cooing.'" (Business Week, 11/18/85). But they may also be seen as rushed, shotgun marriages, or marriages of convenience.

"Mergers, especially if consummated in the heat of the moment, very often produce morning after regrets" (Business Week, 7/1/85).

"Increasingly, the tender offer is the accepted way of doing business; marriages that are made in heaven are rare" (New York Times, 10/10/82).

These differences in underlying motivation may result in the use of different mechanisms and manoeuvres. The above typology may enable us to predict the series of moves and the tactics likely to be utilized. By analyzing the language and imagery perhaps we can predict the course of events and the outcomes.

Important Issues

In this section, three scenarios are developed to highlight important issues. (WARNING! Some poetic license is taken in their development). The first scenario uses fairytale language to reflect the concerns about the good and evil in takeover activities. The second scenario addresses the question, who are the heroes or villains in these drama? What is their underlying motivation? What core cultural values and assumptions are operating? The final scenario takes the much publicized account of the Bendix-Martin Marietta affair as an example of the use of language by the media. While the language is created in part by

the journalists, it is being used to describe current events. The language evolves from the reality, and does not necessarily create that reality. However, the language and the reality interact as the audience and the players become entangled in their identification with the dynamics being played out.

The Glitter of Wall Street - the Land of OZ

The wizard of OZ, the little man pulling strings behind the curtain, gets sniffed out and caught by the pantleg by Toto, a tenacious little dog. Toto was protecting his mistress Dorothy, good and innocence, who only wants to have reasonable returns (return home) and to help unfortunate others stumbled upon in her odyssey. During her journey to OZ, she kills the Wicked Witch of the West (unintentionally, of course). She is aided, naturally, by the Good Witch of the East.

The unfortunate others are all missing something: the tinman - a heart; the strawman - a brain; and the lion - courage. The quest for the missing part fuels the mission towards OZ hoping and worrying whether the wizard, a fear inspiring character, will be benevolent and restore the missing parts or will he dismantle them and use them for spare parts, mattress stuffing, etc. (i.e. sell off their assets). The mean malevolent wizard is however stripped of his fancy trappings, rendered into a snivelling creature, not at all someone to be afraid of. Evil is destroyed or rendered harmless while goodness saves the day and is rewarded. Everyone gets what they need/want and they all live happily ever after.

The cast:

OZ, played by Wall Street, consists of the financial community, investment houses, and Harry's Bar.

The Wizard, played by Ivan Boesky, a man with questionable credentials and motives, is rendered powerless and punished.

Dorothy, played by "society", the American Economy, the stockholders, representing "Good and Innocence", gets her returns.

Toto, played by USPIS (the U.S. Postal Inspection Service, "the little known agency that has become a key player in the insider-trading scandal" Business Week, 3/2/87), sniffs out and catches evil.

The strawman et al., played by many companies in need of missing parts, get the right fit.

Oz begins to crumble with "High Anxiety on Wall Street" (Business Week, 12/22/86). "It's bizarre. It's becoming a shark feeding frenzy" quoting Peter A. Cohen, Chairman & CEO of Shearson Lehman Brothers. Multiple arrests are taking place for insider trading as Boesky squeals. Respected top level firms' executives are being handcuffed and hauled off in front of their employees and the world on nightly news and in press photos. Investment houses once respected and trusted as the blue blood of the financial services can no longer be trusted. "Suddenly the Fish get bigger. No longer can top Wall Street firms explain away the unfolding scandal as Yuppie greed or naiveté", nor "sinister arrivistes operating on the fringes of respectability" (Boesky) (Business Week, 3/2/87). What is happening to Wall Street, the

bastion of WASP values?

Heroes or Villains?

The heroes/villains include T.Boone Pickens et al. (Icahn, Sir Jimmy Goldsmith, Lorenzo, even women ("The lady is a raider") and children (son of Boone). Do they represent good or evil? Is it Robin Hood protecting the poor stockholders from entrenched incompetent management, saving the American economy by restructuring industry?; or are they just "financial opportunists", looking for a quick buck, motivated by avarice, greedy ego maniacs interested only in self-aggrandizement? Do their voracious and rapacious behaviors derive from raw oral aggressive strivings? " ...sharped-toothed little minnows chasing whales and sometimes swallowing them" (Forbes, 3/11/85). What does their accumulation of stocks, their amassing and losing huge piles of money, their efforts to take control reveal? What does their empire building, the thrill of the hunt reflect? Or are they looking for attractive capable partners with strengths to complement their own in order to create synergy, to create a better world/economy and so live happily ever after? What drives these guys?

Take for instance "Pickens, a compulsive hunter of Texas game and undervalued corporate shares..."(Williams, 1984); "I get a big thrill out of making money." While he cherishes his grandmother's values of "hardwork, thrift, and forthrightness", his Aunt Ethel said that his "imagination would get him into mischief". 'He

always has to be in control', according to a Mesa former executive. He apparently began his campaign when he realized that the big boys just weren't that smart and that he could outsmart them. "'I decided that we could outthink, outwork, and outfox the bigboys, and that would beat all the money in the world'" (Fortune, 2/16/87).

Pickens has been very vocal in defending his cause, his attack on lazy, incompetent management (Pickens, 1986, 1987). "...King of the corporate raiders, baiter and scourge of oil industry management, is on the road. He is preaching ever more fervently a hell-fire-and-brimstone gospel of corporate rebirth and efficiency out of a crucible of hostile takeovers." "'I am the champion of the small stockholder', declares T. Boone Pickens, Jr. with messianic conviction, 'many American companies are heavily undervalued and I blame their management entirely.'" (Business Week, 3/4/85). For example, Pickens stated, "I'm fighting as an investor to create value for Gulf shareholders...and I am shocked at the hostile reaction of Gulf. I can't figure out what they're afraid of." (Fortune, 12/26/83).

"British raider, Sir James Goldsmith says, ' takeovers are for the public good, but that's not why I do it. I do it to make money'" (Business Week, 3/4/85). "'I'm not a do-gooder' yet "his winnings as a raider bankroll his right-wing crusade"(Business Week, 12/1/86). According to this report, Goldsmith, already in control of France's #1 news weekly, L'Express, has a grand scheme to build a media empire across the nation staffed with editors who

share his conservative beliefs. He supports "setting up a government-backed computer system in which all articles published in the 'free world' would be scanned for Communist-style phrasing". He has been sued by German magazine, Der Spiegel, for saying that it was a KGB front and had the Business Week reporter investigated for Communist links. "In the Goldsmith demonology, the corporations and their allies are almost as evil as the dark forces of the KGB, which the financier believes is after him, too." Yet his personal life which flouts convention has been portrayed by the media as scandalous, what with multiple wives, sets of children and mistresses.

The media portrays these characters in a curiously divided fashion, reflecting perhaps a paradox of American values. The "predators as champions of shareholders pose is self-serving and ridiculous....The idea that most raiders are out to maximize value for anyone other than themselves is ludicrous" (Forbes, 3/11/85). "'Boone Pickens can get management to stand on its head. He's my hero,'" (Arthur Laffer, economist, as quoted in Business Week, 3/4/85). "Pickens is not my kind of hero" (Stein, 1985). On the one hand it perpetuates the Horatio Alger myth in which anyone can make it. In the land of immigrants, this myth in which people often start with nothing and who through hard work, persistence and aggressiveness achieve great wealth, promises reward in the "here and now" (as opposed to the "forever after") to those who keep trying. These characters are portrayed in the style of "Dallas" and "Dynasty", surrounded by luxurious homes, vast (2B)

ranches, priceless art and pictures of the wife and family. Enveloped in their precious trappings, they have become the new idols (New York Times, 4/12/82). They write self-congratulatory books that others read to vicariously live. Who are the heroes of this culture which values wealth and wealth creation, which values the superficial and the flashy? Has this mythology created an amorality (if not immorality)? Does it portend the "Declin de l'empire americain?"

The ambiguous line between good and evil has been worn thin. The Robin Hood myth points up this paradox, good guy or crook? Perhaps the values of material wealth and individualism (every man for himself) provoke the inevitable (at least in Greek tragedy) fall from grace. Ivan Boesky is depicted in a Business Week article (12/1/86) entitled "After the fall. A man who made a career of tempting fate" as having the tragic flaw of greed and lack of humility, in seeking publicity; "he bedecked himself, a little too flashily, with the trappings of wealth and power...". Yet "...he may have realized that he was flying too high". He seemed to have had a "death wish" 'Ivan was playing Russian roulette'. Like Icarus, he too fell from the sky.

Bendix-Martin Marrietta: a battle for control with a woman in the wings

"The Bendix-Martin Marietta takeover battle, which ultimately embroiled United Technologies, the Allied Corporation and innumerable investment bankers and lawyers, shocked many in the

American business community. It provided a rare and unseemly spectacle, of companies and the men who head them, fighting to control each other- a the possible risk of their mutual destruction." (New York Times, 10/10/82). "This is one of those charming executive suite struggles...it is inevitable when gentleman of large egos get locked in mortal combat, emotions overcome financial calculations" (Robert Lekachman, economist, as quoted in the New York Times, 9/25/82). "...the dirtiest, sloppiest, most wasteful takeover battles in U.S. Corporate history...an unseemly spectacle of 'cannibals' gorging on one another' (Bill Moyers as quoted in Time, 2/14/83). "A pox on both your houses," said presiding Judge Young. Bill Agee, chairman of Bendix, brash young man, Stanford dropout, HBS trained for short term earnings focus, assets not products (Time, 7/4/83), fired the first shot at Martin Marrietta. Yet he underestimated its ASSCAP (assured second strike capability). Pownall, Chairman of Martin Marrietta a retired naval officer was not to be easily taken and counterattacked. It was like "playing chicken". "Jay Higgins, managing director of Salomon Brothers and one of the big guns hired by Bendix to pick off Marrietta, was so appalled by Marrietta's seemingly suicidal counterattack that he chose to call it their 'Jonestown Defense'. And to impress his lieutenants with what he views as sheer madness of Marrietta's course, (he) kept a carton of Kool Aid packets on his desk..."(Fortune, 10/18/82); "Pacman fever seemed to spread...eat your enemies before they eat you, first Bendix tried to gobble up Martin Marietta, which in

turn, responded by trying to swallow Bendix. When it looked like Marietta had bitten off more than it could chew, it invited United Technologies, known for its appetite, to help itself to the leftovers. Before United could open its mouth, however, Bendix and Marietta had taken a big chomp out of each other. Which is when Allied Corp. stepped in, only to end up eating Bendix to save it."; "The Allied chairman now had a rare opportunity to outflank his boss (Harry Grey)" (Time, 10/4/82).

Agee had embarrassed the business community with his rumored affair and then marriage to Mary Cunningham. According to a RCA executive, "He has not demonstrated the ability to manage his own affairs, let alone someone else's." "'No one wants to be taken over by Agee. He made a fool of himself with Mary Cunningham. Other corporate managers don't respect him.'" (Time, 9/20/82). During negotiations, he even showed up with her; it upset everyone having a woman on the playing field. "'What the hell is she doing here?'" "Merger theatre of the absurd". "Is this any way to run a company?" (Time, 10/4/82).

These scenarios were written to demonstrate the media's use of language in describing hostile takeovers, to reveal possible underlying motivation, and to bring forth important issues embedded in these discussions. They hopefully can provide the starting base for further theoretical development. "Effective theory-building strategy is to ground theory in a detailed understanding of individual cases, especially extreme cases" (Pondy, 1983, p.163).

CONCLUSIONS

The evocative language used to describe takeovers starts to unmask the illusion that takeover concerns are restricted to objectively measured variables and rational analysis. The language demonstrates what Lakoff and Johnson (1980) argued, that metaphors are pervasive in human thought processes and guide understanding in fundamental ways. Despite attempts to reason and behave in a rational manner, organizational strategists are influenced by the metaphors in the language they use. In reading about takeovers, the metaphors which guide top organizational management are close to the surface. And the language used suggests that the metaphoric guides to takeovers are "fairytale". The options and choices available to participants are likely to be influenced by these remembered experiences confirmed by the pervasive use of fairytale language. In addition, decisions may be constrained by the options evident in these well-known stories.

Reports of takeover attempts remind people that even though top corporate managers rule over rich and well-defended domains, these territories can be penetrated, and the corporate leaders in command of such domains can be destroyed. These reports may provide insights into underlying motives that may have violent and defensive aspects. All may not be either as it seems, or as it is purported to be. For example, in defending themselves against attack, it is not unusual for corporate leaders to claim they are pursuing greater purposes even as they use tactics which suggest, in fact, baser motives and a willingness to do just about anything

in order to stay in charge. Similar possibilities exist for those who are directing takeover efforts who may wish to succeed irrespective of cost. The use of vivid and emotional language warns of these possibilities and suggests some of the motivations which may be the underlying cause of the takeover attempts.

Successful takeover attempts are currently restructuring national economies all over the world. With fairytales and myths fairly universal, can we expect the same scenarios to arise across the oceans? Or will they be modified by different cultural values and/or different institutional arrangements? "A lot of Europeans didn't want to get their hands dirty in a U.S.-style battle...but we can expect people to get more aggressive" according to an international broker, Phillips & Drew International Ltd. (quoted in Business Week, 11/24/86).

Traditional psychoanalysis has long studied the interplay or dynamics of warring forces struggling to takeover. According to theory, these intrapsychic forces (id, ego, superego) are in conflict. The resolution is considered "neurotic" when the superego wins (excessive inhibition), "psychotic" when the id emerges as the winner (impulse driven), and "normal" given ego victory (balance of inhibition and impulse)! It would be interesting to note whether the resolution will be functional or dysfunctional and from what point of view. Is the resolution "neurotic" (the "shoulds" win, i.e. government regulation)?, "psychotic" (the "wants" win, i.e. pride, power, greed, self-interest, etc.)?, or "normal" (the winner is the rational

balance of shoulds and wants which benefits stakeholders, society, freemarket ideology, etc.)? Is it just wishful thinking that "...the financial raiders will either disappear or matamorphose into conventional businessmen" (Sloan, 1985)?

In view of the debate over the constructive or destructive consequences of hostile takeovers, the sensational reporting of these events calls into question the underlying societal values and accepted myths. It also challenges some basic assumptions regarding for whom and for what purpose corporations exist? to generate stockholder wealth? or to provide products and services? or to provide jobs and community development? Future research should explore these important issues further.

Footnotes

1. The data has been gathered from media reports (e.g. New York Times, Business Week, Fortune, Time) from 1982 until the present. The search was neither systematic nor exhaustive. Examples were chosen for purposes of demonstration.

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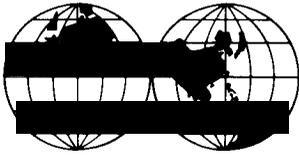
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