THE CORPORATE RAT RACE

THE RATS ARE WINNING

A GAME PLAN FOR SURVIVING AND THRIVING IN CORPORATE AMERICA

PAUL ULASIEN

The Corporate Rat Race, the Rats Are Winning:

A Game Plan for Surviving and Thriving in Corporate America
FREE PREVIEW

By

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Special Dedication

This book is dedicated to the one person who has always believed in me and taught me how to believe in myself. For without her unconditional love and support I would have never ventured beyond my own self-imposed limitations to become what I am today.

Thank you God, for leading me to the person who I loving dedicate this book to, the love of my life, my wife Sherry Elaine.

Acknowledgements

I would be remiss if I did not acknowledge the following persons for their support and contributions in making this book a reality:

To my late Mother and Father, thank you for giving me life and a positive example to live by. Your lessons of perseverance and determination are what have sustained me throughout the years and I will always miss you.

To my eldest son Matthew, thank you for the daily reminders of your courage. Your courage to prove that you can accomplish what others said was impossible, is the greatest gift a Father could ask for.

To my youngest son Jon, thank you for all the joy and laughter that has made our home a sanctuary of warmth and love. Also, thank you Jon for your creativity and in helping me to discover mine.

To Katie, my dog, constant companion and the one who has shown me nothing but unconditional love for over 13 years. You were by my side as I wrote each word of this book, keeping my feet warm in the winter and reminding me to go for long walks with you in the spring, summer and fall, to clear my head and take a break from my writing.

To David, my childhood and life long friend. Thank you for your companionship over the years and for the greatest gift a person could ask for, literally saving my life from the brink of death when I was ill. I owe my very existence to you and I will always be your friend.

To my Father-in-Law and Mother-in-Law, Richard and Betty. Thank you for your support and being a Mom and Dad to me after my parents had passed away. I am eternally grateful and blessed to have had two wonderful sets of parents.

To all the individuals who took the time to tell me their stories and then allowed me to use them in this book. Through your contributions, it is my hope and prayer that others can learn from your examples to find joy and meaning in their work. God Bless you all and thank you.

To God, today I would be nothing were it not for you and could not have accomplished the writing of this book without your daily blessings. Thank you God for all that I have and for the will to persevere and overcome the obstacles that tried to prevent me from finishing this book.

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On Your Mark, Get Set, Go…….

Chapter 1 – The Rat Race Begins

Since the beginning of the U.S. Industrial Revolution, we have seen the structure and composition of corporations evolve from the narrowly governed monopolies of the late 18th century to multinational conglomerates of the 21st century. The distribution of power and control has followed this evolution as the world's economic structure transcended from mostly agricultural, to industrialized and finally to service based economies. It is the distribution of power and control or rather the decentralization of it that has given the rise to phenomena I call the Corporate Rat Race.

According to the American Heritage Dictionary of English Language, a rat race is defined as *"A difficult, tiring, often competitive activity or routine*."[1] The participants and rats in a rat race are everyone belonging to an entity, which is part of a greater whole of entities. For example, consider a rat race of higher education. Such a rat race of would consist of the administrators, teachers, students, and anyone else involved at a single university, as well as the sum of all institutions as a whole like a conference of universities or of all American universities combined. Each individual is involved in some routine or activity within the function of the university that can become difficult or tiring.

In the corporate world, the participants in the race are all that are part of organizations within a company as well as the combination of companies in market segments or as a whole. At a computer chip manufacturer every individual in the company from the bottom to the top, is involved in a race within that organization. Individual contributors, teams, combinations of teams and the entire organization are all participants in some competitive or routine function within each organizational structure of the company. The combinations of all the rat race participants comprise the rat race of that company. Likewise, all computer chip manufacturing companies combined bring together all the participants from all of their sub-organizational structures to comprise the rat race of the computer chip manufacturing industry. Finally, all of the computer manufacturers as well as all corporate entities combined regardless of market segment bring all of their participants into the greater rat race of all corporations.

Everyone is involved in a rat race of some type within an organizational structure, but it is in the corporate world that the complexities of the rat race are most intriguing. Millions of workers worldwide are running the race and it has become a way of life for most, but it was not always as complex and competitive as it is today. As business and industry has evolved, so has the race to control and distribute control within an organization.

History is the best teacher of what was yesterday, what is today and even what may be tomorrow if you are willing to learn from lessons past or as Harry Truman once said;

"The only thing new in the world is the history you don't know".[2]

The history of the American Corporate Rat Race has a mutual relationship to the history of corporations as well. To understand and define how the life in Corporate America has become a rat race and who the rats are, it is fundamental to know the foundations of how it all came about.

There are four eras in the interrelated history of the rat race and Corporate America that have had the greatest influence on the structure of American business and industry as we begin the 21st century;

1.) The first U.S. Industrial Revolution,
2.) The Management Movement of the early1900s,

3.) The Great Depression and the Golden Age of Unionism
4.) A second U.S. Industrial Revolution precipitated by World War II and the attack on Pearl Harbor.

As eras in of our lives from infancy through adolescence build a foundation for adult maturity (well at least for most of us), so does the history of corporations build the foundation of today's business climate and the rat race of Corporate America. Gaining an understanding of how each of the four eras in the evolution of the corporate rat race will help you to understand how we got to where we are today and why.

On Your Mark – The First U.S. Industrial Revolution

At the beginning of and during the first U.S. Industrial Revolution, the rat race participants consisted of only a few and sometimes only one individual. This is because the center of power and control of an organization was with the owner of the company, his family, partners and the few individuals entrusted to manage operations.

Early corporations were far and few between, as the laws governing the formation of a corporation were dictated by state charters. Generally, the state charters required proof that a corporation would serve only in the public interest, convenience and necessity.

All decisions concerning the operation, function and distribution of funds flowed from this single or narrow source of power. Thus in the early days of industry, there was indeed a rat race, but with very few rats and participants running in the race. The workers within a company were considered possessions of that company and were allowed no control or ability to contribute outside of their labor. This structure held true for generations and the composition of the rat race remained unchanged for many years, until the 20th century.

As more and more of the world's population migrated from the rural farms to the cities, industries began to feed upon themselves and created the need for supporting industries to supply raw materials and consumables to the early industrial giants. The oil, steel and railroads barons were huge consumers of raw materials and to grow and prosper their personal empires required materials, products and services far beyond their spans of control. New opportunities in industry such as power, transportation, communications and finance gave cause for new enterprises and entrepreneurs to establish a claim for part of the larger economic pie.

As companies became larger and more diversified and as new industries were born, the complexities of running companies became too great for maintaining the power and control among only a few rat race participants. New rats and participants needed to be introduced into the race to manage the operations of the growing company and the increasing amount of labor needed to run it. Enter the early managers and executives of the 20th century.

Get set – The Management Movement of the Early 1900s

Prior to the 20th century most management practices involved heavy-handed dictation of orders from the owner(s) of the company which generally were for the production of the company's goods and services at any cost. Profit and self-interest were the motivators of the early captains of industry. Workers followed orders to the letter and were rarely if ever allowed to comment or participate in decisions. All decisions with respect to how the orders were to be carried out were at the discretion of the executive or manager giving the order and were never questioned or analyzed for their effectiveness.

There were little or no systematic approaches to management in the late 19th century and likewise, little interest by the academic community to develop any. Only three universities Pennsylvania, Chicago, and California offered business management courses before 1900.[3] Industrial giants were in the embryonic stages of forming empires through mergers and outright takeovers. The need for management organizations to handle new methods of nationwide marketing and distribution thus altering the business decision-making process was a paradigm that until necessitated did not exist.

Organizations within organizations were rapidly being created to grapple with the complexities of running industry as the industrial empires grew larger and more diversified. One person no longer performed a multitude of tasks, but rather began specializing in performing only a few tasks whether in management or labor. The corporate rat race needed more rats and participants to run, but how many and where in the pack should they run?

A young mechanical engineer at Midvale Steel Company, Fredrick Taylor considered the Father of Scientific Management, worked with and observed production at all levels of Midvale Steel. Quickly Taylor realized that a majority of workers produced at levels less than 100 percent of effort. Wages were based on attendance and position, which gave workers and managers little incentive to produce more. No standards existed for piece rate systems as tradition and customary practices of production were the norm and a resistance to change was due to protecting existing territories of command and control.

In *Shop Management, 1903*[4] and *The Principles of Scientific Manager, 1911*[5], Taylor developed his theory of Scientific Management based on four main principles:

1. The development of a scientific method of designing jobs to replace the old-rule-of-thumb methods.
2. The scientific selection and progressive teaching and development of employees.
3. The bringing together of scientifically selected employees and scientifically developed methods for designing jobs.
4. A division of work resulting in an interdependence between management and the workers.

Supporting Taylor's observations that more participants were needed to enter the race, methods were now being developed to determine how many participants and where they were to be placed.

Since Taylor, others such as Henri Fayol and Frank, and Lillian Gilbreth, have furthered the study and theorization of scientific practices in management and production. Institutions of higher learning began to recognize the validity of research by the early management pioneers as their theories and practices formed the foundations of the modern schools of business. By the 1930s, business management studies were now a part of the curriculum of many colleges and universities. Many schools even required management studies as part of the curriculum for their respective schools of engineering and finance. The race heats up; we have more rat race participants and educated ones at that!

False Start – The Great Depression and the Golden Age of Unionism

As American industry began the slow and arduous process of emerging from the Great Depression of the 1930s the decentralization of control beyond upper level management was in itself also slow and arduous.

The tumultuous emergence of the labor unions and their growing influence characterized by the coal workers and auto workers strikes of 1931 - 1933 were the first of several events during the 1930s that edged corporations towards the apportionment of control below the management level.

The stock market crash of 1929 and the financial turmoil that many corporations fell into, gave many companies the upper hand in dictating wages and control. With the supply of workers out stripping the demand of available jobs, companies attempted to alleviate the steady flow of red ink at the expense of labor. It was not an uncommon occurrence for companies to reduce hours and administer deep wage cuts at and below the management level while at the same time maintaining or even increasing compensation at the executive and owner levels.

The Fisher Body Plant in Flint, Michigan, is only one of many examples of that era. Men would report for work daily, wait around for hours, and if they were lucky, secured two hours of work. In one instance a worker received for two weeks what the company considered a generous sum of 49 cents. His total wage for the two weeks was $2.49, but the company for factory insurance held out $2. During the two weeks, however, he had been called to work six times, spending 12 cents carfare each time. His net loss, therefore, was 23 cents.[6]

Workers could not survive under such conditions. Many were literally below the poverty level of the unemployed in the soup lines merely for the sake of having a job and an empty promise. They needed help and the only help that was available was in standing together with others who were being taken advantage of.

The labor unions, because of a 1920s hysteria of anti-red communism and the prosperity of the roaring 20s, were weakened and relegated to an under ground movement at the onset of the Great Depression. However, the doors of the unions were seen as a respite to workers who were once afraid to be labeled as socialists, and they quickly gravitated to the unions en masse.

It was a standoff of huge proportion and great gamble to both sides. The gamble for workers was the risk of joining the millions of unemployed. For companies the gamble was the prospect of capitulation or collapse at the expense of those wielding the power and control.

With support of the courts and legislative laws such as the National Labor Relations Act of 1935 [7] and the Fair Labor Standards Act of 1938 [8] came the Golden Age of Unionism. The climate of understanding the needs of employees changed in favor of organized labor and the worker.

In the end, the winner of the standoff between labor and management was the side that had the most sympathy and the least to loose, the workers. Their prize was to ultimately gain more power and control of the corporation. As the union's sphere of influence increases, control is further decentralized and more participants are in the race. As slow and as difficult the process, it was now possible for anyone to become a rat race participant. The race expands and the field of participants begins crowd.

Get Set – Again

World War II the Second U.S. Industrial Revolution

In 1941, American industry and business in general, had finally loosened the chains of the 1930s Great Depression. Unemployment rates had plunged from a peak of nearly 25.2% of the workforce in 1933 to 9.9% in 1941.[9] America was going back to work.

The war in Europe was helping to fuel the reemergence of the heavy industry that had survived the depression and union movements of the previous decade. The average American was too preoccupied by their own financial recoveries to worry about a war across a great ocean thousands of miles away. After all, hadn't they suffered more than enough to be worried about someone else's war?

December 7, 1941 the date that change America, American business and the world forever. The bombing of Pearl Harbor and the resulting entrance of the US into World War II set into motion the dynamics of a scientific and industrial revolution so profound, it fathoms that mind to contemplate what would the world be like today if Pearl Harbor had never happened.

On the day after the Pearl Harbor attack the circumstances for two new paradigms in the traditional corporate culture and corporate rat race were about to unfold. The new paradigms and the resulting impacts were the emergence of women as a major force in labor and management and the Japanese industrial juggernaut that followed several years after the end of the war. Therefore, before we can contemplate what the corporate world and rat race would be like today if the attack had never happened, it is important to understand the composition of the new paradigms and the dramatic effect Pearl Harbor had them.

Rosie the Riveter

First, the paradigm of women in labor and management post Pearl Harbor and the effects on the corporate rate race. For decades prior to 1942, with the exception of the depression years, men were traditionally tasked with providing income and support for the family, while women maintained the household and nurtured the children. Women rarely worked outside of the home unless they were single, divorced or widowed.

When World War II began, the traditional family economic structure was turned upside down. The main source of financial income and support was called away to fight a war, leaving their wives to serve dual roles taking charge of everything. This was by necessity as G.I. pay was at most Spartan, and slow to find its way into the family bank account.

The industrial war complex needed to supply weapons and materials for conflicts in two separate hemispheres. Labor, any labor, was needed and quickly. Women under the financial and emotional stress of suddenly becoming the sole source of support answered the call. However, business and industry was quick to learn that women laborers were not just any labor. These women were actually very productive and efficient. So productive and efficient that they could function autonomously and manage themselves. Companies who at first envisioned experienced males domineering at the management level and to handhold the female subordinates, quickly learned that these women could function and do just fine on their own once trained and given a chance to prove themselves.

Although not overnight, America’s industrial complex geared up rapidly spurred by a massive infusion government capital and the contributions of millions of dedicated and hard working women. Women had answered the call, but the war came to an end, the boys were coming home and it was time to return to life as it was before, right? Not so fast!

Many sociological changes at home had also occurred as the World War II ground on. The emotional stress on women whose nuclear families were torn apart by the departure their husbands manifested itself in less parental supervision of the children and an increase in juvenile delinquency. Adding to the stress was the constant fear of not knowing the fate of their husbands thousands of miles away. Resentment towards husbands who left their families to fend for themselves caused many women to become harden with diminished feelings of affection. Thousands of families were further burdened with reality that their husbands and fathers were not coming home at all.

The joy and euphoria of V-E and V-J days was short lived as many returning service men came home to wives and families distant and cold. After the end of World War II, divorce rates sky rocketed, as did the rates of single parent families.[10] The trend in divorces and single parent families decreased briefly during the 1950s, however, but the table had already been set on December 7, 1941. Successively more and more women needed to support their families and remaining in the workforce was no longer option.

As time progressed beyond the war years, women began to envision opportunities for their future that were not centered on finding a husband, settling down and raising a family. Women were forgoing tradition and going to college or entering the workforce in a myriad of positions once considered taboo only a few years earlier. Although men continued to dominate in numbers and level of the positions held in most corporations, a new workforce equal in numbers to the male population was knocking on the door.

While glass ceilings impeded the penetration of women into the upper levels of corporations for many decades, the shear determination of women precipitated by the events of December 7, 1941 began to equalize the balance of power once held by their male counterparts. The rat race receives the final infusion of participants, ready eager and willing to prove themselves as equals. Hello ladies and welcome to the race.

The Fall and Rise of Japan

"I fear all we have done is awaken a sleeping giant and fill him with a terrible resolve."

Admiral Isoroku Yamamoto in World War II reputedly spoke those words after the December 1, 1941 surprise attack on Pearl Harbor. Had Admiral Yamamoto not died in 1943 he would have realized just how prophetic his words were.

The second paradigm of the fall and rise of the Japanese industrial juggernaut was set into motion on December 7, 1941, but there were many events that lead up to Japan's attack on Pearl Harbor that influenced their infamous act of aggression.

Prior to the 20th century, Japan was an isolationist country that was technically and economically backward with a burgeoning urban population. Japan needed to modernize quickly or face the specter of social decay and poverty. At the turn of the 20th century, Japanese government and industry set on a course of Westernization that by 1930 resulted in Japan becoming the most modern nation in Asia.

The rapid expansion of industry and greater affluence of the Japanese people exponentially increased the population. Pressures on the government to provide social services for the populace began to overwhelm its resources and realm of control. More and more Japanese, sensing a lack in the government's ability to provide for their needs, were becoming politically active and publicly voicing their opposition.

Communists were the most vocal of the opposition and fearing the increased influence of communist factions on the mood of the country, Japan's government turned to their military to help pacify and reassure the Japanese people.

Under the increasing influence of the military in the late 1920s and early 1930s, Japan embarked on an ambitious strategy to create in China and Southeast Asia what the Europeans had, decades earlier, done in Africa and Asia. Through conquest and colonization Japan wanted to become the dominant political and military leader in the region and establish itself among the world powers.

Japan, domestically, was rich in industrial and technical capabilities, but poor in natural resources. Raw materials such as pig iron, brass, copper ore and most importantly oil to fuel its growing industrial complex needed to be imported. Their precarious reliance on the other world powers of the era, Europe, Russia and the United States solidified their resolve to create an empire of their own with the resources and sphere dominance that would allow Japan to control its own destiny.

The Chinese civil war gave Japan the window of opportunity it needed to fulfill its expansionist goals and in 1931 they invaded and occupied Manchuria. Successively, Japan's empire expanded southward along the Chinese coastal regions towards Southeast Asia, the source of natural resource it coveted above all else, the oil rich region of the Dutch East Indies. As Japan expanded further and further into South East Asia, Europe and the United States became increasingly concerned over the ambitions of the Japanese government. Fearing a Japanese threat to eventually conquer and occupy European and American territories and possessions in Southeast Asia, unilateral economic sanctions over the export of raw material and oil to Japan were imposed in 1939 as an effort to stunt the Japanese imperial ambitions.

The sanctions did little to deter Japan as it accelerated its expansion southward towards South East Asia. The United States could actively do nothing to stop the Japanese imperial expansion, as it was thousands of miles out of the reach of U.S. military and political influence. Besides, America was convinced that the Nazi threat in Europe had imminent priority over the situation in Asia.

The United States' options were limited but ignoring China altogether was not one of them. On July 25, 1941, President Franklin Roosevelt announced an embargo of all oil shipments to Japan and the freezing of all their foreign assets under the control of the U.S. Four days later the British and Dutch joined America and the stage was set. Japan was faced with the reality of only 18 to 24 months oil reserves left to fuel its economy. They were being summarily isolated from the rest of the world and needed to take action, military action.

Japan's strategy in a military response was to make the U.S. realize that they could not win a war in the Pacific. It was calculated that a strike against the U.S. in Hawaii would drive the Americans to seek terms of peace and allow Japan to have the Western Pacific all to itself. They calculated wrong! The vast military and industrial complex that Japan felt compelled to protect by attacking Pearl Harbor on December 7, 1941 laid in total ruins 33 months and millions of lives later.

So why is the rise and fall of the Japanese Empire crucial to the corporate rat race of today? Its importance is not so much as to the events that transpired up to and during the war in the Pacific, but more the cause and effect that those events had on what happened after the war, the rise of Japan again.

Japan was in ruins. Its industry, infrastructure and most importantly the morale of its people were crushed. As the U.S. military began its occupation of Japan immediately following the end of hostilities, a strategy of disarming the Japanese military and rebuilding Japan as democratic nonmilitary state was implemented. Never again was Japan to be a threat to the security of the United States and to accomplish this goal the nation and its society needed to be rebuilt.

The initial goal of disarming and dismantling the Japanese military was relatively simple since the saturation bombings of Japan's military installations in the final stages of the Pacific War had already accomplished this. The rebuilding of the societal and economic infrastructure was another matter beyond the experience and capabilities of the occupation forces.

Sensing the need for such expertise, in 1949 President Harry Truman appointed Joseph Dodge, President of the Detroit Bank, as Financial Adviser to the Supreme Commander for Allied Powers, General Douglas MacArthur. Under Joseph Dodge, what came to be known as the Dodge Plan was put into place to stabilize currency, eliminate the black market, and bring consumer prices under control.

The will, determination and pride of the Japanese people began to return. Aided by the large influx of American investment to support the military forces of the police action in nearby Korea during the early part of the 1950s, Japan was well on the road to recovery. In the latter half of the 20th Century, Japan was to eventually realize its goal of being the dominate power in the Asian Pacific region albeit an economic versus a military power.

The key to all of the events that transpired from the early part of the 20th Century, through the Second World War and into the 21s Century is how Japanese companies achieved such tremendous success and the influence of their successes on the American business culture and the corporate rat race. As Japan's meteoric rise from the ashes of total annihilation began to catch the attention of their business counterparts abroad so did the methods of their management practices.

American management practices in particular remained relatively unchanged for decades following the end of World War II. Control tended to remain at the higher levels of the corporate structure. Information and decisions flowed downward to the lower levels as edicts with an autocratic attitude towards the well being of those at the lower levels.

In contrast, Japanese managers encouraged participation in decision making from employees at the lower levels since they were closest to the work. In conjunction, Japanese managers acted more as facilitators showing a deep concern for the personal well being of their subordinates. Information, initiatives and decisions flowed in both directions, upward and downward.

Ironically, the practices the Japanese companies embraced and used to propel themselves to prominence as the model form of management were originated by American mathematician Dr. W. Edwards Deming. Deming's principles of encouraging employee participation and striving for continuous quality improvement were the impetus for Japan to leapfrog America as the preeminent economic and manufacturing superpower heading into the 1980s.[11]

With a sense of urgency, American management theorists and scholars began to realize that there was much to learn from the Japanese. While distinct cultural and social differences between the U.S. and Japan prevented the complete adoption of Japanese management practices, there was the opportunity to take portions of Japanese management practices that could best integrate into and compliment American management practices.

William Ouchi's Theory Z is but one example of the new management practices adopted by American business in the 1980s and carried through into the 21st Century. American emphasis on individual responsibility and accountability integrated with the Japanese emphasis of collective decision making are common in U.S. businesses today and has allowed America to regain much of the ground lost to the Japanese during the 70s, 80s and early 90s.[12]

So What if?

Conceptualizing what the world and Corporate America would be like today if the Pearl Harbor attack had never occurred is not meant to diminish the sacrifice and contributions that millions of men, women and children made during this dark period of our history. Generations up to and beyond our lifetime will forever be the beneficiaries of the Great War Generation and will likewise be eternally grateful.

In deference to those who gave so much of their selves so that the world would be a better and freer place in which to live, ponder if you will, what would the state of the world and Corporate America be today had the attack on Pearl Harbor never happened. It may boggle the mind to consider all of the possibilities of a world and business environment that had not been impacted by such a mammoth event, but here are a few questions that we can ask ourselves.

What if Pearl Harbor had never happened?

- What would the family structure be like today and would there have been a Baby Boomer generation? Would the corporate structure have been impacted as well with a diminished population or a population not disseminated by the effects of a war?
- Would Japan and the Pacific Rim region in general be the economic force they are today or an isolationist imperial state? What would the state of competition be like in America and globally? Would America have ever evolved to service based economy or still be industrial based without the competition from the Pacific Rim?
- Would the Cold War have ever materialized of just been delayed a generation? Without the need for nuclear technology to end the war, would the bomb and associated technology for an arms race have ever materialized?
- Would the American industrial complex have realized its potential without the need to supply two theaters of war? Would there have been subsequent recessions or worse, post World War II without the technology and knowledge gained from the war in the Pacific?

These are but few questions with a million possibilities that can be gained by pondering what if Pearl Harbor had never happened. The fact of the matter is, however, Pearl Harbor did happen and we are today what we are. For better or worse, this is the hand that fate has dealt to us and life does go on, but as you begin your next day running the corporate rat race, take a moment and think about what your position might be like today with the possibility of “What if”?

The corporate rate race is now complete. Over the span of 200 plus years the race has evolved from a dictatorial climate dominated by only the wealthy and domineering captains of the U.S. Industrial Revolution to a global climate where anyone can be a participant regardless of stature or position. Now we can just don our corporate running shoes and merrily be on our way running along side all the other rat race participants and rats with regularity and equality, because after all a rat is just a rat and a race is just a race, right? Unfortunately it doesn’t quite work that way. Just as there are numerous dynamics that evolved into what the corporate rat race is today, there are as many if not more dynamics in how it is run.

Throughout the remainder of this book we will be examining the dynamics and makeup of today’s corporate rat race, what is meant by the rats are winning and as a rat race participant, having understanding the essentials of the rat race and then using your essential understanding to develop a game plan to survive and thrive in the American Corporate Rat Race.

Chapter 2 - GO! And They're Off …. The Corporate Rat Race
What, How, Why and Who

What is the Corporate Rat Race

Technically speaking, if we are all participating in a rat race, that would classify all of us as a rat of some kind. After all, a horse race does not include dogs and cats and a stock car race could not be called a stock car race if bicycles were allowed. The problem, however, with referring to everyone running in the corporate rat race as a rat, especially where the rats are winning would be at least a contradiction in terms and at most confusing as heck. Think about it, if the rats are winning and we are all rats that would imply that we are all winners, right? Fortunately, reality and common sense dictates to us that this is not the case.

In the corporate rat race, there must be a line of distinction drawn between the rats and why they are winning. Therefore, the corporate rat race is a race that is not specific in terms as it relates to participation. Everyone running in the corporate rat race is not necessarily a rat, yet it is still called a rat race. Why, it is because we apply the term rat race as a metaphor to describe the day to day grind of working for Corporate America. It is not a defined race in which there are specific rules, guidelines and structure. There is no rat race Olympics or rat race Grand Nationals televised on Sunday afternoons and you cannot find the latest in rat race accessories at sports stores or speed shops. The corporate rat race is, however, every bit as intense and competitive as an Olympic or Grand National event. Equally, without knowing how the rat race works, arming yourself with an understating of the rat race essentials, and having a game plan in place to survive and/or thrive in the rat race; it can also leave you in the dust.

How the Rat Race Works

Before getting into the identification of the rats and why they are winning, I would first like to take the concept of a how the corporate rat race works by depicting it into visual terms of a competition run on a course.

Consider, if you will, a track similar to that used in track and field events, a quasi-rectangle with rounded corners. Next at each corner, there are narrow extensions either leading into or out of a rounded corner. We'll called these entrance and exit ramps with the entrances being on the upper right/lower left and exits on the upper left and lower right. Last of all, for the purpose of this visualization; let's say that the flow of the race goes counter clockwise as depicted in Figure 1.

(Insert graphic file: Figure 1 Rat Race Track.jpg – here)

The purpose for the composition and shape of this rat race track are based on three dynamics of how the corporate rat race and life in Corporate America works. The first dynamic is the basic shape of track, which indicates the continuous aspect of the corporate rat race. There is no end or beginning, only continuous movement in one direction. Clockwise or counter clockwise is of no significance, it just moves in the same direction.

The second dynamic, is the main track and the significance as to your position on the track and the width of the track relative to the size of the organization that you belong to. If you are deeply entangled in a job or career situation that has you running with calculated and opportunistic blinders on, you will have a tendency to run as close to the inside of the track as possible. Physically, the distance to run is shorter towards the inside of the track where the speeds are also faster. This inside position is the territory where career centric (managers and executives), and opportunistic workers will feel most comfortable running as the inside of the track is farthest away from the exits.

The stress and pace of the race at the inside of the track also leaves little time for reflection or consideration about exiting, only running hard and fast. That is why the inside track is the least crowed but the most treacherous part of the race. The risks and stress of success or failure are highest in the inside and not an area for the secure minded worker.

Running towards the middle to outside of the track may have a longer distance and slower pace, but it the most crowed portion of the track as well as the area where you must enter or position yourself for exiting. Entering and exiting can only been done from the middle to outside of the track as cutting across rat race traffic by either entering to or exiting from an inside position can only cause a chaos if allowed to happen.

At one time or another, we have all been witness to the effect that some bonehead driver cutting across four lanes from an entrance ramp to get into the express lane or conversely cutting from the express lane to an exit ramp can have on rush hour traffic. Aside from the cursing and hand gestures of extending the middle finger upward as an indication the offending driver's IQ, such abrupt and radical maneuvering is a recipe for disaster.

Rush hour traffic cannot stop at the whim of an erratic driver without consequence. Likewise, the pace of the corporate rat race also cannot slow at the whim people entering or exiting without consequences to the flow of business. If every company in America adjusted its business model around a worker's pace for acclamation or shutdown processes to build a shrine for every worker that left, business in corporate America would enter a state of atrophy.

Running in the middle to outside track of the corporate rat race is where most workers either prefer to or end up running. There is less risk when compared to the inside track. In a corporate environment where a majority of workers will place job security over opportunity and the associated stresses of running towards the inside, it is understandable why the middle to outside can be so crowded.

The downside to running in the middle to outside of the track is that more rat race participants are running there, which gives rise to the aspect of getting lost in or being just another face in the crowd. The risks may be lower, but the competition for advancement is higher as opportunities in the middle to outside of the track are more a matter of being in the right place at the right time versus running towards the inside of the track.

The third and last dynamic of the corporate rat race track, is the width of the entrance and exit ramps in relation to the width main track. This may not seem to be of any significance, but it is an indication as to who controls the pace of the rat race. The pace is dictated by the company, and also as we will discover later influenced by the rats, and not with a majority of the participants, for if you remember all the participants in the rat race are not necessarily rats.

Entering and exiting the corporate rat race is not done en masse unless the company loses control or external circumstances dictate otherwise. An example of this is why so many companies are vehemently opposed to allowing the infiltration of organized labor into their workforces. Without such opposition, control in the flow of business and the rat race will shift to an external entity, which may good for the workers but disastrous for a company.

The width of the entrance or exit ramps can vary by company and are an indication as to a company's stability or the ability to control the pace of the race. A rat race with wide entrance/exit ramps implies instability and a low degree of control over the pace of the race. Large fluctuations in the levels of a workforce are a stark indication that attention to controlling the pace of the race has been ceded to an intervening external force. Bankruptcy, mergers, labor strife and lack of planning for recessionary or boom business cycles are just a few examples of intervention by external forces that can divert the attention of a company away from controlling the pace of the rat race.

In such instances the pace of the rat race will begin to accelerate regardless of ones position on the track. As the pace of the race quickens, so will the centrifugal forces of stress and anxiety caused by trying to keep up. The physics of centrifugal force pushes objects away from the center of rotation caused by the inertia of the body. If there is no controlling factor over the pace of race, the law of *every person for their self,* will cause the pace of the rat race to accelerate as there is little to no controlling factor for individuals. Inertia will increase and maneuvering will trend to the outside towards the exits. Depending on the circumstance, if a company is oblivious to the rate of entrances and exits to a rat race, the pace will continue to accelerate to the point of careening out of control.

Companies who have taken their eyes off of the race during boom business cycles will institute drastic measures when down business cycles occur that have not been properly planned for. Organizations with razor thin margins or erratic cash flows will sell off or shut down parts of the organization resulting in enlarging the ramps for layoffs and furloughs. When the business cycle swings from down to up, companies with little to no control of the rat race pace, will recall or hire employees at a pace equal to or exceeding the layoffs or furloughs. Cash flows will fluctuate widely as the cost of attracting and training new workers will only exacerbate the lack of control.

Narrow entrance/exit ramps signal stability and a company's ability to control the pace of the rat race. Organizations focused on the day to day operations of the business will also have contingencies in place to counteract interference from external forces. Like the smart investor, stable companies will have diverse business portfolios in place for the express purpose of keeping profit margins and cash flows consistent.

Large conglomerates will have interests in high risk business to take advantage of up cycles and medium to low risk interests that are their cash cows for the down cycles. There will also be rainy day cash reserves and other liquid assets that companies with a high degree of control can pull from in the event of unanticipated impacts to the organization as a whole.

Stable companies understand that the ingress and egress of workers has to be held to a trickle as large changes in the flow of a race can be just as disruptive to the business as external forces. The pace of the race at companies with narrow entrance/exit ramps is not as important as their ability to maintain a steady pace.

When down business cycles force a reduction in work force, companies with a high degree of control will have the ability to allow natural attrition versus centrifugal force to meet staffing objectives. Inertia is lower and maneuvering by the workers is allowed to continue at the behest of internal versus external forces.

When up business cycles occur there are no massive voids to fill as a result of having wide entrance/exit ramps. The stable company has the ability to react quickly with an in place and experienced workforce that requires little to no retraining. Cash flows remain consistent as there are facilities and workers already in place, only the need to shift assets around from low and medium risk back to high risk business.

Why Are There Rats

Having described what the corporate rat race is and how it works, it is time to deal with the rats themselves. As I mentioned earlier, just because you are running in a rat race, does not necessarily mean that you are a rat. Just who the rats in the corporate rat race are and how to recognize them must first be answered by why there are rats to begin with.

If you recall the first paragraph of Chapter 1, *On Your Mark, Get Set…The Rat Race Begins,* the corporate rat race is a result of the decentralization of power and control within an organization. In the beginning, the rate of the decentralization of power and control was closely regulated at the behest of those who had it, but as the corporate structure evolved, the ability to control decentralization was superseded by deregulation and competition in a global business environment.

Today, the power to make and influence decisions has been ceded downward to all levels of an organization. Cross functional teams are the decision makers of 21st Century Corporate America diluting the roll of autocratic leadership. Executive decisions are more the exception than the norm as the era of **leadership by consensus** dictates the power and control of corporate America.

Perpetuating in our corporate culture since the later half of the 20th century, leadership by consensus is the remedial dilution of decision making to any level of an organization with selective accountability for outcomes. In other words, instead of “The Buck Stops Here”[1] as the late President Harry Truman used to say, the corporate rat race today is more like pass the buck down but don’t pass it back up unless you can turn it into a buck-fifty.

Leadership by consensus has become a convenient vehicle for individuals who are unwilling or lack the capacity to lead. The evidence of this is the emergence of an entire industry dedicated solely to the purpose of devising and teaching leadership concepts. Companies are investing billions of dollars each year in leadership programs and workshops all in the name of empowering their employees. It is a good and noble concept, empowering employees with the ability to lead and make decisions at the lower levels. The problem, however, is that empowerment has become the absolution for **leading by example**.

Leading by example requires that you are accountable for the outcomes of your decisions. Unfortunately accountability is a hat which few people are willing to wear unless it puts them into a favorable light. Just take a look at the political arena and you will see what I am referring to. Politicians will stampede for camera position at a press conference announcing good news, but will march out a surrogate or sacrificial lamb to do their dirty work when the news is not so good. Why, because ambitious politicians are perpetual campaigners and perpetual campaigners must be a master of taking credit for someone else’s good ideas while avowing no connection to their own bad ones, or selective accountability.

A person who leads by example cannot lead and only be partially accountable for the outcomes. That is the convenience that leading by consensus accords to people who are more of a high paid figure head than a true leader. Just as politicians let polls and public opinion be their guide to decision making, likewise do the corporate leaders by consensus allow an opinion or position reached by a subordinate or peer group, be their guide to rubber stamping decisions.

In either case, political or corporate, if the decision turns out to be a good one, trumpets will blare and accolades will abound as the politician or executive will take credit for his or her brilliance. On the other hand, however, if the decision is a bust it will be the result of a consensus, it is someone else’s fault and the politician or executive was merely going along with the majority. Just march out the sacrificial lamb or layoff a few employees and show the critics who’s in charge, the rats!

Who Are the Rats

The animal kingdom contains many species of rodents. There are white bunnies, chipmunks, lemmings, gophers, hamsters, and guinea pigs just to name a few. We generally consider these, as well as other members of the rodent family; to be harmless, cuddly and at many times worthy of consideration for a house pet. There is only one rodent, however, that at the mere mention of its name instantly brings forth images of vile, disease ridden vermin, the rat.

Rightly so, rats since the beginning of recorded history have been reviled and despised by every element of society and culture. During the Middle-Ages in Europe, the rat was responsible for the Black Plague which killed millions of people. Rats invade food supplies and cause destruction worldwide; they also spread human diseases such as typhus and tularemia. Despite efforts to exterminate rats, the house rat population is thought to be equal to the human population. Outside of medical research, where lab rats have contributed much to the advance of modern medicine, there are little to no redeeming qualities that we associate with rats.

Metaphorically speaking, the English language is also filled with negative connotations in reference to rats. We say *rats leaving a sinking ship* when we refer to those who bail out at the first sign of trouble. A *rat's nest* is what we associate to a child's unkempt room or our paper strewn offices. Then there is James Cagney's famous line of *"You dirty rat;"* unsuspecting or naïve people fall into *rat traps* and *rat hole*; a turncoat *rats* on a friend; people with violent tendencies are *cornered rats*; *packrats* collect useless junk or are petty thieves, and yes, the daily grind that takes the wind our of our sails and pushes our frustrations to the boiling point is a *rat race*.

With all of the loathsome and disgusting associations we apply to rats, you are probably thinking there cannot be people who are that contemptible working in Corporate America as well? Consciously speaking, your assumption would be more right than wrong, but subconsciously it is the exact opposite.

Beyond a few isolated exceptions, overall, no one makes a conscious effort to be a horse's backside and negatively impact the flow of business or their fellow workers. Subconsciously, however, it happens each and every day in corporations all across America. Regardless of the deliberateness of their actions, the rats in Corporate America can be identified by the primary motivation behind making and implementing decisions.

The rats in the corporate rat race are individuals and groups of individuals who are **egocentric or sociocentric** with respect to making and implementing decisions. Egocentrism and sociocentrism in decision making is an adeptness of taking one's own self (egocentric) or a group's (sociocentric) best interests in mind as a philosophical starting point. In simpler terms, what egocentrism and sociocentrism in Corporate America represents is the fulfillment of selfish desires at the expense of the greater good of an organization.

The merits of ego/sociocentrism, however, are not merely institutional byproducts of the evolution of Corporate America. There were also shifts in cultural attitudes and priorities that contributed as well. Born out of the 1970s and 1980s, was a generation of individuals who were influenced by what is now called the period of the Me Generation, where social consciousness was replaced by self realization.[2]

The social rebellions of the 1960s became a rebellion of the individual in the 1970s. Socially conscious individuals disenfranchised by the waning social causes of the 1960s suddenly found themselves thrust into a decade of a recession driven workplace during the 1970s.[3]

The 1970s will always be remembered as a decade of political scandal, economic stagnation and high unemployment. The Legislative, Judicial and Executive branches of the Federal Government became so embroiled in routing out or covering up for the villains of the Watergate scandal that attention to social and economic issues were of secondary importance. A perception by the American citizenry was that at the expense the government's preoccupation with internal scandal, we were being hung out to dry. No one in power was looking out for the people, so people felt they needed to start looking out for their own best interests.

Likewise, Corporate America was not exempt from the cultural shifts of the 1970s and 1980s. Feeling that they were also being hung out to dry by the government, company's priorities and attitudes began to change as well. Scrambling to stem off the effects of economic stagnation and the influx of new foreign competition, companies became desperate to find and maintain sources of capital. Interest rates were skyrocketing to unprecedented levels making traditional avenues of funding operations, financial institutions, too expensive. What companies needed were new sources of income to help rebuild and expand their business at a cost point less than the prevailing interest rates. They needed cheaper money and they needed it fast!

Cheaper money, however, came at a great expense. As companies sought out institutional investors and junk bonds as new sources of capital, a new indebtedness structure began to emerge. Employees, once considered the greatest assets of company, were now being supplanted by a need to maximize shareholder value. Investors and junk bond holders moved to the front of the line of fiscal accountability and the workers became the pawns in meeting the demands of a return on investment. Cutting wages and massive layoffs were the offering that companies were forced to lay upon the shareholders alter in return for cheap money.

Like the government, corporations were hanging their employees out to dry with such a degree of callousness, that it became necessary for workers to become self-reliant merely as a means of survival. In the span of a decade, generations of worker comradery was lost out to a mindset of paranoia and greed. Battered by the economic and social decline of the 1970s, many people came to a conclusion that the American Dream was only attainable if a person were to put their self interests ahead of all else.

Greed was good as exemplified by the Corporate Raiders of the 1980s. Tremendous fortunes were amassed by buying up struggling companies and then dismantling them by auctioning off the parts. It didn't matter to the Corporate Raiders and shareholders that thousands of workers were to be thrown onto the streets as a result of their greed and arrogance, only that there was money to be made and lots of it.

With the improving economic conditions of the 1980s, the mantra of *greed is good*, permeated into American culture. People wanted to be included into a new social stratum of young upwardly-mobile professionals or Yuppies. Yuppies, within their own social circles, considered themselves to be the social and economic elites. BMWs, $100,000 homes, tailored clothing and expensive toys were the badges of the Yuppie. Competition replaced cooperation as money and status become the goals of the Yuppies. However, outside of the Yuppie social circles, Yuppies were also considered sellouts as they willingly sacrificed idealism in the pursuit of materialism.

I remember a bumper sticker from the 1980s that said something to the effect of, *He who dies with the most toys wins.* This bumper sticker aptly describes the modus operendi of the 1980's Yuppie and today's corporate rat. Win at all costs and at any expense as long as I or we win, period.

Today, having the most toys in Corporate America comes from combining the selfish Yuppie attitudes of the 1980s with the evolutionary corporate decentralization of power, then as they move up the corporate ladder, sprinkling in a bit of leadership by consensus. The rats in the corporate rat race are given free reign to bend and shape the rules of the rat race to benefit their own self interests and teamwork is only a smoke screen for ego/sociocentric driven individuals to hide behind until presented with an opportunity to improve their position in the rat race.

The 21st century has produced a resurgence of social idealism as family values and a simpler lifestyle are being embraced. The problem, however, is that ego/sociocentric mindset of competition versus cooperation and '*greed is good'* has already ascended to the upper levels of the corporate hierarchy. Additionally, the children of the Yuppie generation, Gen Xers, raised under the influence of their parent's quest for money and stature are now out of college and moving up the corporate hierarchy as well.

On the surface, the headlines of the corporate scandals of the early 2000s provide us with obvious examples of the 21st Century ego/sociocentric corporate rat. Individuals whose thirst for money and stature is so great that they even violated the covenants of maximizing shareholder value. The money coffers of such companies as Enron, Tyco and WorldCom were pillaged to such an extent that everyone, except the rats, were left with the shambled remains of once great companies.[4]

Less reviled by the shareholders but equally nefarious, are the executives who one day accept gratuitous multi-million dollar bonuses or stock options for keeping the price per share high, and the next day, axing thousands of employees who are really responsible for the company's success, all in the name of guaranteeing another gratuitous bonus at the next annual Board of Director's meeting. These rats are easy to spot, but represent only a small percentage of the rats winning the corporate rat race.

Beneath the headlines of corporate scandals is yet another even larger realm of the ego/sociocentric rats. The directors, managers, supervisors, teams and individuals who are oblivious to the impacts that their actions have on upon the physical and emotional well being of subordinates and peers. Actions such as;

- Being subjective versus objective in the matters of performance evaluations.
- Basing decisions on what is probably true rather than what is known to be true or inductive versus deductive reasoning.
- Using ethics as a mantra for a convenience of style versus the substance of principle.

These three actions plus numerous others could fill the volumes of another book onto itself, if it were not for the fact that the actions of the ego/sociocentric person can be summarized into a single concept, **the application of truth**.

Every individual, regardless of social or economic status, has a basic right to an opinion. This basic right, however, does not translate into an omnipotent right to a **variation of the truth**. Truth is simple, is conveys sincerity, integrity and fidelity to a fact or standard. There is no in-between, no half-truth or spin as it relates to basic principles of truth. Either something is true or it is not true. Unfortunately, the ego/sociocentric rat views the truth as an interpretation of the facts in a way meant to put themselves into a positive light. Applying a variation of the truth into actions, opaque a view of all the facts by only the facts that are relevant.

Ego/sociocentric corporate rats are dependent on a relationship between variations of the truth and leadership by consensus. Just as oil and water do not mix, neither does selective accountability mix with a full disclosure of the facts or an interpretation of the facts mix with full accountability. Accountability and truth must be mutually exclusive in order for there to be a fulfillment of selfish desires. For the corporate rat, there is a subliminal "I" in the word T-E-A-M.

Over the course of history, humankind has failed in its many attempts to eradicate the many species of rats. They are here to stay and will always be part and parcel to the order of life. We have, however, learned to deal with the rat species through an understanding of how they work, arming ourselves with the essentials to deal with them and having a game plan in place when we are confronted by them. That is how we have been able to survive and thrive in spite of the rat's existence.

Likewise in the corporate rat race, we may not be able to stop the rats from winning, but we can survive and thrive in spite of their existence. Now that you have an understanding of how the rats and rat race works, you also need to arm yourself with an understanding of the essentials in dealing with the rat race and have a game plan in place for the daily rat race confrontations. It is a great gift of God to find joy and meaning in your work, as long as the gift is not squandered by allowing the American Corporate Rat Race and the rats to get the best of you.