

Meeting the Challenges A Global Market Place

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Recent developments in the way information can be gathered and disseminated around the world, at incredible speed is having a profound impact on the way most businesses operate today. It is becoming increasingly difficult to find companies that have a secure market share, or goals, objectives, and priorities which last longer than a month or two.

The ease with which information flows has contributed tremendously to a breakdown in global boundaries. That breakdown has associated with it, increased opportunity, risk, and competition. Small companies are able to compete more effectively with larger companies. We are seeing large companies downsize because of technological changes and because they need to be able to respond to changes in the market place more rapidly. We are seeing small companies grow at a tremendous pace on the basis of the promise that a new product, new technology, or new way of delivering services and/or getting things to market, seems to offer in a global economy.

We're seeing the destruction of the rules companies have used in the past to provide the structure and direction needed to function effectively. Timelines for getting products out of the development stage and into the marketplace are shrinking dramatically. Formulas for determining expenditures within divisions throughout the organization (e.g., how much to spend on sales and marketing vs. R&D) are in flux. The distribution of the work force requires many individuals (e.g., external sales and service personnel) to assume more responsibility and to be able to function with less structure and support. Everyone in the organization is having to multi-task, and assume a broader range of responsibility (service personnel are selling, sales personnel are becoming involved in service).

The lack of clarity will not continue forever, new rules and a new structure will eventually be imposed on business by those companies which manage to control their markets. If companies are to survive, they will have to make sound decisions, and take full advantage of emerging technology. They'll have to choose the right markets and direct resources in optimal ways. Unfortunately, they'll have to be able to do that with far less information and structure than they would like. Things are changing so rapidly that the "correct" decisions aren't obvious. Everyone is having to take calculated risks. Companies can't afford to throw caution to the wind and immediately adopt the first potential solution that appears. Nor can they simply sit back and wait for everything to sort itself out. Making the best possible decisions can only occur when managers are able to:

- take full advantage of the talents of everyone reporting to them.
- create conditions which motivate and allow direct reports to perform up to their full potential.

In the vast majority of businesses today, managers are having to learn to cope with shifting priorities, with greater risk and uncertainty, with more intense competition, with shorter and shorter time lines, and with a greater sense of personal responsibility for what

happens to the organization. To meet these challenges you must have teamwork. Yet at the point in time teamwork is needed the most, it is breaking down!

What's Happening to the Organizational Team?

Good team work begins with, and is dependent upon, a clear mission and clear objectives. Very few companies are operating without a mission statement. The further down you go in the organization, however, the less people believe the company's directions are consistent with the mission and objectives. In most cases, the reason for this is obvious. Upper level management has been so busy trying to keep up with, and make adjustments to the competition and the market place, that they have not had the time to adequately communicate what is going on to the people below them. As a result, morale is suffering and the average workers confidence in the leadership of most organizations is deteriorating.

This situation is made worse because of the increased pressure upper level management is feeling from the lack of firm structure and direction, increased time pressures, and increased competition. In most organizations there are critical, performance relevant concentration and interpersonal differences between department managers. The differences are complimentary under "normal" business conditions. In today's environment, however, the differences contribute to a breakdown in teamwork. Individual managers begin to lose sight of broader organizational goals. They work at building up their own departments and start competing internally, instead of banding together to defeat the threats from outside the organization. Let's use a short case history to illustrate these points.

Company X is an advanced technology company dedicated to solving urgent problems of humanity associated with It's mission and objectives are clearly stated and it's senior level managers clearly buy into that mission and the associated objectives.

Company X's employees 250 people and has gross sales of roughly \$50,000,000. That represents an average increase in sales of 62% per year, over the past two years. The company has expanding markets for it's technology, and currently 68% of it's sales are to foreign countries.

To some extent, the problems facing company X can be attributed to the fact that the organization has grown dramatically over the past few years. Sales is driving the company and internal resources are thin, everyone is being stretched to the limit. At the senior management level, managers can't work harder. The president of the company, however, believes they can they work "smarter."

The president's view of his direct reports:

- Time is being wasted because managers are not clearly communicating the scope of tasks and/or the expectations regarding deliverables to the people under them.

- Some managers are doing the least amount possible to get the job done. There is an absence of type of critical thinking that allows one to anticipate and get at what is really being asked.
- Managers are failing to delegate and/or failing to hold the people below them accountable for doing their jobs. As a result, the managers are doing the work of the people below them.
- Deadlines are not being met, and follow through is lacking in every area of the organization.

Management's view of the president's concerns:

Most managers feel that they are holding the people under them accountable. If there is a lack of clarity in communicating the scope of tasks and expectations, it's because priorities and directions from the president and above, change without warning. Senior managers agree follow through is a problem, and they admit that in many instances they aren't taking the time to "go the extra mile" in response to a request. The reason is simple, they don't have the time and/or the resources to do any more than they are already doing. They are stretched to the limit.

In company X, as in most organizations the president's direct reports can be divided into two groups. A group of managers who are responsible for running relatively independent business centers and or who head departments who's primary responsibility is to external customers. A group of managers who have internal customer responsibilities, providing supports to the organization (e.g, finance, quality assurance, product development, manufacturing, MIS). Conflicts between these two groups of managers are growing.

Managers are beginning to resent each other and to blame each other for the organizations problems. Internal managers are being criticized for failing to complete assignments on time, yet they are at the mercy of those managers who are placing the needs of external customers first. Concern over the needs of external customers often results in a failure to provide those managers with more of an internal customer focus, with the lead time and/or information they need to meet their deadlines.

As frustration and internal conflicts grow, both groups of managers are beginning to question the president's leadership. Internal managers wonder why the president isn't holding the other group accountable for following through on tasks which would allow them to complete their assignments (e.g, providing information necessary for QSO 9001 certification). Customer oriented managers feel they aren't getting the internal support necessary to adequately respond to all of the demands being placed on them.

Everyone's patience and tolerance is being severely tested and effective communication within the organization is beginning to breakdown. People don't believe they have the time necessary to respond to and/or deal with others feelings and/or issues, and still do their job. Because each group sees the other as at least partially responsible for their own problems, the desire and willingness to cooperate is decreasing. Managers are expressing thoughts like "Why should I go out of my way to complete this task on time? I know that

so and so is not going to give me the information I need anyway." Those thoughts begin to interfere with performance and create a self-fulfilling prophecy.

What Are the Personal and Interpersonal Characteristics Which Contribute to The Problem?

As an outside observer, I know that the managers at company X can work smarter, and they can and must work more effectively as a team. Company X, like every other organization is a long way from achieving its full potential. To work more effectively as a team, however, individual managers must gain greater insight into each other's relative strengths and weaknesses. They must also come to grips with the fact that the kind of structure which provided direction and security in the past doesn't exist in today's business climate. For the time being, everyone in the organization is going to have to learn to cope with a certain amount of ambiguity.

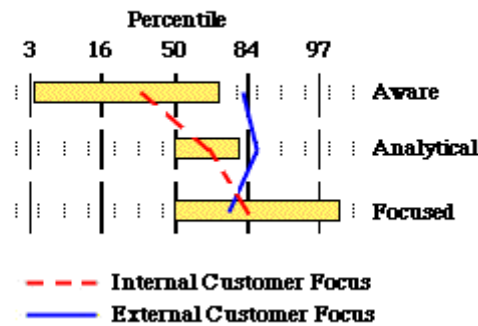
The Attentional and Interpersonal Style (TAIS) is a 144 item paper and pencil inventory measuring 18 concentration and interpersonal characteristics. Each characteristic has been shown to have direct relevance to performance outcomes. Information from TAIS is used to help the members of an organization or team understand why conflicts between team members are increasing, and to provide insight into the steps (individually and collectively) that can be taken to prevent and/or minimize problems.

As indicated earlier, much of the frustration building at company X focuses on the problems that managers whose primary concern is with the external customer, create for managers whose concerns are internal, and vice-versa. For this reason, I have analyzed the information provided by TAIS by looking at the differences which exist between these two groups of managers within company X.

The graphs of concentration skills and interpersonal characteristics which follow show the percentile scores of both groups of managers relative to the general population. The average person in the population scores at the 50th percentile on each scale. The shaded area on each scale shows the range of scores for managers whose responsibilities are primarily internal. The most important thing to keep in mind about the information is that differences between managers become exaggerated under pressure. That's because we all begin to lose control and/or rely heavily on our dominant personality characteristics when we are under pressure. When that happens, communication begins to break down.

Concentration Skills

Department Managers Concentration Skills



The ability to control the width (broad to narrow) and the direction (external or internal) of your focus of concentration is absolutely critical to performance. Different performance situations require different types of concentration. A broad-external focus is the kind of concentration sales persons use to be aware of and sensitive to, customer needs and reactions. As you can see from the above graph, the externally focused managers are much more aware of things going on in the world around them than the other group.

A broad-internal focus is the type of concentration used for analysis, for developing game plans or strategies, and for seeing the big picture. Again, the externally focused management group seems to be more analytical than the internal customer group.

It is the ability to narrow one's focus of concentration which is critical to the successful completion of tasks. Managers with an internal customer focus take pride in their attention to detail and their ability to stay focused and get the job done.

Everyone makes mistakes from time to time. As pressure increases in the organization, however, so does the likelihood of errors. Based on the information shown in the above graph, managers focused on external customers will begin to have more and more problems following through. As pressure increases they are more likely to seek out new customers and/or projects than they are to work on developing things already in the pipe line. In contrast, managers with internal customer responsibilities will become even more focused and attentive to details. They will lose flexibility, wanting to complete existing assignments before running off in new directions. One group spreads the organization too thin, and the other prevents it from taking advantage of new opportunities.

Under normal conditions, the differences that exist between these two groups are highly complimentary. It is attention to detail and follow through which makes the sales job easier. Under pressure, however, both groups begin to respond to the priorities of their individual departments rather than the overall priorities of the organization. The ability to work through these differences in concentration style is affected by differences which exist in the interpersonal styles and needs of the two groups.

Competitiveness



Scores on TAIS indicate that managers with an external customer focus have a much greater need to run their own shop (need for control), feel more certain about the directions they're taking and their ability to accomplish their goals (self-confidence). They enjoy head to head competition, and make quicker decisions than members of the other group. Put another way, internally focused managers are more team oriented.

The differences seen are consistent with differences in job responsibilities. Managers who's primary roles are to provide internal supports need to be team players. Managers going head to head with the competition, battling for customers, must be competitive.

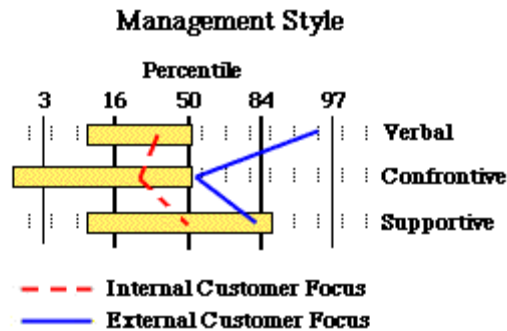
Under normal conditions, externally focused managers are able to restrain some of their control needs and may actually be excellent listeners capable of responding very effectively (as they do to external customers) to other managers in the organization. As pressure increases, however, they lose patience, have difficulty listening, and are quick to blame others departments for problems. It's at these times that they disregard the broader needs of the organization and respond to their own issues and priorities. In the absence of strong coaching and or management by the president, what could be a highly effective team quickly becomes a collection of prima donna's.

Management Style

Interpersonally, managers differ in terms of their ability to express their ideas (verbal expression), their criticism and anger (confrontive), and their positive feelings (support). As may be seen in the figure below, the pattern of expression for both management groups (e.g., position of verbal expression relative to expression of support and confrontation) at company X is similar, though managers with an external focus tend to be much more expressive in all areas, especially in the verbal area.

Managers with an external focus are extremely verbal and positive. With a moderate degree of control, both of these characteristics contribute to the success of the individual manager, and the organization. There's nothing wrong with a positive, "can do" attitude, as long as it's has some basis in reality. Under pressure, however, managers as verbal as those shown in the following graph, become talkers not listeners. In addition, because expression of support is high relative to willingness to confront, they will fail to set limits

on the members of their own team and the external customers. They will agree to things the organization may not be able to deliver.



Looking at the differences between the two groups, and knowing the pressures company X is under, it's easy to understand the conflicts that exist. Under the best of conditions, managers responsible for making sales (externally focused) will be pushing the organization to grow and take on new challenges, and managers of internal support services will be concerned about making sure that "quality is number one." Even without undue pressure, there will inevitably be some points of conflict as a function of different roles and responsibilities and different personality characteristics.

Looking to the immediate future for business in general, what evidence is there to suggest that the work environment will become more stable and predictable? Most companies can get some improvement by fine tuning existing systems and procedures, but that won't change the uncertainty generated by a changing market and increased competition. Under the pressures that currently exist, and will continue to exist for the foreseeable future, can two groups of managers who differ as dramatically as these, be expected to function effectively as a team, if left to their own devices? The answer is no!

In the face of conflicts between managers who's primary focus is on the external customer and those who's primary concern is the internal customer, managers who are externally focused will dominate any joint meeting. Ultimately, out of frustration and the inability to get their point across, managers with internal support responsibilities will begin to passively resist responding to the demands and concerns of the other group.

Pressure Increases at the Top

As I indicated earlier, the issues at company X are no different than those of hundreds of other companies. If anything, they are slightly less acute because of a generally agreed upon mission statement. Having said this, however, doesn't negative the fact that company X, like those other companies if fighting for survival and needs everyone in the organization to work as a team.

When a group of managers differences are so large that they can't resolve them on their

own, that places considerable pressure on their boss to resolve them, and to deal with the emotional consequences that any decisions he or she makes will have on both groups. Is it possible for the average president or senior level manager in any reasonably sized organization to do that? Are there enough hours in the day? In company X, as in other organizations one of the major concerns the president's direct reports voice is the fact that the president is unavailable. They cannot get in touch with him as often as they would like and/or feel a need to. When they meet, it's in large groups and not surprisingly, the meeting tends to be dominated by a few of the managers..

It's an uncomfortable fact of life that most senior level people in business today are spending an inordinate amount of time trying to stay up with the changes occurring outside of the organization which have a direct impact on the companies goals and objectives. In doing so, they are unable to take the time to adequately communicate the "method" behind what others perceive to be their "madness." They have very sound reasons for the decisions they make, but the information and instructions that flows down (when it does flow down), is often taken out of context and seems to be insensitive to the needs of others in the organization. As communication breaks down individual's team members lose sight of the corporate mission and objectives and/or lose confidence in their leaders. In either case, the wheels come off.

Pressure, stress, and an extremely demanding and challenging environment can be tolerated when individuals feel they are making a contribution and the organization is on the right track. This doesn't happen if senior management doesn't take the time and/or develop the resources necessary to make people feel needed, listened to, and important.

The answer is not consensus management

If you put nine people in a room with the extreme differences which exist at the senior management level in most organizations and closed the door until they could agree, you would probably never see it opened. Either that, or it would open and one manager would walk out. In today's business environment managers must take advantage of all of the organizations resources, but they cannot rely on a democratic process to resolve differences.

In company X's case, the president will save time and resolve issues more quickly by having two separate management meetings (one with each group), than he will by having one large meeting where discussions go on forever, without resolution. Within the context of those meetings he can empathize with and respond to the differing needs and concerns of the two groups. Having listened to both, he then takes responsibility for making decisions when conflicts exist, and holds people accountable for responding in accordance with his decisions.

Follow through on the part of externally focused managers with scores like those shown in this paper will not improve voluntarily, given the current level of pressure they are under and the limited organizational resources they have. When push comes to shove, unless they are held more accountable by their boss, they will simply respond to their

own priorities. If they don't change, the frustrations of internally focused managers will grow and so will their tendency to question the effectiveness of their leadership.

To the extent any senior level manager is unable (because of job demands) to provide the emotional/motivational support people need, and/or unable to take the time to be aware of the concerns of those reporting to him/her, that manager must develop external and/or internal resources to accomplish those objectives. The more the work environment requires managers to make changes on the fly, the more those managers need someone following up to make sure everyone below them gets on board.

In a stable work setting, we can expect managers to have the skills necessary to assume a leadership role when that's required, and/or to fill a support role and compromise when that's what is needed. The managers at company X are no exception. Both groups of managers have all the skills they need to function very effectively in any reasonably stable work environment. Unfortunately, it's a fact of life that stable work environments are disappearing. There are very few managers who are capable of maintaining enough control over their concentration and interpersonal skills to "do it all" under the pressures that exist today.

Better selection will help identify managers who can cope with pressure, even so, there aren't enough of them to go around. As long as uncertainty exists in the workplace, companies will need to find ways to minimize the conflicts and problems created by differences in individual's concentration skills and interpersonal characteristics. Often, this means hiring an external "process" consultant to insure that key people are fully informed, and feel valued and important. That person must be skilled at recognizing and responding to the needs of different individuals in the organization. That person must be seen as objective and impartial.