

CHAPTER 1

INTRODUCTION

“Interpersonal savvy is critical in almost every area of business”¹; so says Butler and Waldrop. And further, “your organization’s competitive advantage lies in its people.”² Professional executives face challenges every day. Often these are complex and frustrating. The professional executive must study situations and people, analyze incomplete data, and reach decisions which he or she feels makes sense. Very seldom are there nice neat, precise "textbook" solutions for organizational problems. If there are no "textbook" answers to be learned for the organizational problems, what can the executive do who wishes to develop the ability to deal effectively with the situations he or she faces? What can he or she study? Which skills should be developed?

Should we be concerned about organizational behavior and interpersonal skills including leadership and the acquisition and use of power? In 1927 the Harvard Business School began a series of experiments at the Hawthorne Plant of the Western Electric Company to expand the understanding of the way people respond in various circumstances.³ Since then, there has been a growing crescendo of books and articles that have been written extolling the virtues of a more people oriented approach by management and more recently, toward virtually everyone, including employees, customers, and suppliers.⁴ Dire consequences for the U. S. economy have been predicted if we don't improve our interpersonal leadership skills as a nation. Clearly, a management emphasis on customer relations and sensitivity to what customers want and expect also requires considerable interpersonal skills from front line employees at every level.⁵ In short, interpersonal skills have been recognized as essential for success in today's international and domestic organizational environments and are becoming increasingly important.

[The 1981 book "The Art of Japanese Management" by Pascale and Athos⁶ which addressed the amazing leap in Japan’s economy at the time, added emphasis to the call for more people oriented management. Paradoxically, the book observed that what the Japanese did to create what was viewed at that time as their "miracle" was to look at the best companies in the industrialized West, take what they learned back to Japan and adapt it to their unique culture and spread it throughout their economy. The 1982 book "In Search of Excellence" by Peters and Waterman⁷, which was based on a study of U.S. firms that grew out of the earlier study of Japanese firms by Pascale and Athos, identified fifty U.S. companies who were said to demonstrate consistently good management. (The importance of this book which sold several million copies is underscored by the February 2002 issue of *The Academy of Management Executive* which had five articles about it.) Both the Japanese and the best U.S. companies were very "people oriented". Much

attention has also been given to the quality of Japanese products compared to those in the U.S. and "Total Quality Management", or TQM⁸, and later ISO 2000 and six sigma have become a set of "buzz words" in the Defense Department, the aerospace industry, and, more recently, some other organizations as well. Those who espouse these high quality programs argue that they require "culture" change within many U. S. organizations to become "people oriented" in order to be successful (see Chapter 21).]

Many of the managerial mistakes that can be observed in organizations are caused by too narrow a definition of interpersonal problems. As a very simple example, a manager may conclude that one of his or her subordinates performs poorly because that subordinate is just fundamentally bad. A conclusion like this is dysfunctional for two reasons. First, it is rarely correct; the world is just more complex than that. Second, it precludes the possibility of solving the problem. If management has concluded that Joe is bad, then there is little reason to understand his value systems, to attempt to find ways to motivate him, to structure his job so that it is more satisfying to him, or to allow him to find outlets and satisfiers for his needs. If Joe is bad, one must protect oneself from him. The organization becomes a battlefield. The same type of example can be drawn about other situations such as departments with which one must work or the environment with which one must function including "bad bosses".

Some theorists in the field of organizational behavior divide schools of thought into two areas: the atomistic and holistic theories. Atomistic theories assume that a single cause can be found to explain the behavior or pattern of behavior of employees in organizations. The quickest example of this type of theory that comes to mind is the experiment involving Pavlov's dogs⁹. A bell is rung: the dog is fed. After enough repetitions of this phenomenon, the dog salivates with the ringing of the bell, whether or not food is present. One will probably say that no manager could believe or accept such a simple explanation for individuals' behavior in organizations. Many articles have been written and arguments conducted about the right style of leadership¹⁰ for organizational effectiveness. Other articles have discussed the personality traits¹¹ of "good" managers. If we think about it, these are atomistic theories. One assumes here that behavior is the result of one variable: leadership styles or personality traits.

Holistic concepts assume that the behavior of a person is really the result of many different forces operating simultaneously¹². At the very minimum, it depends on:

- one's personal history including one's relationship with one's superior(s), subordinate(s), and peer(s);
- one's expectations of the roles that superiors, subordinates and peers should play;
- one's skill in doing the job and one's confidence in that skill; and
- One's values, needs, motivations and other factors which may be important at the time.

Another way of looking at the holistic concept of behavior is that one's total set of life experiences and genetic makeup leads to the evolution of one's personal attributes or characteristics, while the sets of expectations or psychological contracts¹³ formed when one becomes a member of various groups, such as church, community, profession, or organization, and various environmental factors, such as economic and social conditions, contribute to the evolution of one's self concept or self image and finally one's own analysis or rationalization of one's behavior. Any one or all of these factors may influence one's behavior under certain circumstances.

Why is one executive a good "people persons" while another is not? What does it take to have good interpersonal skills? Experienced executives are aware of the many different theories about human behavior but often feel that few of them work all the time. Yet successful, people-oriented executives have learned *when* the various concepts from psychology and organizational behavior are useful and when they are not. Consciously or intuitively they use the concepts that work in the various situations they face. This book attempts to include in Part I those concepts which have proved useful, presented in a short, concise, practitioner oriented manner.

Successful, people oriented executives appear to have at least a few things in common. They are knowledgeable in the technologies involved in the jobs they are doing but are also knowledgeable in the currently useful concepts of psychology and organizational behavior which are applicable in the situations they face. Their intuition and/or judgment are good and correctly identify which concepts will be successful for them in specific situations and which will not¹⁴. They are empathetic; they care about, listen to, and understand the people with whom they work. They are sincere; they believe in what they say or do and do not pretend or play games. They are ethical, honest and fair; they tell it like it is but do so with tact and concern. They focus on those things which are positive more than those which are negative. They reinforce positive achievements and do not labor over failures; their focus is on "how do we fix it" rather than on "who is to blame". Finally, they are enthusiastic about their achievements as well as those of the people around them and they demonstrate that enthusiasm even for small achievements.

As the reader will see in Chapter 2, there are three different types of what can be described as cognitive functioning, mental processes, intelligence, knowledge and/or skills. These are¹⁵: *componential*, that is linear thinking or what is taught in school and measured in I. Q. tests; *experiential*, that is non-linear, intuitive thinking, judgment or what we derive from experience; and *contextual*, that is what is sometimes called "street smarts" or the ability to read our environment and adjust to it. "Executive intuition is the skill of focusing on those potentially important but sometimes faint signals that fuel imagination, creativity, and innovation and feed corporate success in globally competitive business environments."¹⁶ Further, "Intuition is a capacity for attaining direct knowledge or understanding without the apparent intrusion of rational thought or logical inference."¹⁷

These are related to, yet different from, the older and perhaps more familiar technical, conceptual, and human skills described by Katz¹⁸ and Yukl¹⁹. One way of relating these factors is given below.

Factors of Cognitive Functioning		
<u>Componential</u>	<u>Experiential</u>	<u>Contextual</u>
Linear	Non-linear/integrative	"Street smarts"
"IQ"	Experience	Reading environment
Analysis	Synthesis	Adjustment/compromise
Textbook	Intuition/judgment	Judgment/politics
Technical/factual	Conceptual	Human/empathetic
Problem solving	Problem finding	Opportunity finding
Case analysis	Case experience	Case environment

Successful, people oriented executives have learned that interpersonal skills require an integration of all three of these types of cognitive functioning. In this book, the concept chapters provide a knowledge base while the cases offer the opportunity to acquire linear skills through analysis, non-linear skills through discussion to build judgment, and contextual skills through the necessity to read the environment in each case in order to know which of the alternative possibilities are achievable. Non-linear and contextual skills are very different from the linear skills which are the basis of most college courses. Non-linear and contextual skills are related to judgment acquired by experience over many years.

What can we do to acquire and effectively use interpersonal skills that require linear, non-linear and contextual skills? Can we acquire body tone or the ability to swim or ride a bicycle by reading a book or listening to a lecture? No! The same is true with interpersonal skills. To acquire body tone requires strenuous exercise and to maintain it also requires strenuous exercise on a continuing basis. The same is true with interpersonal skills; we must work hard to acquire them and continue to work hard to maintain them. You learn to swim by getting in the water and thrashing about until you acquire the skill through experience. You learn to ride a bicycle by getting on the bike and trying different ways until you succeed in acquiring the skill. In the same way, you can begin to acquire interpersonal skills through experience by trial and error. Learning on the job is by far the most realistic and effective way but can be very painful and sometimes costly in terms of

your career. You can also begin to acquire interpersonal skills through trial and error experiences in class discussions of real organizational case studies if you are an active participant. Being passive has the same effect as being in the water but not trying to swim; you will gain little. Part II, the case studies in this book, provides you with the opportunity for trial and error in using the concepts and your prior experience, to experiment, to try new approaches, and to begin to develop your interpersonal skills. When you are trying to build "body tone", the more you exercise early and continuously throughout the program the more "tone" your body will achieve. In like manner the more you participate early and consistently during the course, the more skills you will acquire and be able to demonstrate by the end of the course. If you are starting from scratch, it is obvious you won't reach a high level of "body tone" in a short time. In the same way, you are unlikely to acquire a high level of interpersonal skills in one or two semesters in an organizational behavior course. Building and maintaining interpersonal skills, like "body tone", is a continuous endeavor throughout your lifetime. This book is intended to start you off in this process but, in the end, your job skills are what will count.

Interpersonal skills are critical to success on the job. This is particularly true if you aspire to a leadership position. But as noted in the preface, the news media and many successful executives have expressed criticism²⁰ of many MBA programs for their failure to provide their graduates with the essential interpersonal skills, specifically non-linear and contextual skills, necessary to be good "team players" and function effectively with their peers, bosses and subordinates when they enter the work force. This book gives you the opportunity to learn practical, useful concepts that will help you build your linear skills. Through repeated experiences in multifaceted case analysis and discussion you will have the opportunity to build your linear, non-linear or intuitive judgment skills and your ability to read and adjust to your environment. Thus, you have the opportunity to learn useful concepts, apply these to behavioral issues, develop your intuition, hone your empathy, deepen your sincerity, clarify your ethics, amplify your focus on the positive and expand your enthusiasm as other successful leaders have done. By putting all these together in the process of case analysis and discussion, you will begin your journey on the long road to acquiring and maintaining the interpersonal skills so necessary to your future success in your career. Remember, it is sometimes argued that, "Management is an art that cannot be taught in a classroom. Managers learn it by doing it, observing it, and interacting with others."²¹ Therefore, it's up to you to continue to build and maintain your interpersonal skills throughout your working lifetime.

Questions for Reflection and/or Discussion

1. What are the differences between knowledge, wisdom, judgment and intuition?
2. How does one acquire wisdom? Judgment? intuition?
3. How does one teach and/or evaluate wisdom, judgment and intuition?
4. How can one build and maintain one's interpersonal skills throughout one's working lifetime?

FOOTNOTES

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- ¹ Butler, Timothy and Waldroop, James, “Understanding ‘People’ People”, Harvard Business Review, June 2004, p 79
 - ² Butler, Timothy and Waldroop, James, (Op. cit.) p 84
 - ³ Roethlisberger, F. J. and Dickson, William J. (1939) *Management and the Worker*, Cambridge MA: Harvard University Press
 - ⁴ Pfeffer, Jeffrey and Veiga, John F., “Putting People First for Organizational Success”, *Academy of Management Executive*, May 1999.
 - ⁵ Ford, Robert C. and Heaton, Cherrill P., “Lessons From Hospitality That Can Serve Anyone”, *Organizational Dynamics*, Summer, 2001
 - ⁶ Pascale, Richard T., and Antony G. Athos. The Art of Japanese Management. New York: Simon & Schuster, 1981.
 - ⁷ Peters, Thomas J., and Robert H. Waterman Jr. In Search of Excellence. New York: Harper Row, 1982.
 - ⁸ Schonberger, Richard, "Total Quality Management Cuts a Broad Swath - Through Manufacturing and Beyond", Organizational Dynamics, Spring 1992.
 - ⁹ Hall, Calvin and Gardner Lindzey, Introduction to Theories of Personality, John Wiley & Sons, NY 1985, p. 468.
 - ¹⁰ Bass, Bernard M., Bass & Stogdill's, Handbook of Leadership. New York; The Free Press, 1990, (3rd Ed.)
 - ¹¹ Keirse, David and Marilyn Bates, Please Understand Me, Prometheus Nemesis, Del Mar CA, 1978.
Benfari, Robert, Understanding Your Management Style, The Free Press, NY: 1991.

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- 12 Nicholson, Nigel, "How to Motivate Your Problem People", Harvard Business Review, January 2003
- 13 "Expectations" is a term often used in management literature, e. g., "Pygmalion in Management" by J. Sterling Livingston, Harvard Business Review, July-August 1969 that originally derived from Pygmalion in the Classroom by Robert Rosenthal and Lenore Jacobson, Holt, Rinehart and Winston, Inc., New York, NY, 1968. "Psychological contract" is a term often used in psychological literature and more recently, management literature, e. g., p 75 in Managing Human Assets by Michael Beer, Bert Spector, Paul R. Lawrence, D. Quinn Mills and Richard L. Walton, the Free Press, New York, 1984. The term apparently originated as a psychological extension derived from A. H. Croust's article, "Origin and Meaning of the Social Compact Doctrine as Expressed by Greek Philosophers" in Ethics, October 1946.
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- 17 Sadler-Smith, Eugene and Shefy, Erella, OpCit., p. 77
- 18 Katz, Robert L., "Skills of an Effective Administrator", Harvard Business Review, January-February 1955.
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Linden, Dana Wechsler, Jody Brennon and Randall Lane. "Another Boom Ends." Forbes January 20, 1992.

Deutschman, Alan. "The Trouble with MBAs." Fortune July 29, 1991: 67-73.

- ²¹ Hill, Linda A., "New Manager Development for the 21st Century", Academy of Management Executive, August 2004, p. 122.