

Delivering Results in a Complex International Organization



Every multinational organization is complex. As an individual and as a leader in such an organization, you struggle with those complexities every day. And your difficulties are increased whenever you think you are the only international manager facing these challenges.

What is the cause of this complexity? As you are well aware, in order to reduce costs, companies have reorganized themselves to share very expensive resources. You may or may not have heard your organization referred to as a “matrix” organization. It was originally restructured to share the services of the “horizontal” functions (for example, IT, finance, marketing, and HR) with all the “vertical” lines of business. A particular line of business can no longer remain virtually autonomous, decentralized, or “siloesd” with its own HR department, its own finance department, its own legal department, and so on. Everyone everywhere shares all services. This vertical-horizontal crossing of lines creates the image of a two-dimensional grid or matrix, which gives the structure its name.

A matrix organization is structured not only to share expensive and highly specialized staff and equipment but also to be able to quickly redistribute them to a line of business that encounters an expected or unexpected opportunity or threat. For example, having one set of highly trained finance specialists who can be deployed on an as-needed basis is less costly than duplicating these same capabilities within each business line. No single line of business “owns”

these expert resources; the costs can be shared. The finance person on loan to one line of business still reports to her finance manager, but she also has a temporary, “dotted-line” manager in the business who will pay for the services on an as-needed basis. The matrix structure is distinguished by these dual reporting relationships, and this is where the matrix begins to get its reputation for complexity. Having two managers can create role ambiguity and reporting confusion, and both managers must be consulted when a decision is made about the finance person’s performance rating.

The addition of geographic markets adds a third dimension. Now specialists and resources can be flexibly distributed as needed to all lines of business in every regional market or they can focus locally and tailor their services to their particular customers’ needs. This is often referred to as a “global-local model.”

Add customer segmentation to your strategy, and lines of business can share customer information, referrals, income, and relationship management across business product lines that share the same type of customer. Customers may be segmented by wealth, age, or affinities, for example. Your structure now has a fourth dimension.

Although cultures and languages are not part of a formal organization chart or operating model, diversity adds another layer of complexity. Add to this global, regional, and national stability, economic and market trends, regulatory and trade guidelines, tax policies, health policies, human relations, and social practices, and the multidimensional international organization is born.

A profitable international organization must be designed so that the organization’s rich resources can be flexibly shifted from one product line to another based on emerging needs in the marketplace. Flexibility speeds response to competitive conditions, technology trends, and breakthroughs.

Like any other complex system, an international organization requires some unique policies, procedures, and leadership practices. In order to get work done within a matrix organization, you will exert more influence than you will authority. Lines of authority are shared at best, blurred at worst. Resources are shifted based on opportunity

and rarely owned outright. Cooperation is prized and never taken for granted because it can't be mandated. Power is constantly being rebalanced. Collaboration is as much about knowing how to engage in constructive conflict as it is about focusing on collective results and building trust.

Dynamics of a Complex International Organization

To get results in this environment, you first need to understand the dynamics of a complex international organization. Then you need a shared vocabulary, a way to talk about the complexities with others. Finally, you need to master the five resources for influence, which is key to getting results in a matrix organization. Let's begin with a closer look at the dynamics of a complex multinational organization, which include multiple managers, power imbalances, and structural complexity.

Multiple Managers

The dual or multiple chains of command is the distinguishing characteristic of the matrix structure. One person may report to a regional manager on a local project, to a business manager for a business project, and to a global manager on a global project. Others may report to the manager of the functional department they represent and to another manager in the product or business unit. Cross-functional team assignments, temporary job transfers, a series of rotating managers, overseas assignments—all of these are possible changes to your reporting relationships in a global business.

Power Imbalances

Sharing resources across functions and businesses provides optimum flexibility to adjust to changes in the marketplace. This means the power inherent in temporarily "owning" these rich resources will shift regularly. The decision-making power over resources can shift for a number of reasons. For example, if a temporary or devastating crisis occurs—regional, market, social, or environmental—or if

competition grows or the market shifts, interest in or demand for certain products and services may be temporarily de-emphasized. Another product or service must be mobilized to temporarily take up the slack and bring in the revenue that supports the other lines of business. Resource authority also shifts as one region's economy contracts and another emerges or as one region is invested in and another region's budget allocation is put on hold.

The power of technology is evident in its enormous budget, the number of business personnel dedicated to technology-related teams, and the time allocated to its discussion in every executive meeting. Each time technology is identified as a business solution, its power grows. In the same way, as regulatory oversight increases, the compliance function gains more power to audit, delay, or terminate a procedure or a customer segment that is deemed risky.

Power imbalances are frequent in the matrix organization, and top managers are responsible for creating some reasonable semblance of a balance of power. For example, they can recalibrate power using pay, job titles, access to most senior managers, or reporting level within a hierarchy.¹

Structural Complexity

In a matrix organization, work is spread among multiple initiatives, programs, and project teams with overlapping interests of a variety of sponsors, sources of funds, and stakeholders. Imagine an organization spread across India, Hong Kong, and North America with two different product lines of business. As functional specialists are temporarily shared across regions and lines of business, it becomes extremely challenging to allocate the time and expenses of all these employees.

Structural complexity increases because the input of so many people—from various functions, lines of business, and regions—must be taken into account. They are all weighing in on decisions that impact their areas of interest using different procedures, processes, and terminology for recording and reporting information, which adds to the potential for confusion.

The matrix organization's structure gives employees a greater sense of complexity than any other organizational design. Rightly or wrongly, people can feel powerless to change the system. They might complain of "procedural delays," "red tape," and the general frustrations of being in a large organization.²

In addition, geographically dispersed "virtual" teams across time zones allow employees to maintain 24/7 global market coverage. This "always open" model inevitably jeopardizes people's sense of work-life balance. On the other hand, many workers enjoy the challenges and the variety of opportunities of working internationally in such a complex organization. "I am never bored," they report.

The Value of a Shared Vocabulary

Understanding the complexities of a matrix organization is just the first step. You need to acknowledge and be able to talk about these challenges with your team. Developing a shared vocabulary can be enormously helpful.

Recently I worked in a two-day off-site with a team of executives in an international organization and their teams of managers. I was asked to initiate a series of conversations to assist them in clarifying their strategy.

I promised to give them a brief description of the organization in which they might be working and then let them discuss the implications among themselves. I started by explaining that I had given a similar description to another group of international managers the week before and a manager was astounded by how much I knew about his company.

"I don't know a lot about your company in particular," I said. "I just know something about the dynamics of an international organization and how it might feel to deliver results."

Using a blank whiteboard, I started with the introduction to the international business organization and its environment that you have just read.

After fifteen minutes, I asked the managers to talk among themselves about whether this description was accurate and, if so, how having this perspective and contextual background might help them do their jobs. They were so appreciative to have their world described and work contextualized—and to realize there was some “science” behind a structure that felt less-than-perfect or “artless.” Once their complex reporting relationships were explained, they no longer felt like their organization had a dysfunctional communication style or a penchant for meetings run amuck.

This brief discussion gave them a shared vocabulary to use for the rest of the meeting—just as this book will give you a shared vocabulary you can use with your team. And more than that, they developed an appreciation for the difficulty of creating a “perfect” structure. They felt far more ownership of the dimensions and dilemmas of their structure. I heard a lot more about what “we” need to do and a lot less about what “they” are doing to us.

From there, I outlined the five resources in this book. These are resources that many of them have already been using to successfully deliver results. But everyone who expects to deliver results without the formal authority to command and control the behaviors and attitudes of others will recognize the complex, multidimensional structure of a multinational organization and the need to use influence across multiple boundaries.

Leadership and Influence

The ability to influence across multiple boundaries—to align a diverse global team distributed across all time zones—requires a unique set of knowledge, skills, and abilities. To communicate a compelling and unifying vision across native languages, to generate a shared sense of urgency across cultures, and to build commitment to a common set of priorities across regions and lines of business is a challenge for even the most agile and adept international manager.

In a traditional organization, managers are formally given status and authority to hire, fire, rate performance, make assignments, set pay, and promote. In the dual- and multiple-manager structure used in complex international organizations, however, reporting lines are blurred because employees formally report to two or more managers.

In this book, the term “manager” refers to those individuals who are formally authorized and written into an organization chart. Managers at the top will be referred to as “executives” and “senior managers” or by their formal designations—president, CEO, CTSO, and so on. The term “leader” will refer to those individuals with or without formal rank who authorize themselves to influence others and have come to be identified as leaders by many others. Unlike traditional managers, leaders at all levels operate without formal positions of authority.

Without formal authority to command and control the actions of others, leaders must use influence, sway, and persuasion to change people’s minds, hearts, attitudes, and behavior to achieve results. To get things done, leaders depend on their informal networks and personal resources.

Influence is the skill of leaders. Influencing the attitudes and behaviors of others—without formal authority—requires the ability to build rapport, establish credibility, assess and align mutual interests, and manage agreement and conflict. In a multinational environment, influence requires sensitivity to cultural differences.

To be effective across cultures, you will need cultural intelligence, a broad understanding of the values and practices of the various dimensions of culture, and the ability to communicate so that you include, understand, and are understood across cultures. However, like most leaders, you probably do not have the time or the opportunity to learn cross-cultural influence skills through years of firsthand global travel experience, conducting business across international boundaries, or immersion courses. Giving you the resources you need in a short time frame is the purpose of this book.

About “Boundaries”

Some managers object to the term “boundaries.” As one very outspoken and very senior executive told me, “We don’t have *boundaries* in this organization.” He considered the term an inaccurate and negative characterization of his company. In the context of this book, boundaries are any performance inhibitor, any hurdle, challenge, or question you will have to address and resolve to close a performance gap. Boundaries can be internal to individuals—their personal resources, knowledge, skills, or abilities. On the other hand, boundaries may be external to the individual and related to the organization’s environment and resources. Examples of external, systemic boundaries include

- The way a company is formally structured
- Its procedures for measuring and rewarding performance
- Its policies about interacting with customers
- The quality and availability of its tools and equipment
- The compatibility of technologies available to share information and get work done across regions
- The regional markets in which the company competes
- Geographic time zones that cause conflict with traditional work hours
- Unique environmental, economic, and labor regulations of the organization or the host nation
- Cultural norms and assumptions about authority, teamwork, giving direct feedback, or how to communicate

Here is an example of the kinds of boundaries that sometimes need to be crossed. Over eight years ago, a regional chief information officer in a large multinational organization and his director of organization and leadership development came to me and a business partner with an exciting proposition. Were we interested in working with them in transforming their IT culture? The CIO witnessed

daily a breakdown in the communication between their technology managers and their commercial business counterparts. Technology was on every executive's weekly agenda and taking a disproportionate amount of their valuable time together, but little understanding or agreement resulted. This communication breakdown was costing everyone in time, mistakes, and resources. Worse than this, a breakdown in trust, along with frustration, tension, and a clear "we-they" mentality, was developing. Special "business-technology liaisons" had to be created to serve as translators between the technology managers and their business counterparts.

Cross-culturally, the technology and business leaders had very different perspectives of time and urgency. The technology professionals thought in terms of the multiple quarters or years required to create the solutions the business partners required. Each time they bent to the business side's pressure and cobbled some application together, they were convinced they were causing another problem down the road that their peers somewhere in the world would eventually have to correct.

The business leaders, on the other hand, measured performance in the shortest increments of time—weeks, months, and quarters. They needed solutions—now. They witnessed the problems of technology every time a customer transaction failed or a system was down. Their time and attention were on the results, the bottom line, and the impact of these technologies, not their architecture.

From a communication perspective, the challenge was the language, thinking process, and influence style of each group. The technology professionals thought in terms of cause and effect. They followed step-by-step processes to achieve the outcome their end-users demanded. Their business partners, on the other hand, spoke about customers and wallet share, not users. They thought in terms of costs, benefits, and outcomes, not processes. And they had to acquire and retain customers who had a choice, not please a captive, in-house audience.

In addition, cultural dimensions were added to the business-functional differences as goals and customers were shared across businesses and continents. Specialists from India, China, Vietnam,

Brazil, Malaysia, Indonesia, Mexico, and North America needed to achieve results together. Finally, the groups faced fundamental misunderstandings about where initiatives were positioned within the strategy of the formal and informal organization and their strategic and political priority.

For over twenty-two years I have coached people in international organizations like this. Their pragmatic approach to overcome challenges has taught me the “art” of delivering results across multiple boundaries. I witnessed how formal authority was no longer a card to be played, how people could successfully influence across boundaries, and how much personal stretch and fortitude were required. The “science” I can share assures them their experiences are more than random occurrences and can reduce the stress that comes from thinking they are alone. In turn, they are able to coach their coworkers using a common language, to give a name to what they were experiencing, and to offer information about the practices and lessons of others. This is the niche I serve and what I have a great passion to discuss with you.

The Resources You Need

The huge amount of information coming into a large and complex international organization from its external and internal environments adds to an already high-pressure climate. While information is crucial if a global organization is to remain competitive, information overload makes it impossible for executive teams to make all key decisions in a timely manner. Decisions must be distributed. Conflicts and debate must be encouraged. This inherently challenging and high-pressure environment may be further exacerbated when conflicts do not come to light or when resources—and the power to control them—must be redistributed. Creating an organizational culture of collaboration and cooperation and providing an open forum for debate and healthy conflict is a tall order.

To successfully influence results, an international manager requires a unique set of resources. Influence without authority in a complex

international organization requires more than your personal ability to persuade others. It requires the ability to strategically position your initiative, successfully interact with people of diverse cultures, collaborate and manage conflict, and leverage your personal network of connections.

The purpose of this book is to support people who are managing initiatives of critical importance to an international organization but whose authority is not clearly identified within the hierarchy of the organization. Formally recognized position and status in an organization are very important to doing business in many cultures. However, in an international organization's complex shared services or matrix structure, formal status and authority are shared and obscured. We will discuss the resources you will want to develop to be an influential and collaborative leader when you don't have the formal, command-and-control authority that position and budget often convey.

This book is written for you

- If you must deliver results across multiple boundaries: geographic, regional, lines of business, function, culture, language
- If you must influence a high degree of cooperation without direct control, formal authority, or position power
- If your span of control or influence does not necessarily include formally dedicated resources, budget, or the authority to rate the performance of those you depend on to get the job done

This book discusses the resources you will need to develop to influence across boundaries and deliver results and the activities, tools, and best practices you can apply today. And just as important, it also identifies external factors in the organizational environment that can restrain your performance and that you must take into account.

You will find pragmatic tools you can use to deliver results and mobilize commitment across multiple boundaries. You will identify best practices to strategically position your initiative, build cooperative relationships, influence across cultures, and build a network of effective connections within a matrix organization. You will be guided

to clarify your personal strengths and develop a plan to influence change across the organization. Finally, you will find ways to develop a personal network and strategy to effectively influence, communicate with, and align diverse business partners.

The core of the book presents the science and art of five critical “resources for results”:

- *Strategic positioning*: How to influence an outcome by favorably positioning and communicating your idea, project, or initiative within an organization
- *Cross-cultural know-how*: How to communicate in a way that includes and can be understood by people of other cultures, languages, and diversity factors in a manner that recognizes, affirms, and values the worth of the individual
- *Personal influence and persuasion*: How to effectively apply a variety of strategies to appeal to the hearts and minds of a diverse audience to influence their attitudes and behaviors toward the goal
- *Collaboration and conflict management*: How to win the cooperation of others using alternative bargaining and conflict management styles and how to maintain relationships while managing agreement and differences
- *Personal network and connections*: How to create and effectively use a personal, professional network of connections to identify opportunities, get the best information and the most cost-effective resources, and establish credibility outside traditional organizational or market structures

For the convenience of explanation and development, each of these five resources is discussed individually. But in application, these resources complement and overlap each other.

Within each chapter a scan of related research and theory is provided as the science for each resource. The art is represented by a set of suggested actions, tools, and best practices.

Each resource will be introduced with its own brief “Big Picture Scan” with questions to ask yourself about that resource. You may recognize yourself or a member of your team in these questions.

Each resource is illustrated by a case study of a real-life individual or team that succeeded in delivering results by influencing across boundaries. The case studies will give you a chance to learn from peers in similar circumstances with similar issues. You will also discover that you are not the only one experiencing these challenges. Unless specifically indicated, all the names of people and organizations in the case studies are fictional and their stories are composites of individuals and companies.

Each of these five resources has been the subject of extensive multidisciplinary research over many years and across the globe in fields such as social psychology, organization development, behavior science, international business, and cultural intelligence. The book offers a high-level review of this research and provides a common and accepted language in which to describe the resource and presents practical and field-tested actions.

The theories of the science will engage your rational thinking, and the practices and case studies will illustrate the theory in practice. You will see situations and problems you are familiar with but have never put a name to. This will increase your effectiveness as a coach to others on your team.

This book is like a personal consultation on your own challenge. It is designed to stimulate insights to help you achieve your objectives. It will help you identify areas you will want to revisit in your project plans. You will better understand how you are communicating with native and nonnative English speakers and learn practical tips to apply immediately to improve your comprehensibility. You will have personal takeaways and a clear sense of next steps so you can confidently plot your next influence strategy.

The appendices offer you resources you can refer to as your needs change with each new assignment. In appendix A, you’ll discover how to scan the setting in which you will be working so you can anticipate

boundaries you will need to cross. Appendix B provides a simple formula for a persuasive business case to win others over. Appendix C offers a last-minute checklist for influence planning—important questions to ask yourself before walking out the door. Appendix D is an additional audience assessment you can use to confirm you know your audience sufficiently to influence them. Finally, a reading reference and resource list will help you learn more about the science behind the art of each resource.

As you and your team develop these five personal resources, I hope you will feel more confident in your ability to be an influential innovator and entrepreneur and be better able to deliver results internationally. Let's begin with a look at the first influence resource: strategic positioning.