



TEAMING TOGETHER IN TURBULENT TIMES: MANIFEST REALITY AND MULTIPLE RESPONSES

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1. Introduction

Credit crunch has crippled the Banks in the USA. The escalating fuel prices have left many economies of the world struggling. Such events take place in the backdrop of the uncertainties associated with terrorism and global warming. These are the signs of turbulent times, impacting individuals, organizations and nations.

As financial institutions are not insulated against influences of socio-economic as well as geo-political factors, the possible implications demand careful attention and relevant action. This paper attempts to focus on the people perspective of such implications, and to argue that a team approach is the need of the hour. In other words, the intention is to discuss the manifest reality and multiple responses, with the broad purview of teams. The author intends to discuss that teaming together in collectively achieving sustainable results would be the only way forward in value creation.

2. Signs of Turbulent Times

According to the Oxford Dictionary, turbulent means disorderly or confused, not calm or controlled. It relates to an irregular flow of things. Peter Drucker, in his seminal book titled, "Managing in Turbulent Times" states that, a time of turbulence is a dangerous time, but its greatest danger is a temptation to deny reality. He refers to a collision that takes place in the human mind. According to him, the greatest and most dangerous turbulence today results from the collision between the delusions of the decision makers, whether in governments, in the top managements of businesses, or in union leadership, and the realities. In other words, there is a gap between the reality as it is and how it is perceived, the way people want. It points to the fact that human beings typically resist change. Yet, as Buddha said a long time back, the only permanent thing in the world is change. What we experience today is a rapidly accelerated change at all fronts, resulting in change, change and more change.



Robert Schuller comes to our rescue in stating “tough times never last but tough people do.” Why some people soar while others sink, in going through turbulence, highlights the range of responses available for people.

3. Implications to Banking Employees

As Drucker observes, in turbulent times, an enterprise has to be managed both to withstand sudden blows and to avail itself of sudden unexpected opportunities. Banks are the pillars of modern economic development and they act as a catalyst for economic growth and development of the country (Kamal, 2007). Therefore, a bank should have a “sword” in order to spearhead competition by way of exploring opportunities, as well as a “shield” to withstand ups and downs associated with business. Optimally managing the resources is essential in this respect.

The most precious resource that manages physical, financial and informational resources of an organization is its people. Human Resources are increasingly being recognized as the cutting-edge factor for sustainable organizational results. Human Resource Management (HRM) is typically the policies and practices involved in carrying out the “people” or human resource aspect of a management position (Dessler, 2003). Interestingly Dessler does not speak about a particular department called HR. Also, he does not speak of a specialized HR function. This is very much in line with the emerging thinking that every manager is a HR manager.

The growing awareness of every manager being a HR manager, or a “people developer” is very much important to a financial institution going through a turbulent time. The situation that is seen in most of the cases is that the requirement of technical know how, especially in the arena of banking and finance, when it comes to recruitment of people, overshadowing the people management skills. One may argue that people management is a capability a manager may acquire through experience, and not necessarily possess as a flare. The issue is, unless the need is properly identified and fulfilled through appropriate training interventions, the overall effectiveness of the role he or she plays might get affected.

Once the HR policies, practices and processes are properly in place, the stage for teaming together is well set.

4. Teaming Together

It reminds me of a particular activity associated with an outdoor training program. A group of twenty people were asked to get on to a horizontal pole of 4 meters length, kept 1 meter above the ground supported by 3 meters high vertical poles at both ends. We were asked to stand up on the horizontal pole without any additional support, except holding each other. Only those who were at both ends could cling on to the vertical poles. I still recall that experience, where we stood for a while without anyone falling down. The lesson was so simple. When the task demands a team approach, the need is a collective, coordinated and a committed response. That is exactly the essence of teaming together.



Teams and groups are often interchangeably used to describe a set of people working together. In perusing through the literature of Organizational Behaviour, veterans like Stephen Robbins and Fred Luthans have identified a group as a set of two or more individuals interacting and interdependent with each other in achieving a common objective. A team is one step ahead. I would simplify a team as a *group with synergy*.

Stephen Covey, in his bestseller “Seven habits of highly effective people”, describes synergy as follows:

“Synergy means that the whole is greater than the sum of its parts. It shows that the relationship, which the parts have to each other, is a part in and of itself. It is not only a part, but also the most catalytic, the most empowering, the most unifying, and the most exciting part. Synergy is everywhere in nature. If two plants are placed close together for growth, the roots improve the quality of the soil so that both plants will grow better than if they were separated. In short, one plus one equals three or more. The challenge is to apply the principles of creative co-operation, which we learn from nature, in our social interactions...The essence of synergy is to value differences – to respect them, to build on strengths, to compensate for weaknesses”. (Covey: 1991:263).

I have observed that most of the financial institutions in Sri Lanka promote team work as a core value. The issue is how much emphasis is paid on the concept of synergy, in consciously moving beyond a mere group of employees. This is more relevant in turbulent times where the need to cling on to each other for survival is high.

Teams need not necessarily be working in the same location. Rapid advancements in technology have enabled organizations to create virtual teams. Organizations capable of rapidly creating teams of talented people who can respond to the needs of their customer are destined for success in the competitive and complex global economy of today (Kankanhalli *et al.*, 2007). Many of these teams are regionally or even globally distributed and made up of individuals from varying cultures. Unlike a traditional team, a virtual team works across space, time and organizational boundaries with links strengthened by webs of communication technologies.

Whether it is a traditional team or a virtual team, the effectiveness of it is what matters, in achieving sustainable results. Figure 1 contains essential components of team effectiveness.



FIGURE 1. Team Effectiveness



Source: Robbins (2007)

Considering the financial institutions, the presence of the above four key contributing factors, namely, work design, composition, context and the process need careful investigation. Table 1 attempts to do so.

Table 1. Team Effectiveness in Financial Institutions

Factor	Key Element	Essence	Implication to Financial Institutions
Context	Adequate resources	Teams should draw the resources from the organization.	Budgeting with due consideration to the resource requirements of teams
	Leadership and structure	Team members must agree on who is doing what in ensuring contribution by all.	Organization design with appropriate reporting relationships with role clarity.
	Climate of trust	Team members must trust each other as well as their leaders.	Creating a climate of trust by way of leaders setting an example.
	Performance evaluation and reward systems	Team based performance evaluation and rewards.	Strategic decisions relating to performance management.
Composition	Ability of members	Knowledge, skills and attitudes of all team members.	Competency profiling as an organization-wide initiative



	Personality	Variety of personalities complementing each other.	Recruitment, promotion and transfer of people should be done with person-job fit in focus.
	Allocating roles	Different members catering to different needs.	HR managers and functional managers should work together in identifying the role-related requirements.
	Diversity	Diverse abilities, exposure and background of members.	As above, HR and functional managers jointly allocating employees for teams.
	Size of teams	Not to exceed the adequate number of members.	Due consideration on the number of team members reporting to a leader.
	Member flexibility	Members should complete each others tasks.	Allocation of joint tasks for team members.
	Member Preferences	Genuine want by the members to be in a team.	Proper clarity of employee intentions during the recruitment process.
Work Design	Autonomy	Freedom to take decisions.	Empowerment together with delegation of tasks.
	Skill variety	Opportunity to use different skills.	Designing of team roles to ensure the team members can use variety of skills.
	Task identity	Ability to identify oneself with the task.	Due consideration at the design state.
	Task significance	Working on a task that has a substantial impact on others.	As above.
Process	Common purpose	Provides direction, momentum, and commitment.	Communication initiatives to ensure clarity on purpose among team members.
	Specific goals / Objectives	Translating of common purpose into specific goals.	Cascading down the organizational goals into specific team goals / objectives.
	Team efficacy	Confidence of team members on their ability to succeed.	Awareness building sessions and periodic review of progress.
	Conflict levels	Maintaining tolerable level of healthy conflicts.	Team-bonding events and periodic review of progress.
	Social loafing	Clarity on each member's role to avoid hiding inside a team.	Ensuring peer pressure for every member to become a performer than a passenger.



5. Role of Leadership

For teams to respond in turbulent times, the organizational leadership has to play a pivotal role. As Drucker states:

“A time of turbulence is also one of great opportunity for those who can understand, accept, and exploit the new realities. It is above all, a time of opportunity for leadership (Drucker, 1993).”

Leadership is the ability to inspire and influence a team towards achieving a common goal. A *transactional* leader would maintain operational activities whereas a *transformational* leader would ensure a participatory approach in achieving sustainable results. Avolio et al. (1991) present the four I's, associated with a transformational leader, namely, Individualised consideration, Intellectual stimulation, Inspirational motivation and Idealised influence. Table 2 captures the details associated with each "I".

Table 2. Four "I"s of Transformational Leadership

Characteristic	Details	Assumptions	Associated roles
Individualised consideration	Paying attention to the individual employee and his/her needs rather than treating all followers alike as having same needs	Each employee has different needs and, that for a specific employee, those needs will change over time partially based on the influence of the leader	Mentoring, Serving as a personal advocate for an employee
Intellectual stimulation	Helping people to think about "old" problems in new ways and to use reasoning and evidence rather than unsupported opinion to solve such problems.	Each employee can be focused to develop their own capabilities to recognize, understand, and eventually solve future problems.	Facilitating, Arousing in followers' an awareness of problems, a sensitivity to each follower's thoughts and imagination.
Inspirational Motivation	Partly associated with leader's personal charisma. Further strengthened if a vision or simply specified mission on where the group is heading is shared by co-workers / followers.	Employees can be motivated by sharing past personal accomplishments.	Role modeling, Communicating the success.
Idealised influence	Ability to develop referent power and influence over followers	Employees can be influenced to achieve their full potential.	Culmination of all above roles in influencing charismatically.

Source: Adapted from Avolio et al. (1991: 5)



Considering the presence of above four “I”s in local financial institutions, the scenario is somewhat satisfactory with a significant scope for improvement. Based on my previous research findings, as well as several MBA research conducted involving local financial sector, I would see more leaders who are in the transition of becoming transformational leaders.

In line with the above, the following statement appears worthwhile to ponder.

“If you want to build a ship,
Don’t drum up the men
to go to the forest to gather woods,
saw it, and nail the planks together.
Instead,
teach them the desire for the sea.”
Antoine de Saint-Exupery
(A French writer & World War II pilot)

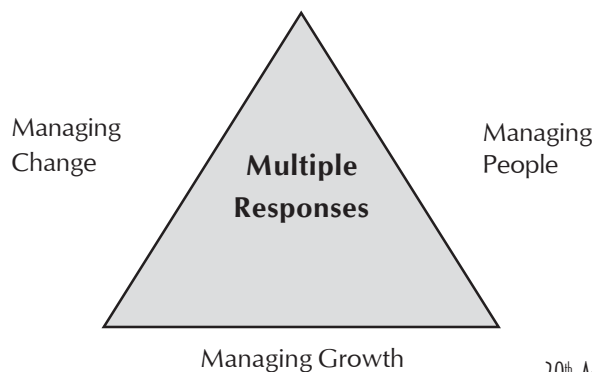
I see here, two approaches towards managing people. The first approach is more *transactional* where telling people what to do and being behind them to get them done is the norm. The second approach is more *transformational*, where the four “I”s mentioned above are put into action.

As a ship sails through a stormy sea towards its end destination, a financial institution moves forward guided by its mission, towards its ultimate vision. The “desire for the sea” could be the amount of spirited team effort demonstrated by its people in creating value. Such an approach should be viewed in the context of challenges of the turbulent times.

6. Triple Challenges for Financial Institutions

I see three key challenges in front of financial institutions. They can be depicted as shown in figure 2.

FIGURE 2. Triple Challenges for Financial Institutions





As Buddha said a long time ago, the only permanent thing in the world is change. The reality is that the change is unavoidable but uncomfortable. In order to make people “champions of change”, the leaders at all levels should act as change agents. HR has a role here in coordinating organization-wide change initiatives. Let’s take for an example, a bank moving towards changing its compensation structure. In fact, I have a real case from my doctoral research related data collection from a leading local bank.

“We take the stance of maintaining independence in the eyes of the board, as well as in the eyes of the employees. This needs a lot of professionalism from our side. At times, we hire external consultants to strengthen this aspect. More than the employment contract, the psychological contract between the bank and the employees was strengthened by the approach we adopted. The revamped pension scheme taking employee as well as top management views into consideration is one such example.” (Extracted from the depth interview with the Head of HR, LkBank, 26/03/07)

Managing people is intertwined with managing change, and so is managing growth. That is why the triple challenges should be viewed as a whole. Accordingly, the multiple responses of the financial institution should be dealt with. Such multiple responses can be broadly categorized as strategic, tactical and operational.

7. Responses for Renewal

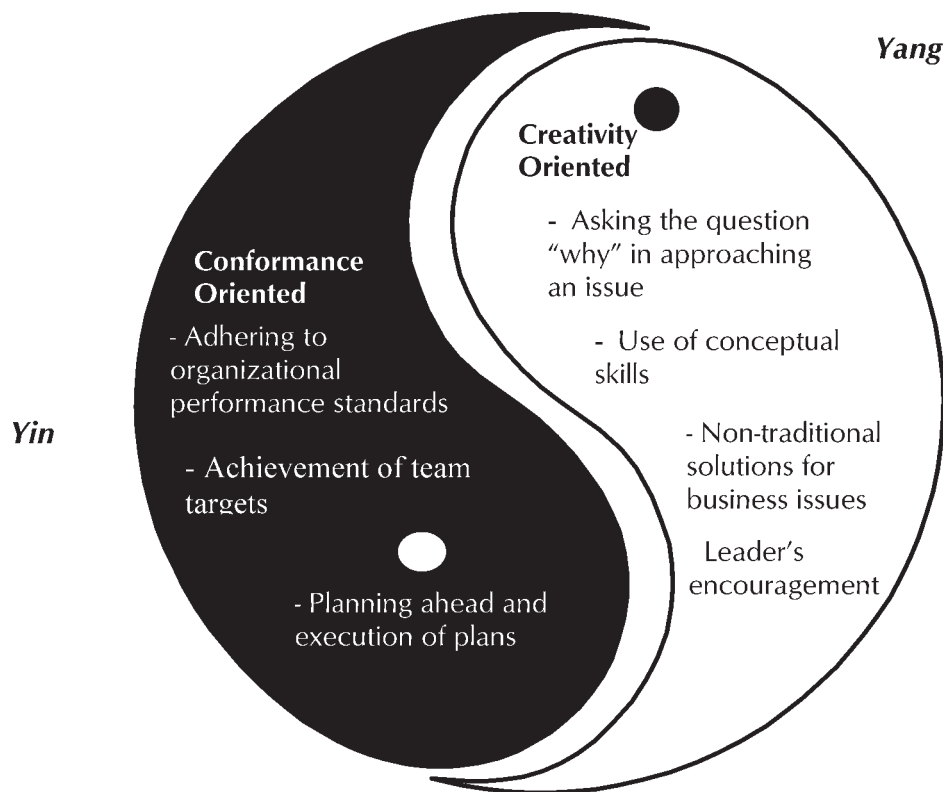
In responding with a renewed vigour with effective teams in place, the function of HRM has to deliver value in order to justify its existence (Ulrich and Brockbank, 2005). Particularly, as Strategic Human Resource Management (SHRM) is explicitly linking HRM with strategic management processes of the organization and to emphasize coordination and congruence among the various human resource management practices (Schuler and Jackson, 1987), the role it plays in a team-based managerial approach is becoming increasingly important.

The concept of yin and yang from the ancient Chinese philosophy can be used to categorize two primal opposing but complementary principles. With regard to factors that emerged as contributors to the strategic responses of people towards organizational performance, such a concept can offer useful insights.

The associated aspects of the emergent factors can be broadly classified into *creativity oriented* and *conformance oriented*. Creativity essentially deals with breaking patterns and creating new patterns with an “out-of-the-box” approach. Conformance is all about regulation and adherence to existing practices. As the complexity associated with the events in turbulent times, there are problems that demand fresh thinking, for which one cannot find text book solutions. Figure 3 contains further details in this respect.



FIGURE 3. Creativity vs. Conformance in Strategic Orientation



Source: Author's Concept

Figure 3 indicates a seemingly paradoxical scenario of being pulled in two directions. This is the challenge for teams facing turbulent times. As Tom Peters states, "a leader today has to be a rock of Gibraltar on roller blades." A rock signifies strength and consistency, whereas a roller blade is associated with flexibility and dynamism. Having both the characteristics simultaneous is the need of the hour for both individuals as well as teams.

One element that may be more useful for financial institutions is the growing recognition of soft factors, essentially dealing with emotions and feelings. As Bruch and Goshal (2003) observe:



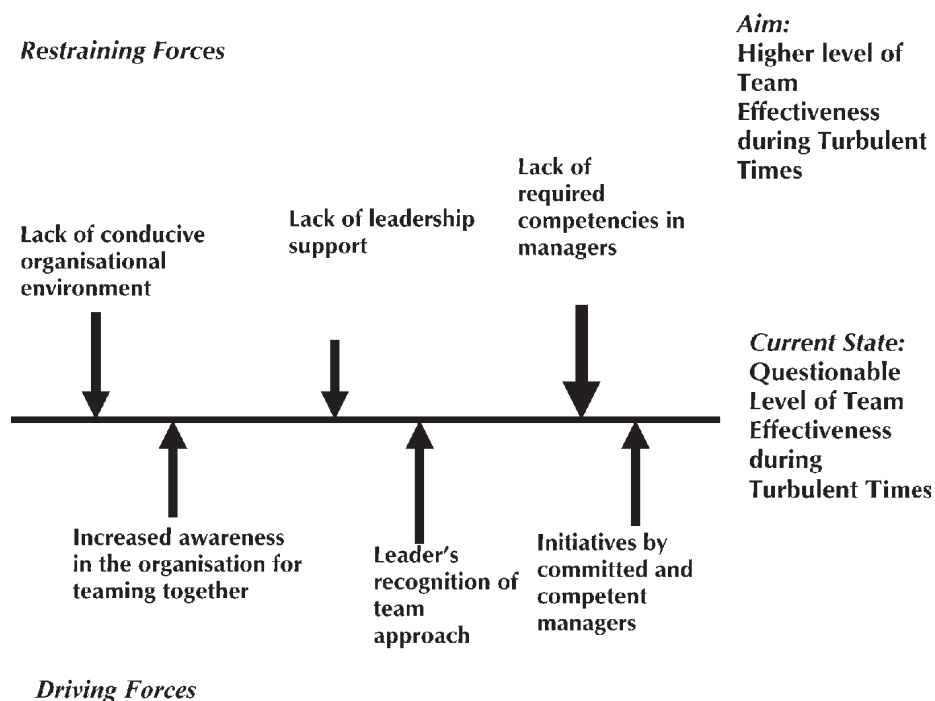
“For fifty years, management theory and practice have adopted a technical and analytical approach in which the role of the so called soft factors like emotions and feelings has largely been denied. The trend is now being reversed, with both academics and managers recognizing the powerful role that emotions play in shaping corporate behaviour. The real challenge, however, is to link emotions to performance goals and objectives” (Bruch & Goshal, 2003: 51).

Stemming from such a strategic response, appropriate tactical and operational responses can be discussed. The important factor here is the integration and alignment. The emphasis should be paid equally on to the strategy formulation as well as strategy implementation. As Bossidy and Charan (2002) caution, the results will be achieved only through successful execution. If not, what remains will be the execution gap.

8. Moving Ahead with Actions

In order to avoid an execution gap, in moving ahead with actions, a deeper understanding among the managers on the driving forces as well as restraining forces that affect the financial institutions is essential. Figure 4 attempts to capture the key driving forces and restraining forces in the move towards a higher level of team effectiveness during turbulent times.

Figure 4. Towards a Higher Level of Team Effectiveness





The rate of success of any financial institution will depend on its ability to overcome the restraining forces by way of strengthening the driving forces. Considering the local scenario, especially in the banking sector, a positive outlook can be seen with a significant scope for improvement. Appropriate actions in short, medium and long-term time horizons have to be taken, with a spirited team effort.

9. Conclusion

The discussion we had so far shed light on the multiple responses required in facing the manifest reality of the turbulent times. Teaming together is the way forward in order to achieve sustainable results. Particularly in the financial institutions that play a vital role in managing the wealth of the nation, such an approach will pave a way towards prosperity for all.

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