

Organizational effectiveness study

Vantage Partners global benchmarking study conducted between 2013 and 2018, comprising over 750 survey responses from individuals representing more than 500 companies, plus interviews and case-study analysis.

Contents

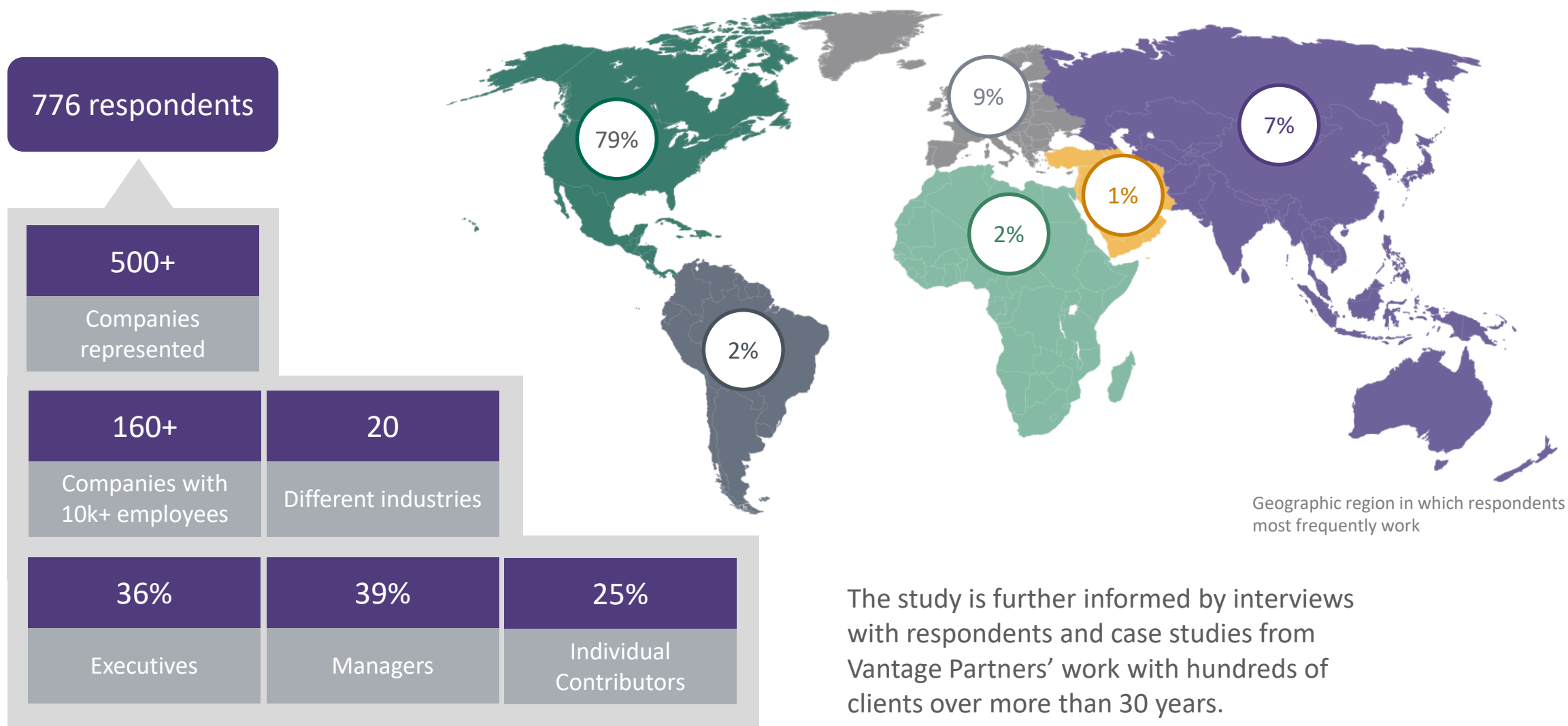
Study demographics.....	3 – 7
Organizational structure and dynamics.....	8 – 11
Challenges of working in a matrix.....	12 – 22
Contrasting approaches to influence.....	23 – 31
Making a matrix work.....	32 – 40
Characteristics of leading organizations.....	41 – 49



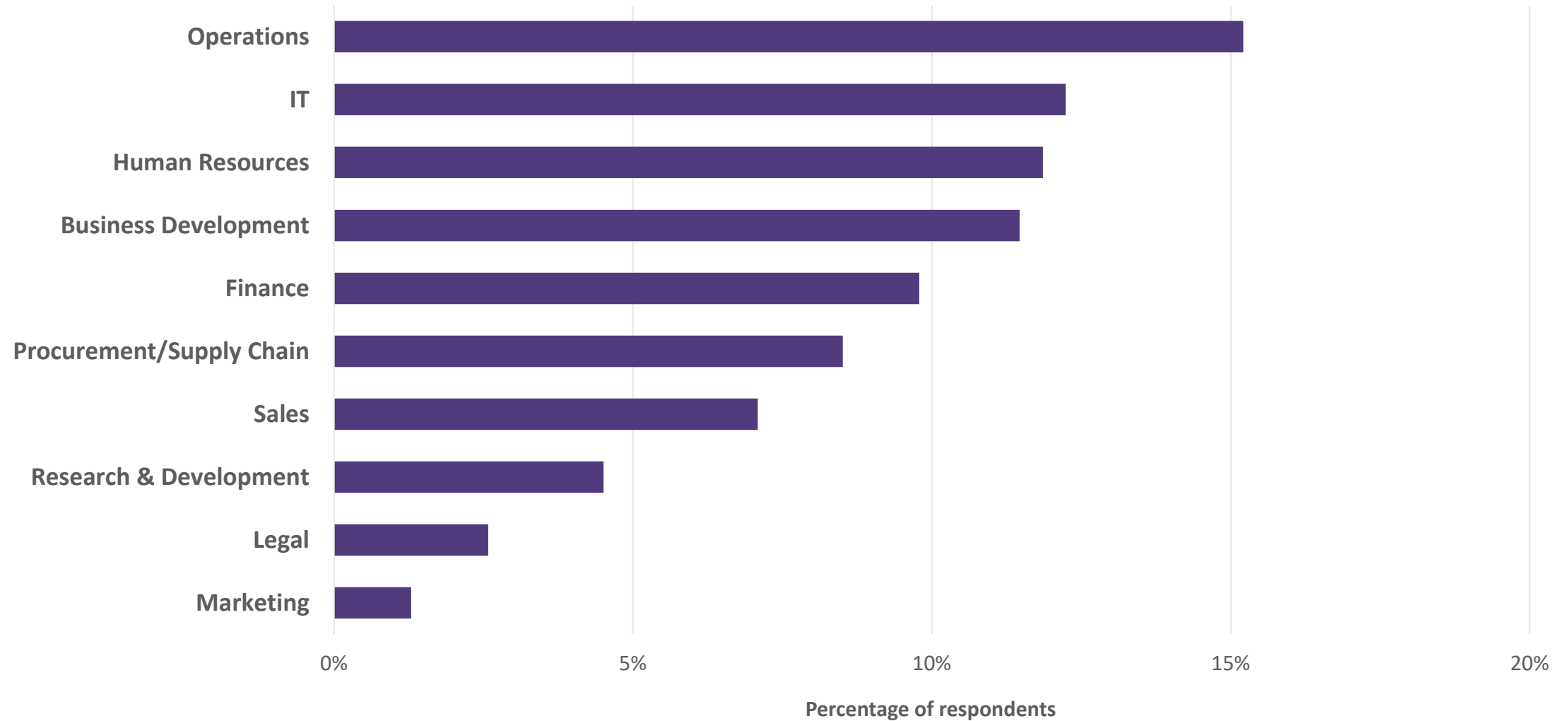


Study demographics

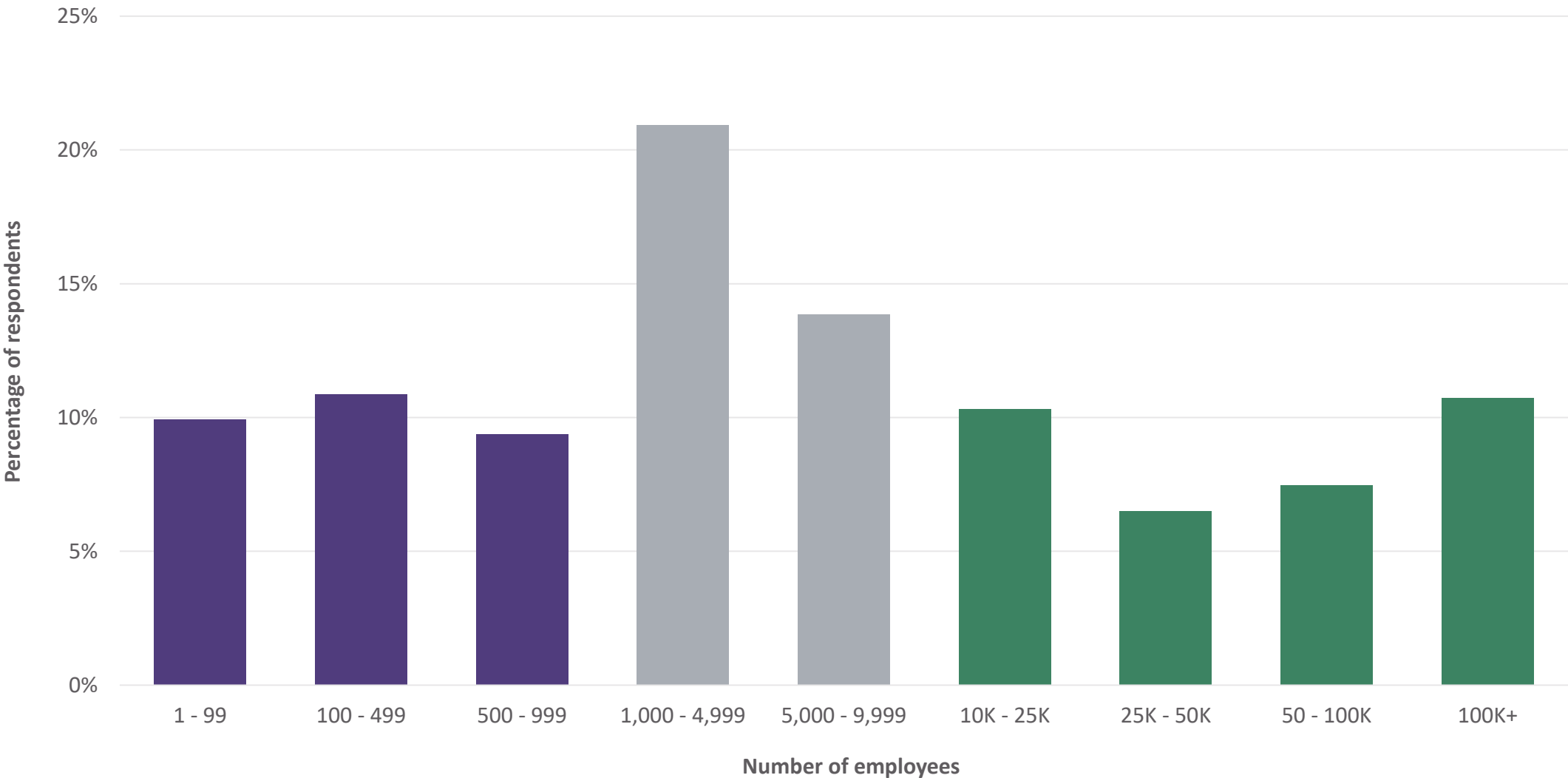
Study demographics overview



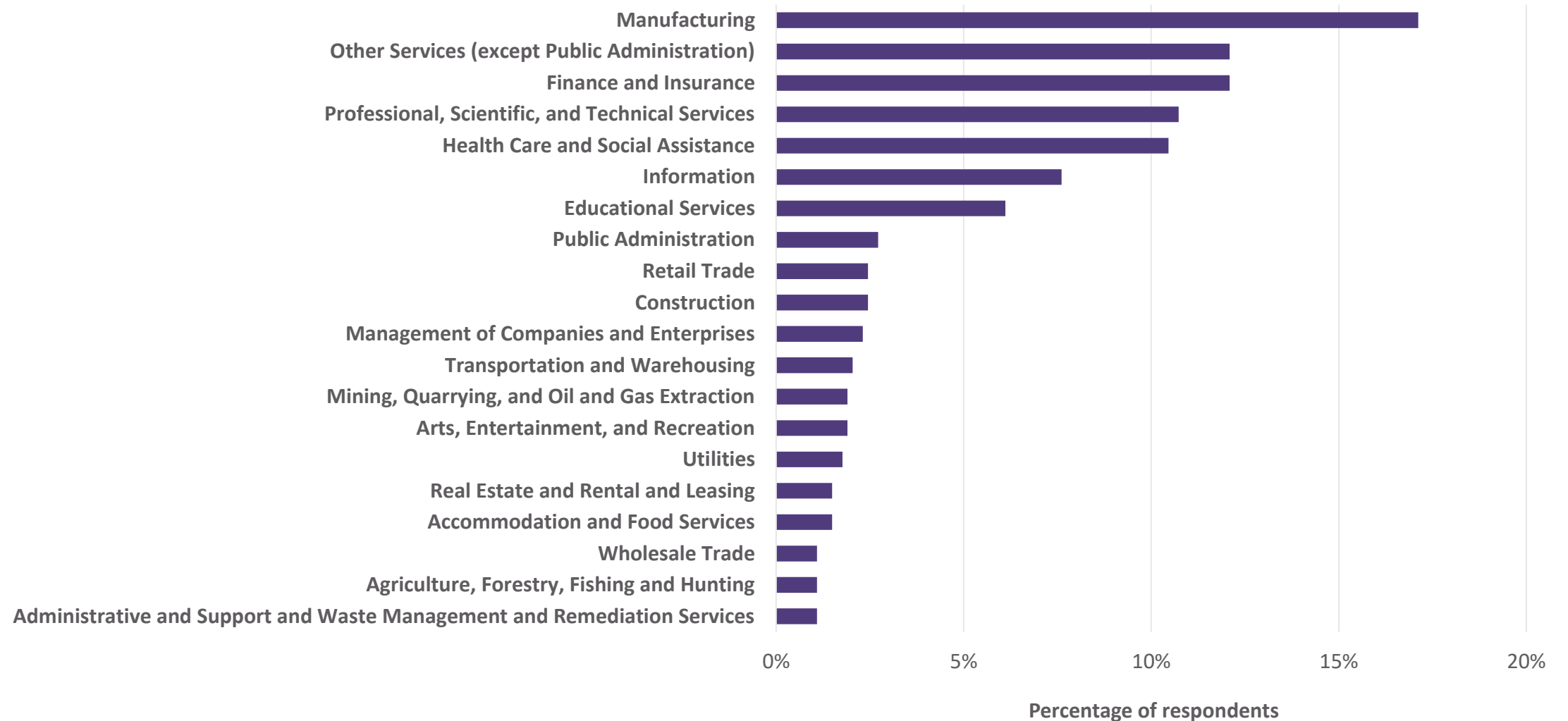
Respondents by function



Respondents by company size



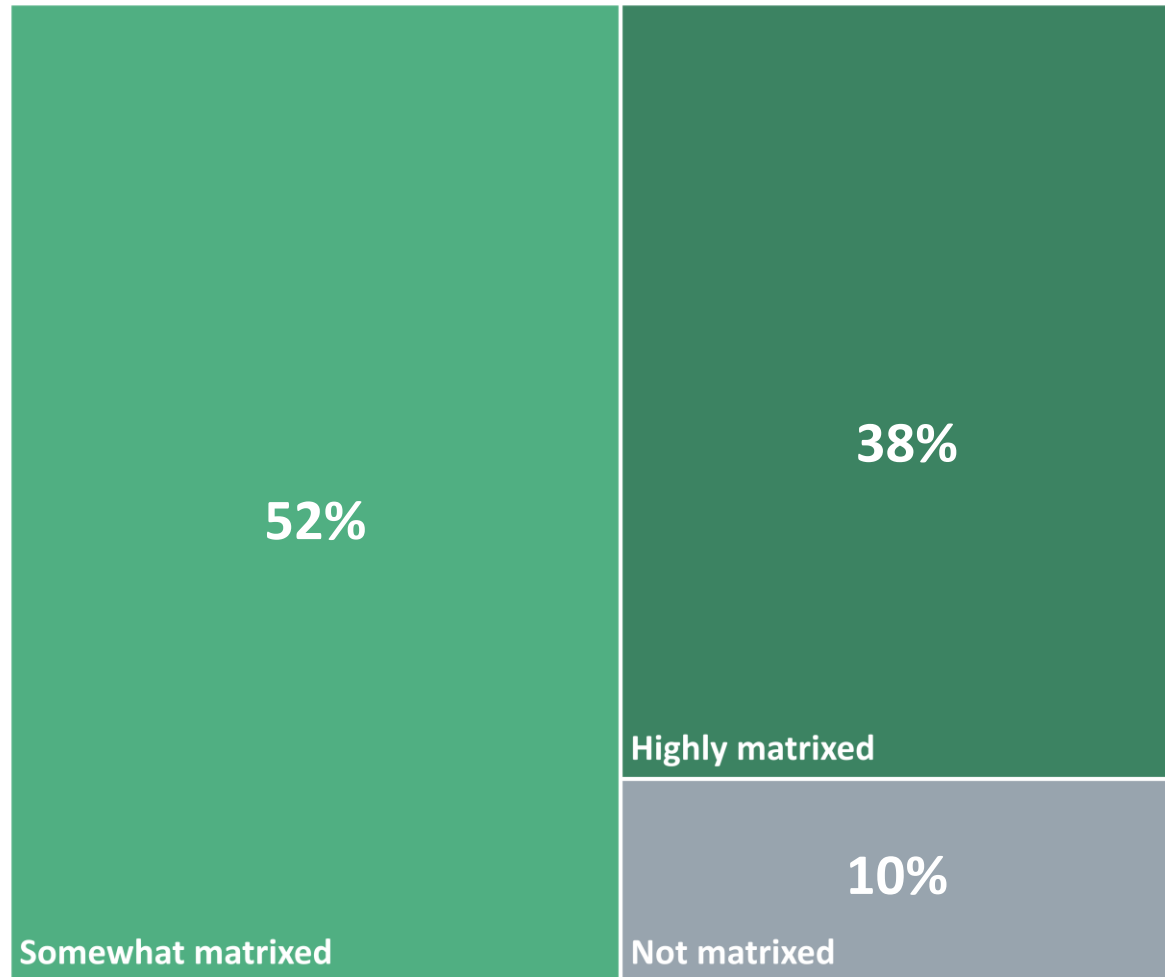
Respondents by industry





Organizational structure and dynamics

Degree to which companies are matrixed



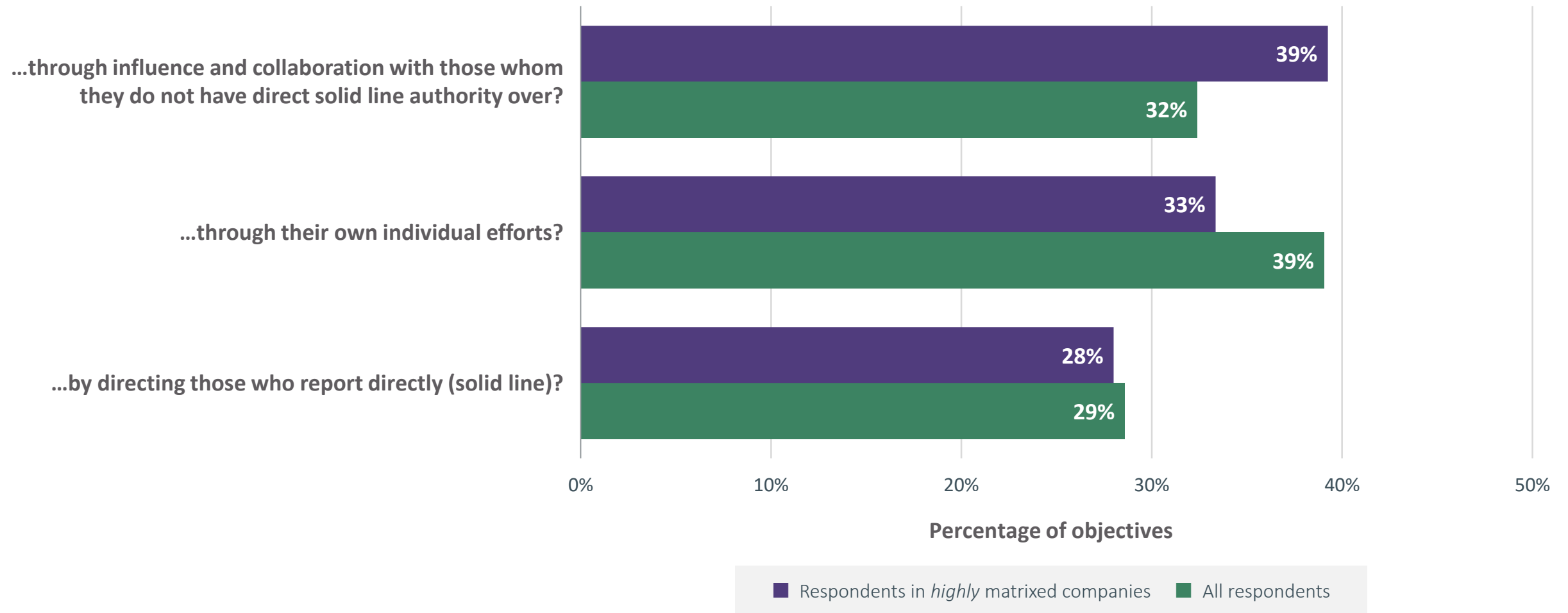
96%

of respondents from companies with 10,000 or more employees reported that their organization was **somewhat or highly matrixed**.

75%

Even at companies with fewer than 100 people, of respondents reported that their organization was **somewhat or highly matrixed**.

Percentage of *individual* objectives that individuals report they can achieve primarily...



Importance of collaboration and influence, by level

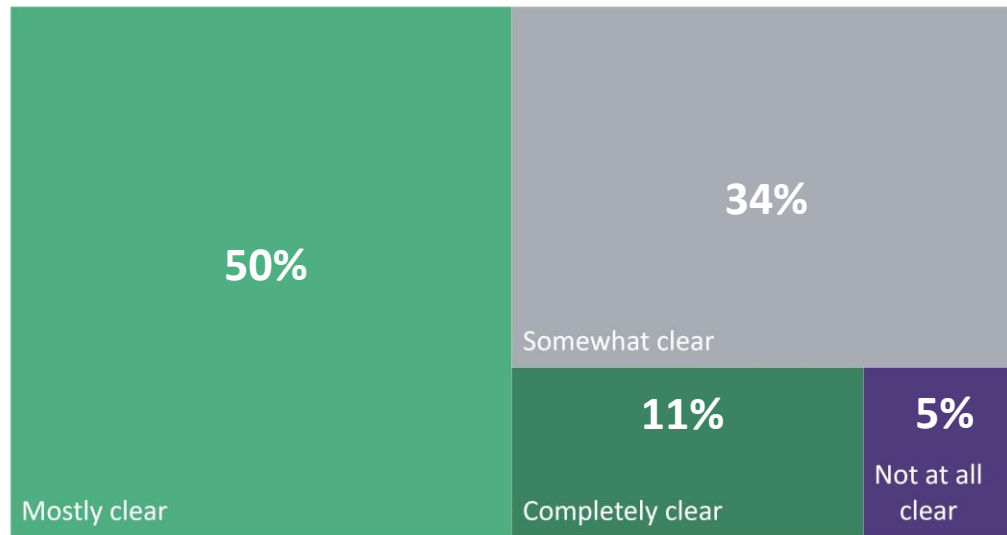




Challenges of working in a matrix

Challenges inherent in matrixed organizations

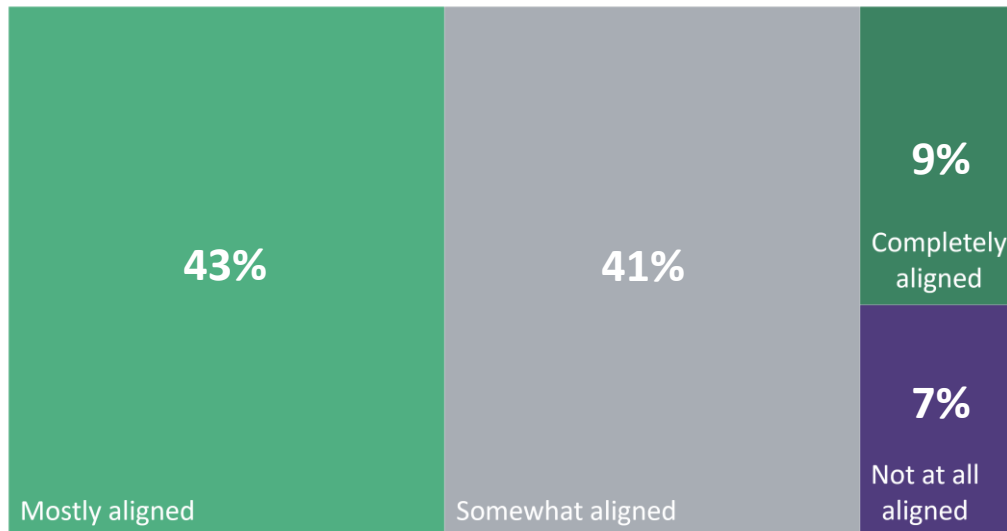
Extent to which roles and responsibilities are clear and unambiguous



55%

of individuals in companies where roles are not at all clear report that **coercion or manipulation** are the most common approaches taken to influence others.

Extent to which objectives and incentives of different business units and functional areas are aligned

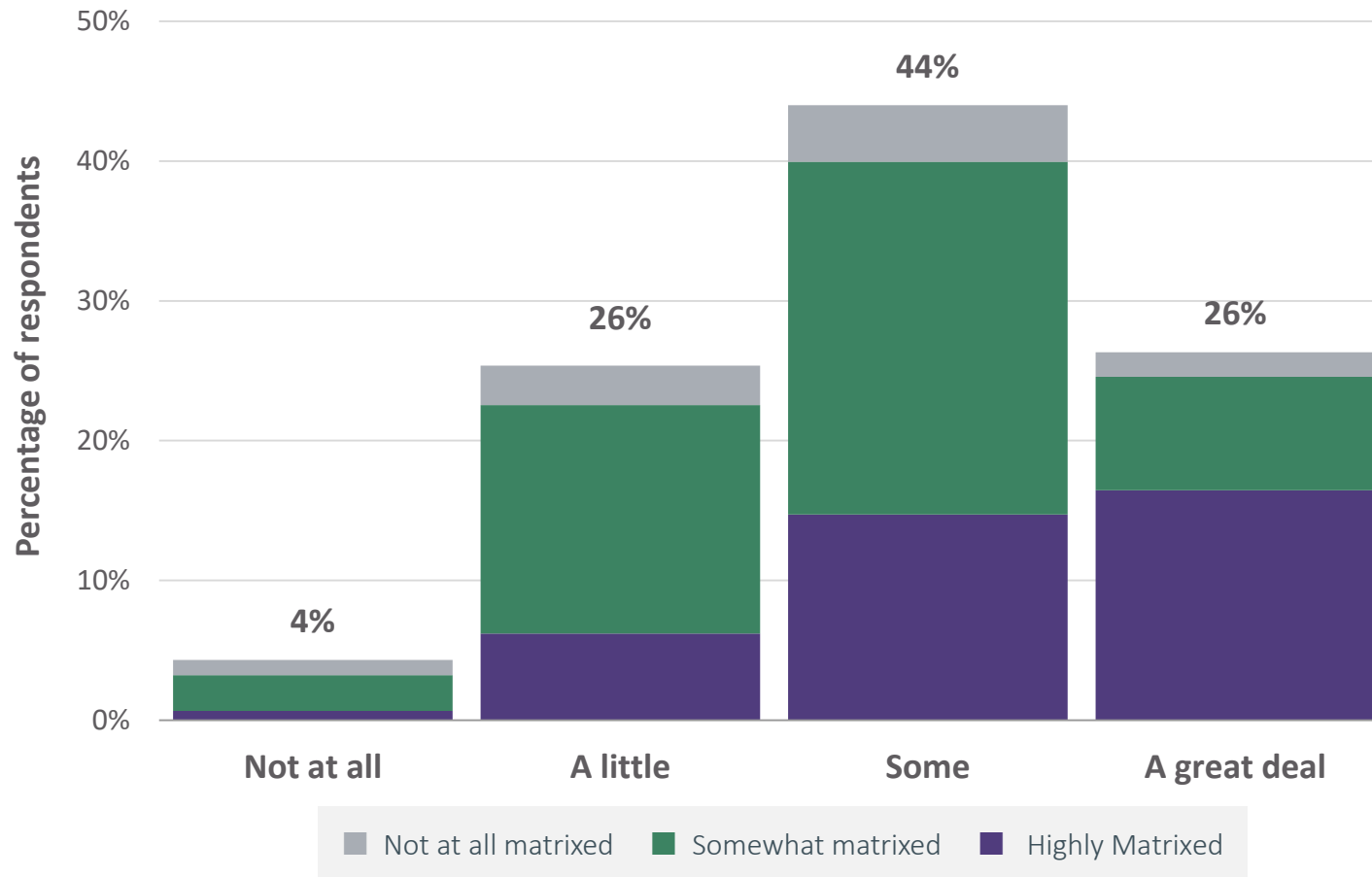


88%

of individuals in companies where objectives and incentives are not aligned rate the ability of individuals in their company to influence others as **“poor” or “moderate”**.

The impact of organizational complexity

Extent to which *organizational complexity* impedes the quality and speed of decision-making and innovation



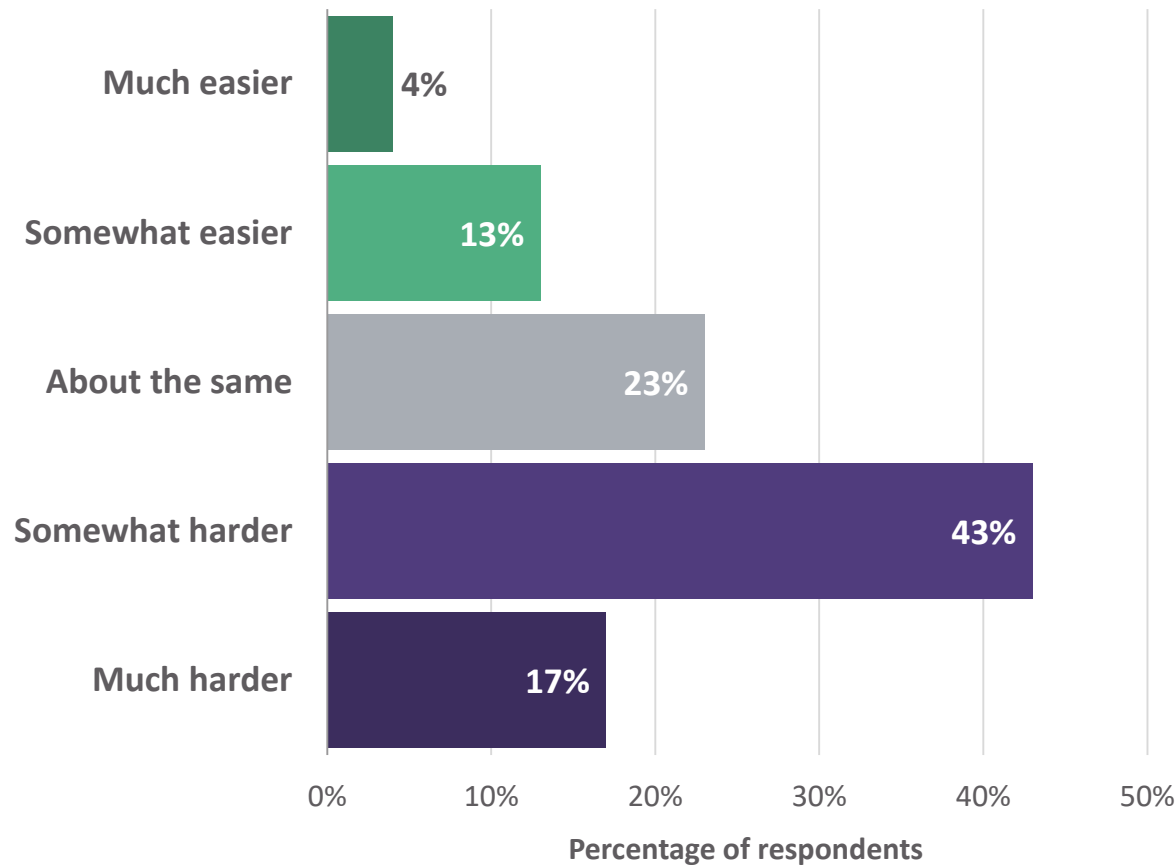
43%

of respondents from highly matrixed companies report organizational complexity impedes the quality and speed of decision-making and innovation **“a great deal.”**

Companies with 10,000 or more employees were more likely

to report organizational complexity impedes the quality and speed of decision-making and innovation than those with fewer employees.

Compared to situations where respondents have direct authority, they report that achieving results using influence is...

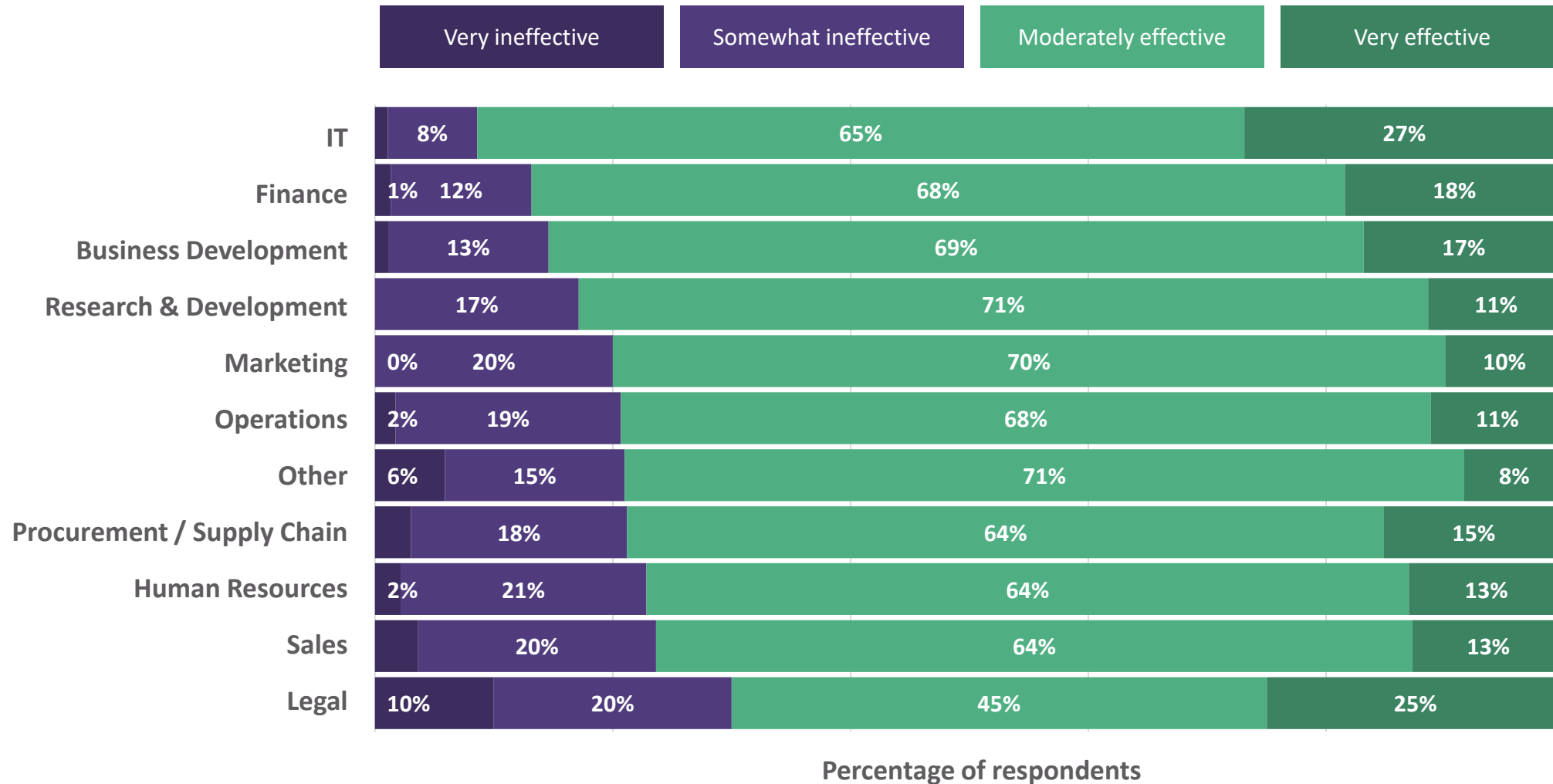


71% of respondents from highly matrixed companies report achieving results from influence is harder than when they have direct authority.

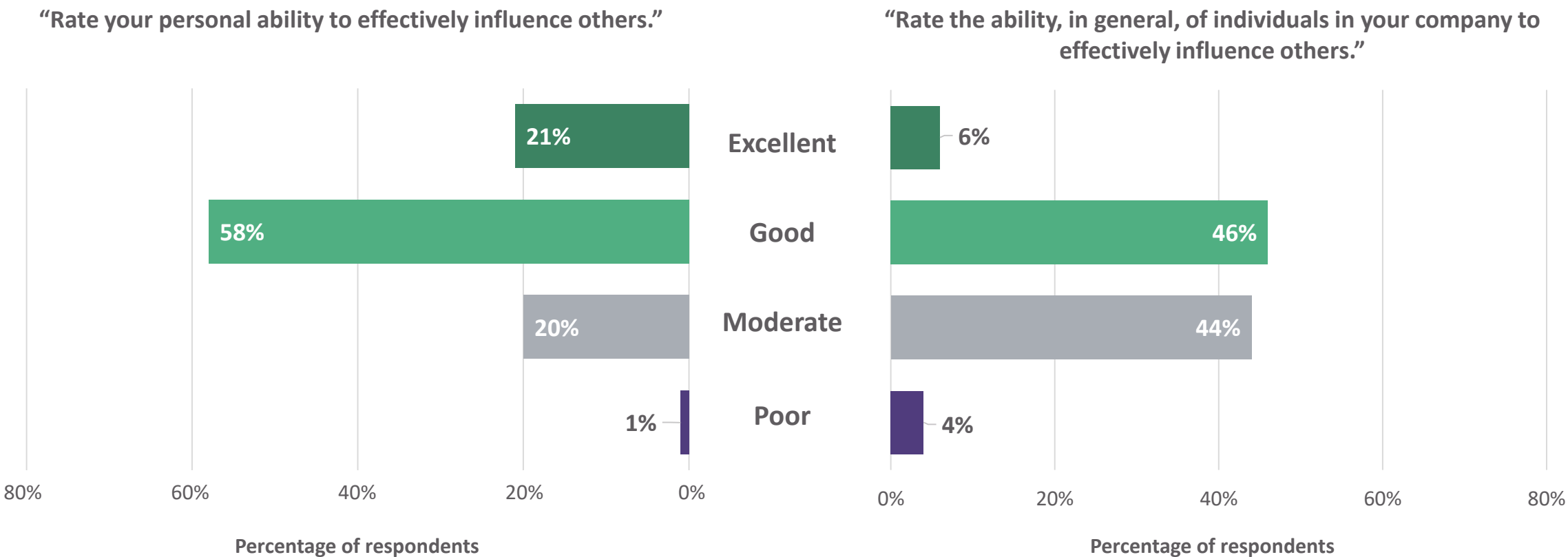
Executives were **30% more likely** than individual contributors to report achieving results from influence is harder.

Companies where people report that coercion or manipulation are the most common approaches to influence were **1.3X more likely** to report achieving results from influence is harder, versus those who take a joint problem-solving approach.

Self-perceived effectiveness at influencing difficult counterparts – by function



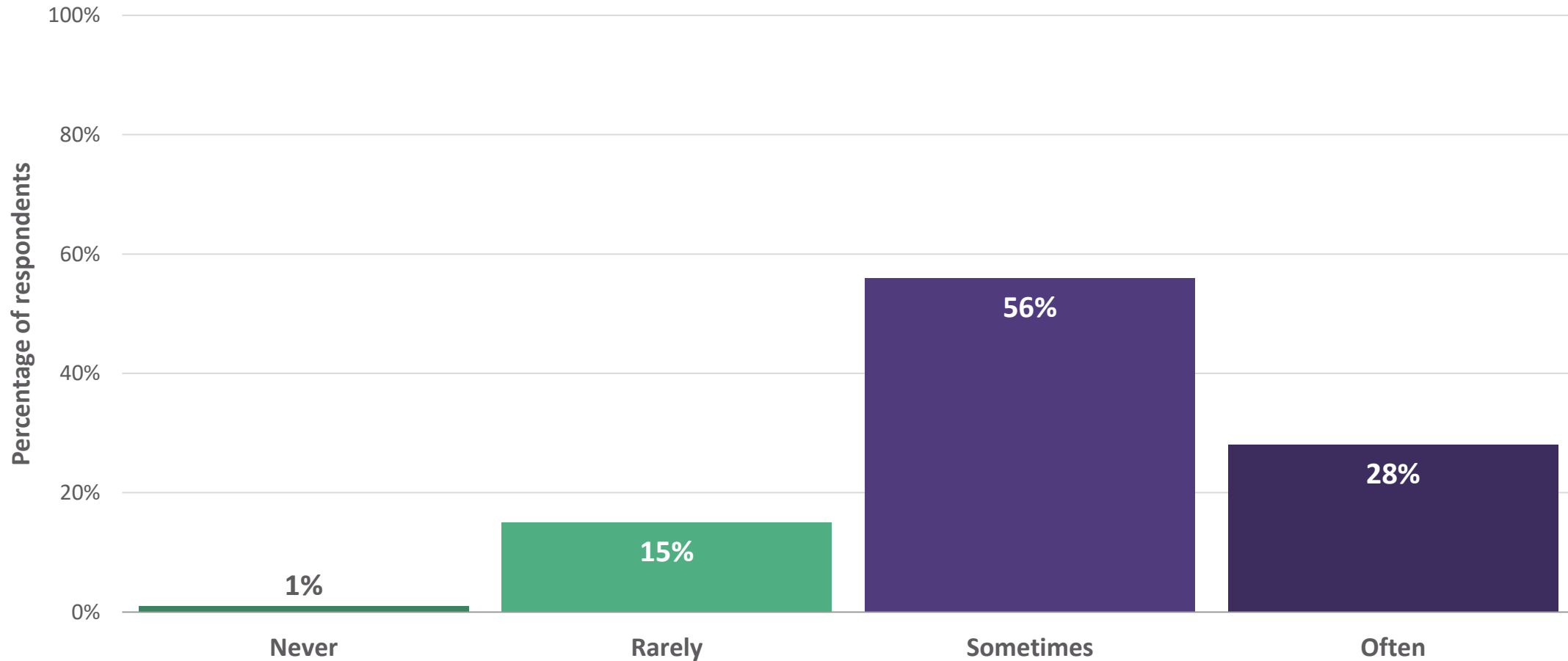
Self-regard bias seems to be evident in assessment of influence skills



Respondents were **3.5 times** more likely to report their own influence skills as “Excellent” compared to their colleagues.



Frequency with which people report the need to influence unreasonable counterparts within their company



Collaboration and influence challenges are exacerbated in highly matrixed companies

The more matrixed an organization, the more individuals report that they (i) encounter unreasonable counterparts and (ii) that gaps in influence skills negatively impact decision-making.

Individuals in “highly matrixed” companies reported that they were...

1.8 times more likely

to report a need to “often” influence individuals whom they perceive as unreasonable and/or solely focused on their own personal objectives

2.1 times more likely

to report that a lack of influence skills within their company impedes the quality and speed of decision-making and innovation “a great deal”

1.4 times more likely

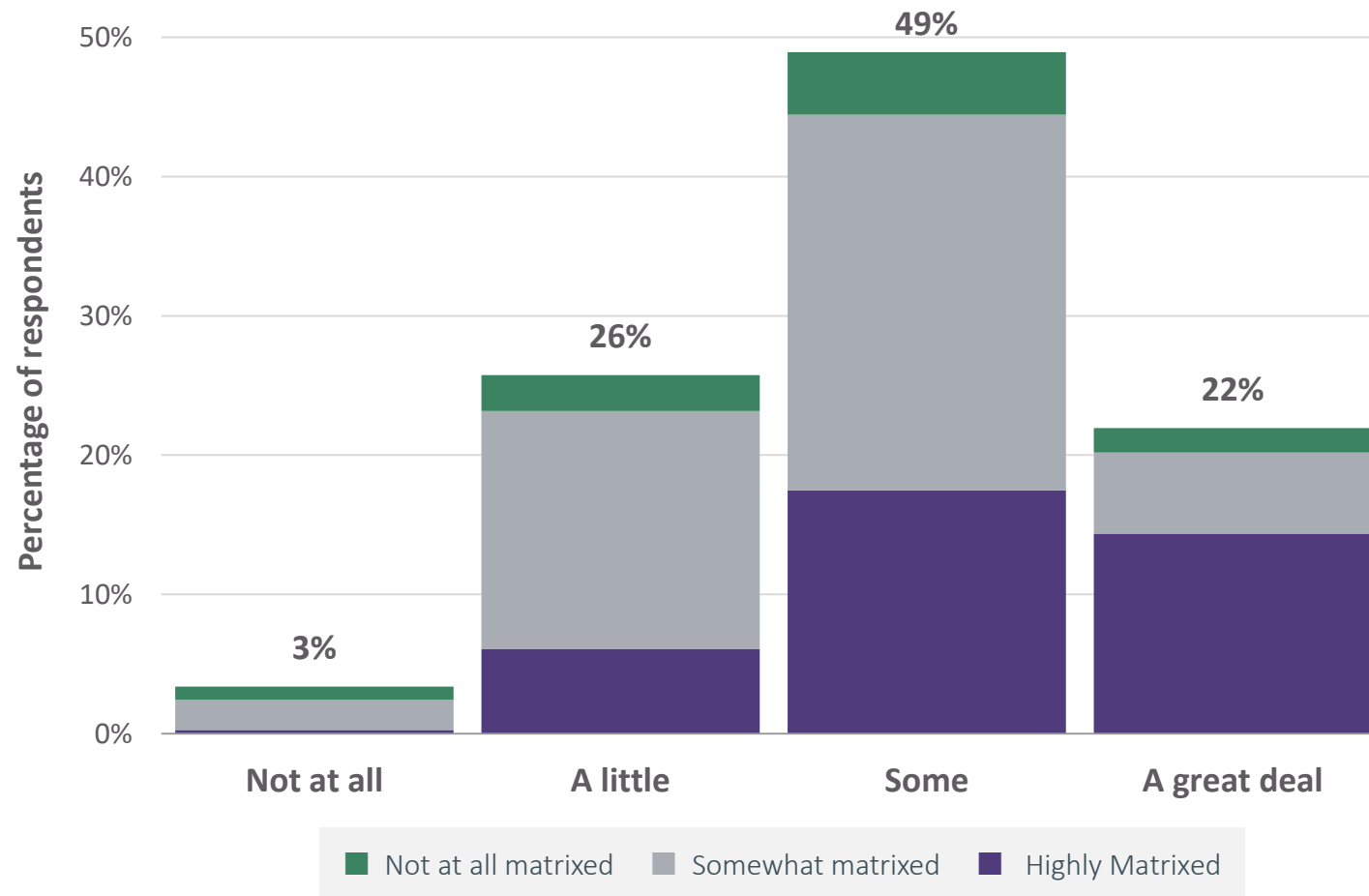
to report that achieving results through influence is harder than when they have direct authority

...than those who reported their companies were “not at all matrixed”.



Impact of influence skill deficits

Extent to which *a lack of effective influence skills* impedes the quality and speed of decision-making and innovation



83%

of respondents from **highly matrixed companies** report organizational complexity impedes the quality and speed of decision-making and innovation **“some” or “a great deal.”**

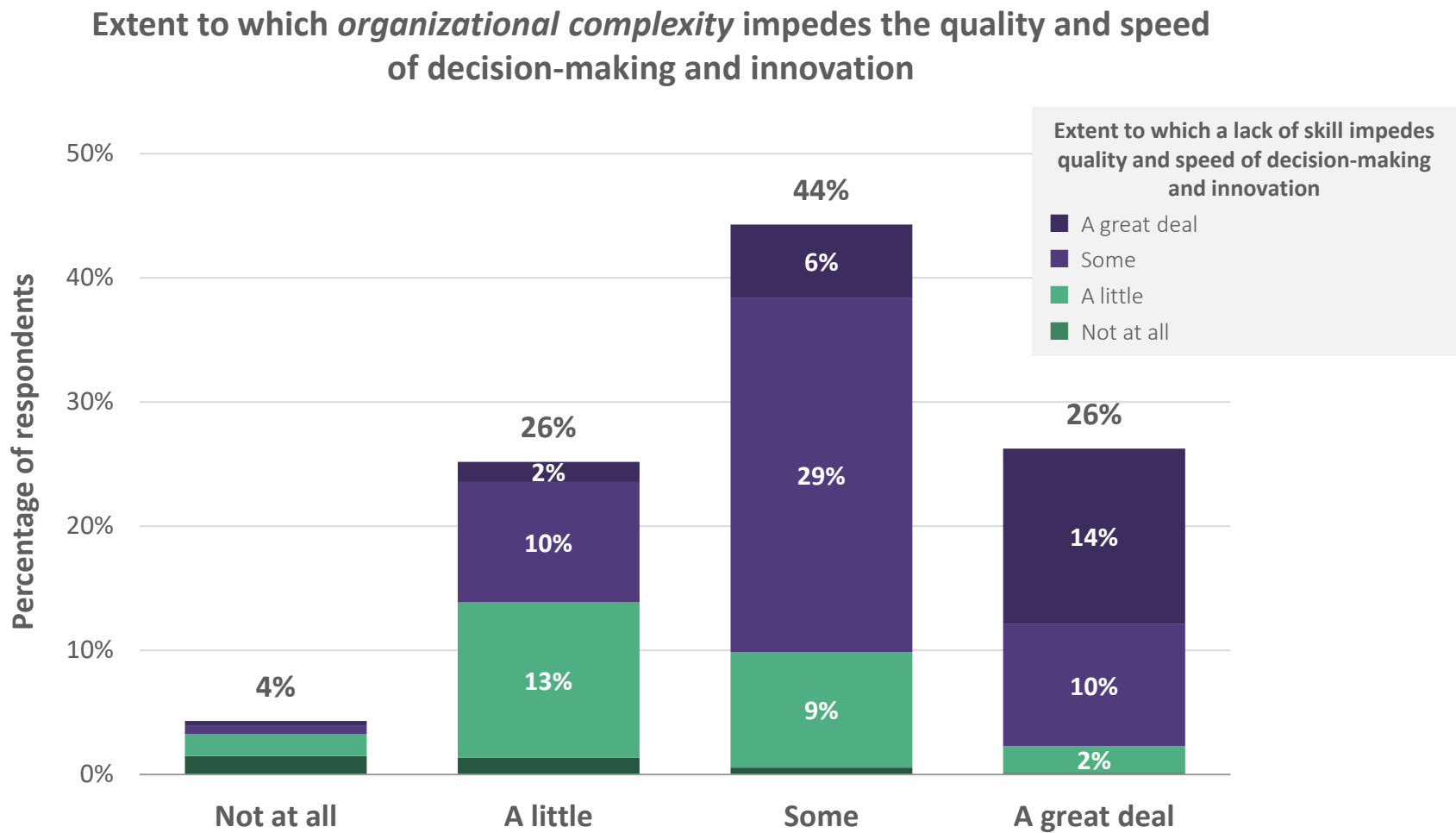
Respondents in **Sales, Business Development, and Procurement** were

2.3X more likely

than individuals in **Operations or Finance** to report a lack of skill impedes the quality and speed of decision-making and innovation **“a great deal.”**



The impact of an influence skill deficit is significantly exacerbated by organizational complexity



54%

Of those who report that organizational complexity impedes the quality and speed of decision-making and innovation “a great deal” also report that a lack of influence skills does the same.

Only 11%

Of those who report that organizational complexity impedes the quality and speed of decision-making and innovation “a little” or “some” also report that a lack of influence skills impedes decision-making and innovation “a great deal”.



Few report that their companies are able to leverage differences for learning and innovation

Only **9%** of respondents report their company views differences (e.g., different goals, strategies, competencies, etc.) as a ***significant source of learning and innovation.***

Organizations where people report that differences are a significant source of learning and innovation are...

21X more likely

to report roles in their organization are *completely* clear and unambiguous

2.9X more likely

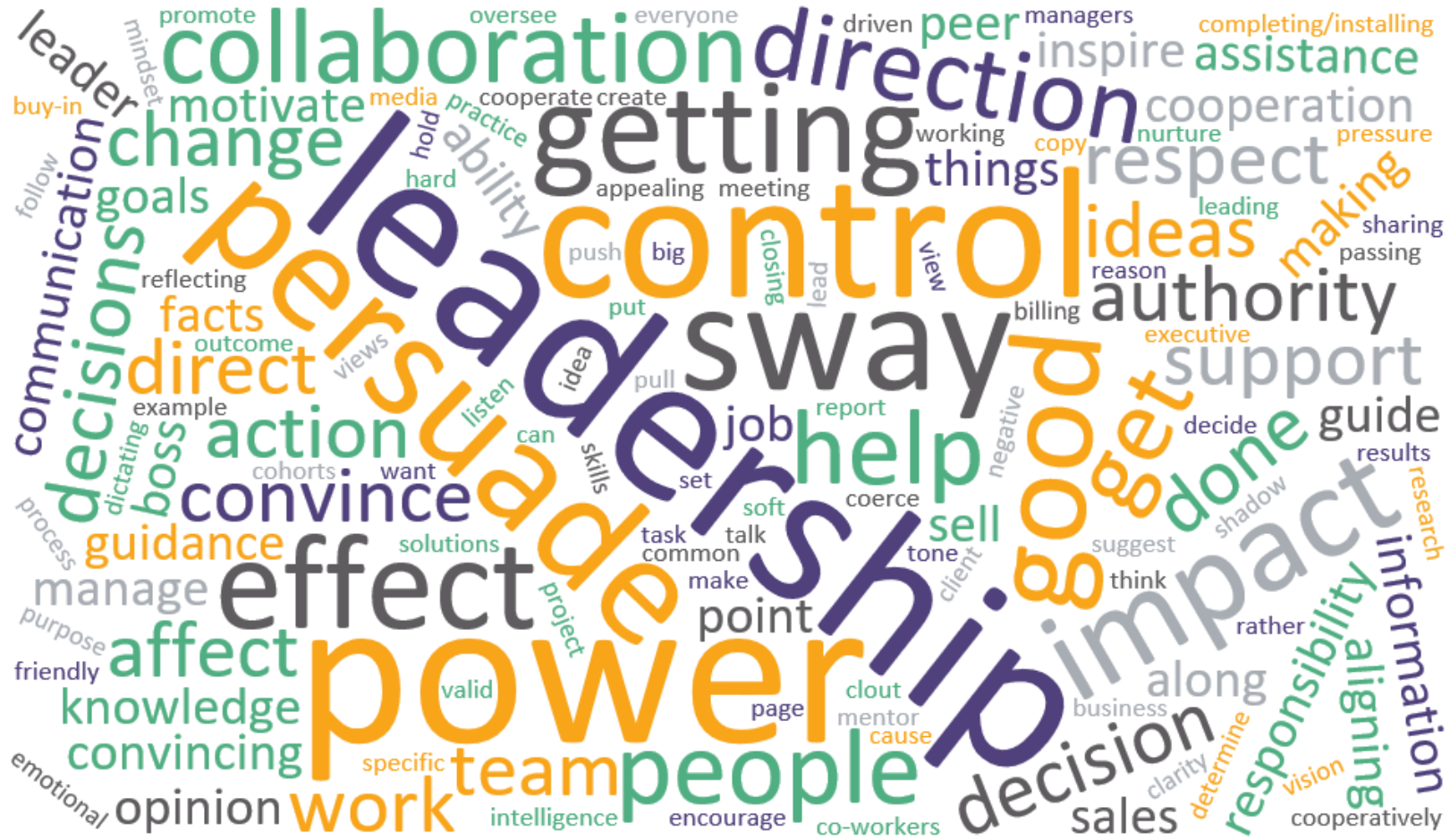
to report that organizational complexity does *not* impede the speed of decision-making and innovation

...compared to organizations where people report that differences are a significant source of conflict and inefficiency



Contrasting approaches to influence

“When you think about ‘influence’ what words come to mind?”



Top Ten Mentions

Leadership.....	12
Power.....	11
Control.....	7
Persuade.....	6
Sway.....	6
Getting.....	5
Effect.....	5
Impact.....	5
Good.....	5
Collaboration.....	4

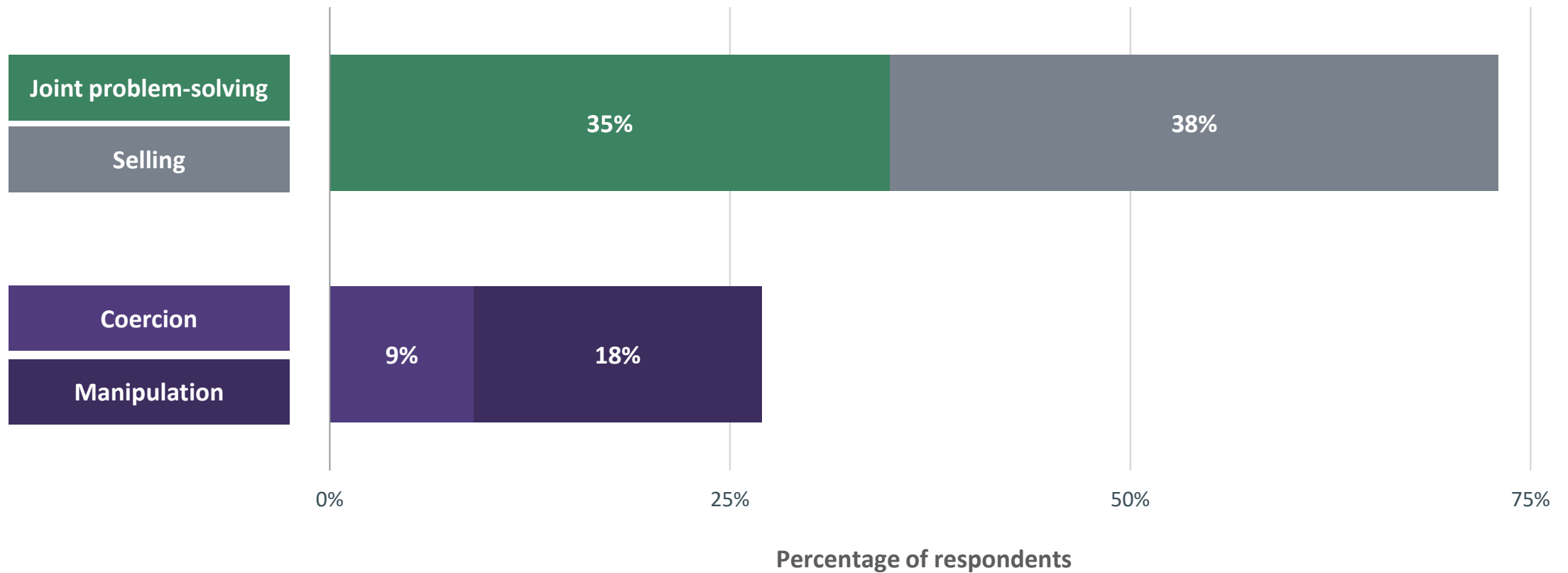
178 individuals responded to this question

Contrasting approaches to influence

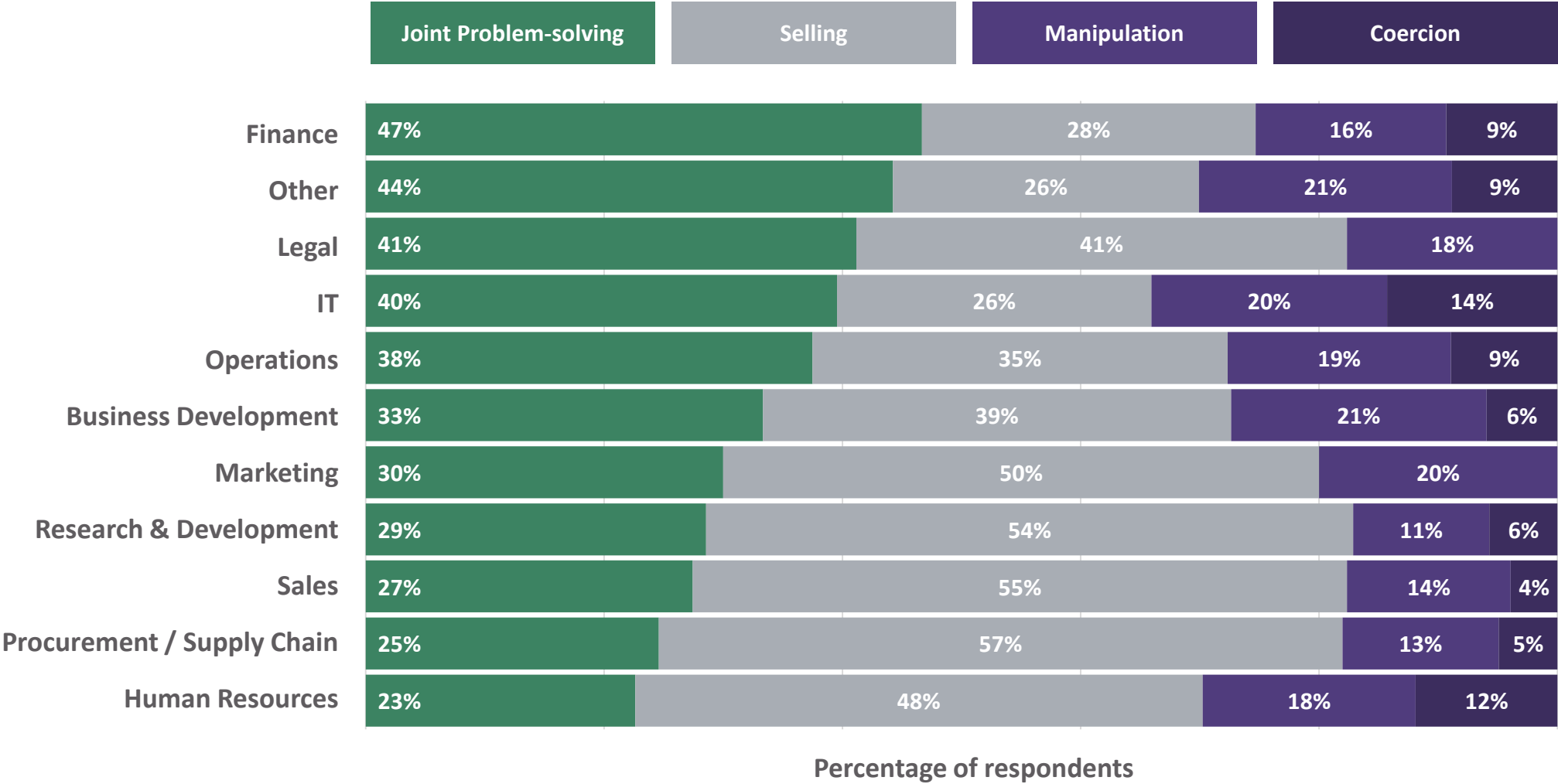
	Actions	Results
Joint Problem-Solving	<ul style="list-style-type: none"> ▪ Uncovering their interests and concerns ▪ Enlisting their help ▪ Being open to persuasion by other views ▪ Sitting side-by-side ▪ Focusing on process of understanding, not getting them to agree 	<ul style="list-style-type: none"> ▪ Two-way listening and communication ▪ Feel valued and respected ▪ Improved trust ▪ Stronger relationships ▪ Learning ▪ Creativity and innovation
Selling	<ul style="list-style-type: none"> ▪ Explaining all the reasons why they should say “yes” ▪ Handling objectives as if their concerns are unfounded ▪ Debating ▪ Proving that they are wrong to say “no” 	<ul style="list-style-type: none"> ▪ Feeling disrespected and unheard ▪ Argument and debating ▪ Stubbornness ▪ Damaged relationships ▪ Lack of learning
Manipulation	<ul style="list-style-type: none"> ▪ Lying ▪ Misleading by omission ▪ Using guilt ▪ Using flattery ▪ Playing on fear and self-doubt of others 	<ul style="list-style-type: none"> ▪ Damaged relationships ▪ Work-arounds and associated inefficiency ▪ Sub-optimal decisions ▪ Reduced workplace morale ▪ Talent flight
Coercion	<ul style="list-style-type: none"> ▪ Using threats ▪ Aggressive escalation ▪ Holding help/support hostage ▪ Using formal authority to penalize the voicing of alternative views 	<ul style="list-style-type: none"> ▪ Damaged relationships ▪ Avoidance ▪ Retaliation/revenge ▪ Lack of learning

Reported prevalence of different approaches to influence

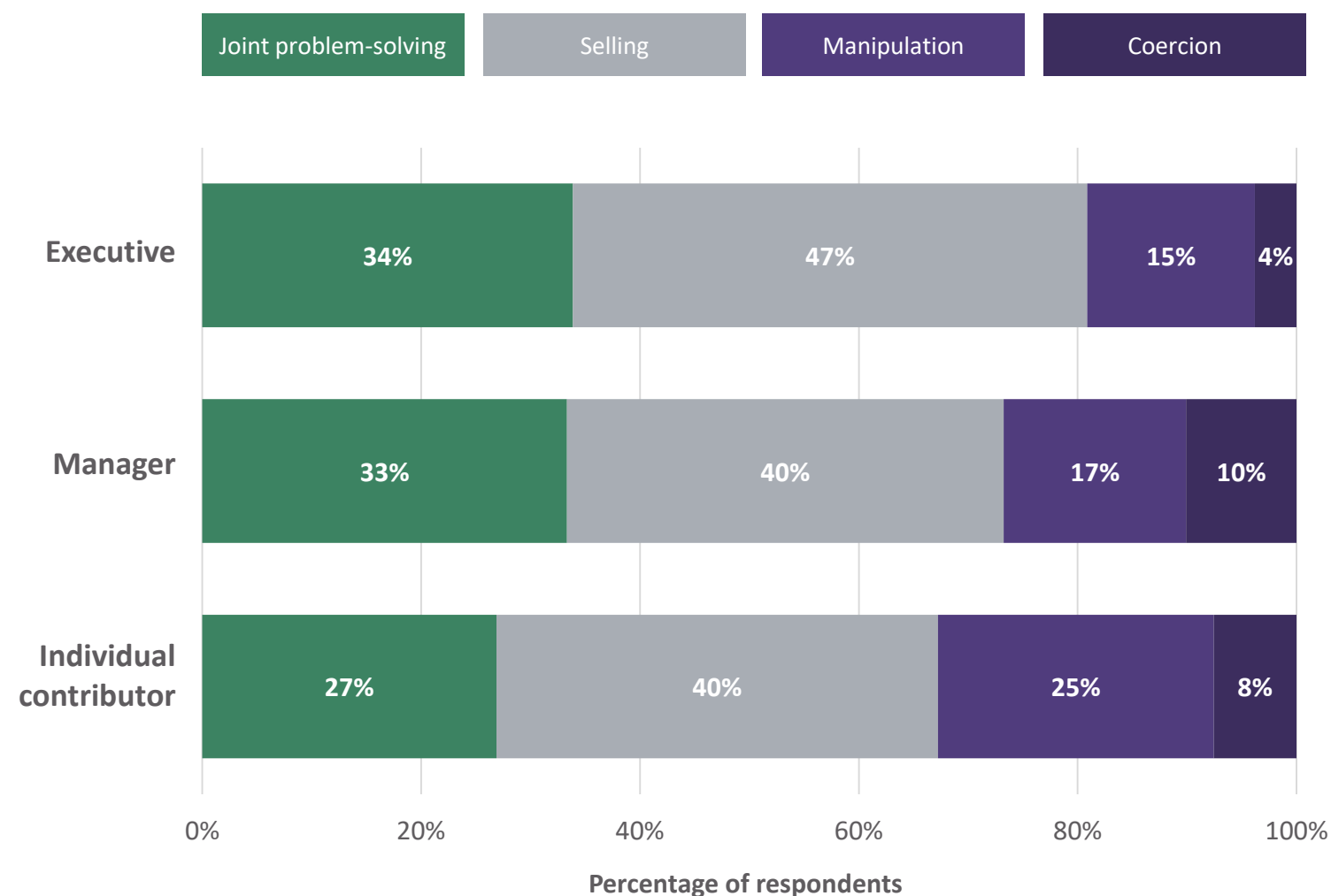
“Which response best characterizes the most common approach taken by people in your company when they need to influence others?”



Self-reporting of most common approach to influence, by function



Self-reporting of most common approach to influence, by role



Executives and managers are more optimistic about the most common approach to influence at their companies.

- Individual contributors are:
- **1.7X as likely** as executives to report that **coercion or manipulation** are the most common approach to influence at their company.
 - **20% less likely** than executives to report that **joint problem-solving** is the most common approach to influence.



Influence is more often focused on getting others to agree than two-way problem-solving

Organizations where people report that efforts to influence others are focused on problem-solving (versus where influence is reported to be focused on getting others to agree) are...

7.6X more likely

to report roles in their organization are *completely* clear and unambiguous.

2.9X more likely

to report it is *easier* to achieve results using influence, versus scenarios where they have direct authority.

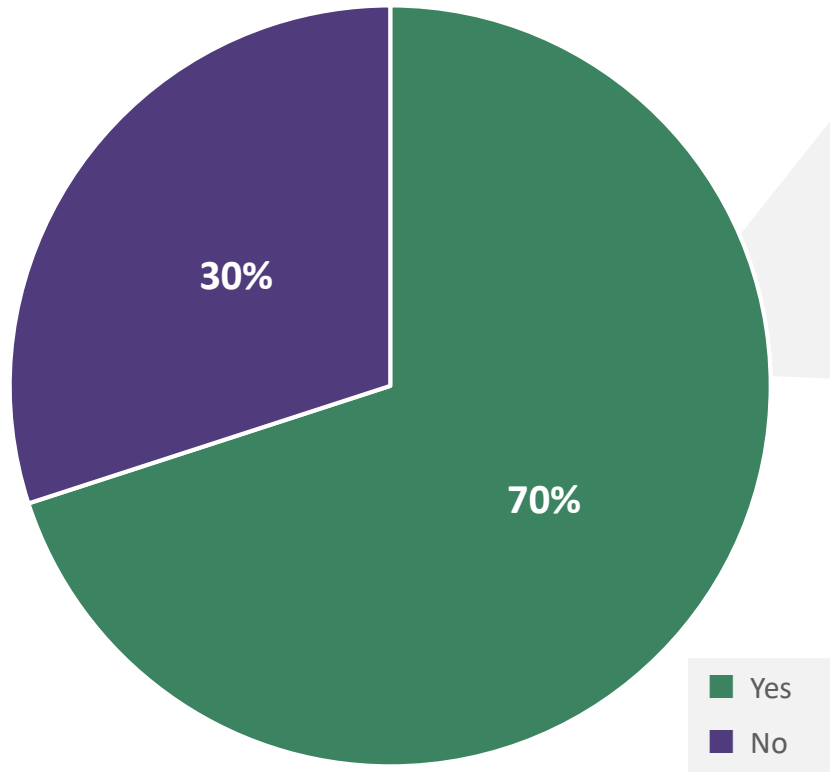
2.4X more likely

to report organizational complexity does *not* impede the speed of decision-making and innovation.

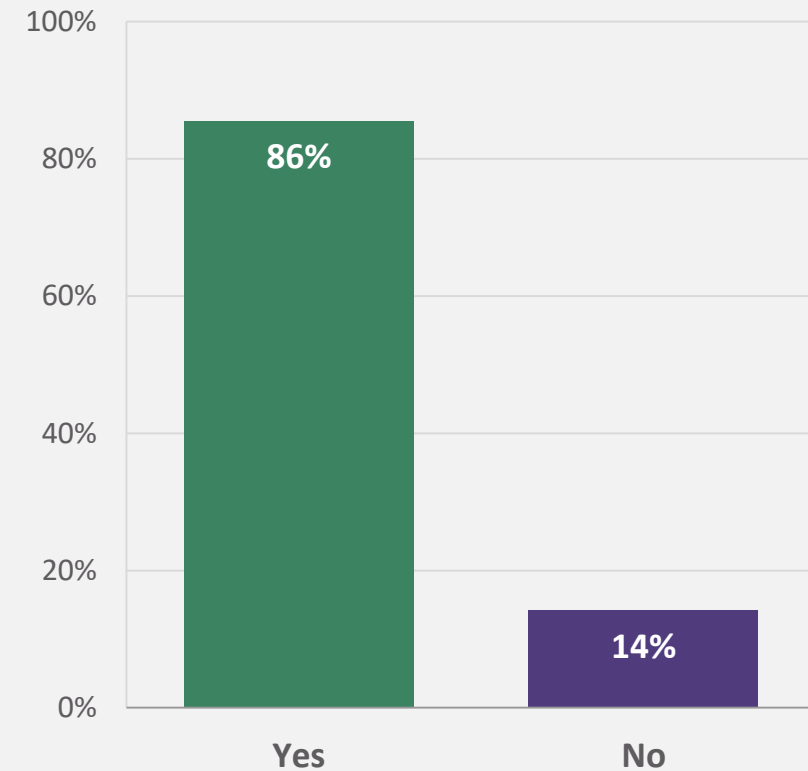


"Influencer's regret" and the benefit of being more open to persuasion

"Have you ever used your powers of persuasion to get others to agree with an important decision or plan you recommended, and later come to realize that a different course of action would have been significantly better?"



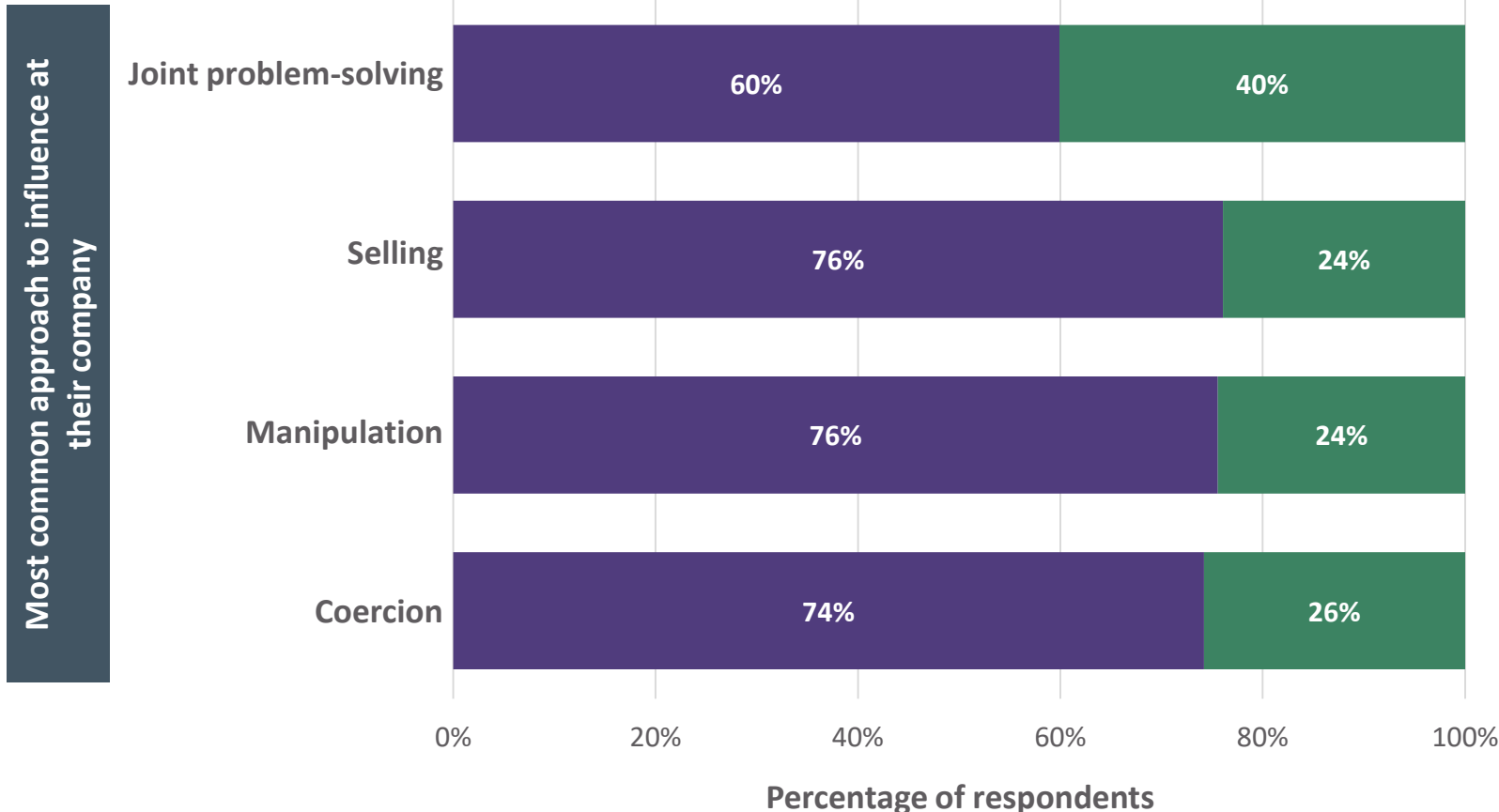
"Would being more open to the objections, concerns, and different ideas of others have led you to pursue a better course of action?"



Comparison of influence styles with frequency of “influencer’s regret”

"Have you ever used your powers of persuasion to get others to agree with an important decision or plan you recommended, and later come to realize that a different course of action would have been significantly better?"

No
Yes



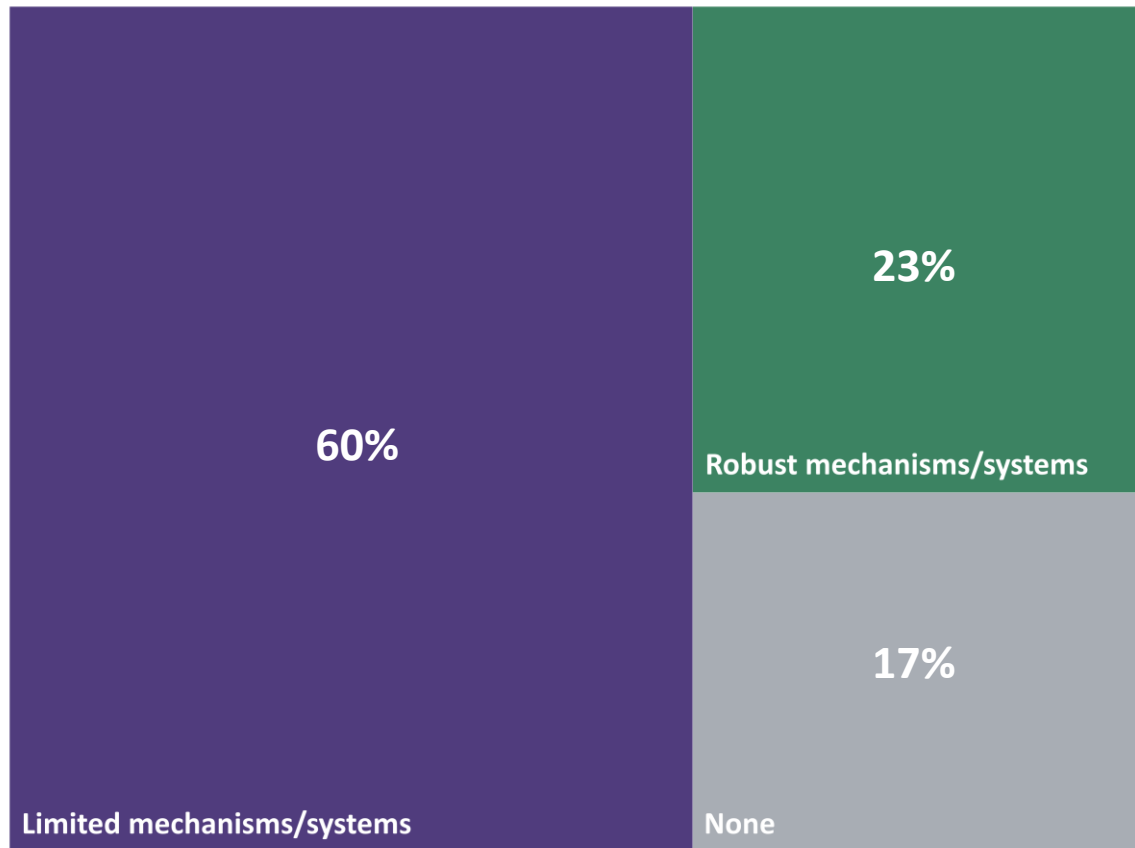
In companies where the most common approach to influence is **joint problem-solving**, **individuals are 20% less likely** to have reported they regret using powers of persuasion to get others to agree, versus those where manipulation or coercion are most common.



Making a matrix work

Prevalence of mechanisms to facilitate collaboration

Extent to which respondents' companies have specific mechanisms or management systems to facilitate collaboration across internal organizational boundaries



Individuals who reported their company has robust mechanisms to facilitate collaboration were

nearly 1.8X as likely

to use joint problem-solving as the most common approach to get others to agree, compared to individuals who report their company has no such mechanisms.

Individuals who reported their company has robust mechanisms to facilitate collaboration were

4.6X as likely

to report that objectives and incentives of different business units are completely aligned, compared to individuals who report their company has no such mechanisms.

Impact of mechanisms to facilitate collaboration

Companies that have robust mechanisms and systems in place to facilitate collaboration across internal organizational boundaries were...

7.2 times more likely

to report that achieving results through influence is *easier* than relying on the exercise of direct authority

4.6 times more likely

to report objectives and incentives of different business units and functional areas are “completely aligned”

3.6 times more likely

to make decisions based on the merits of the proposal and the company’s best interest (rather than personal relationships and connections)

3.3 times more likely

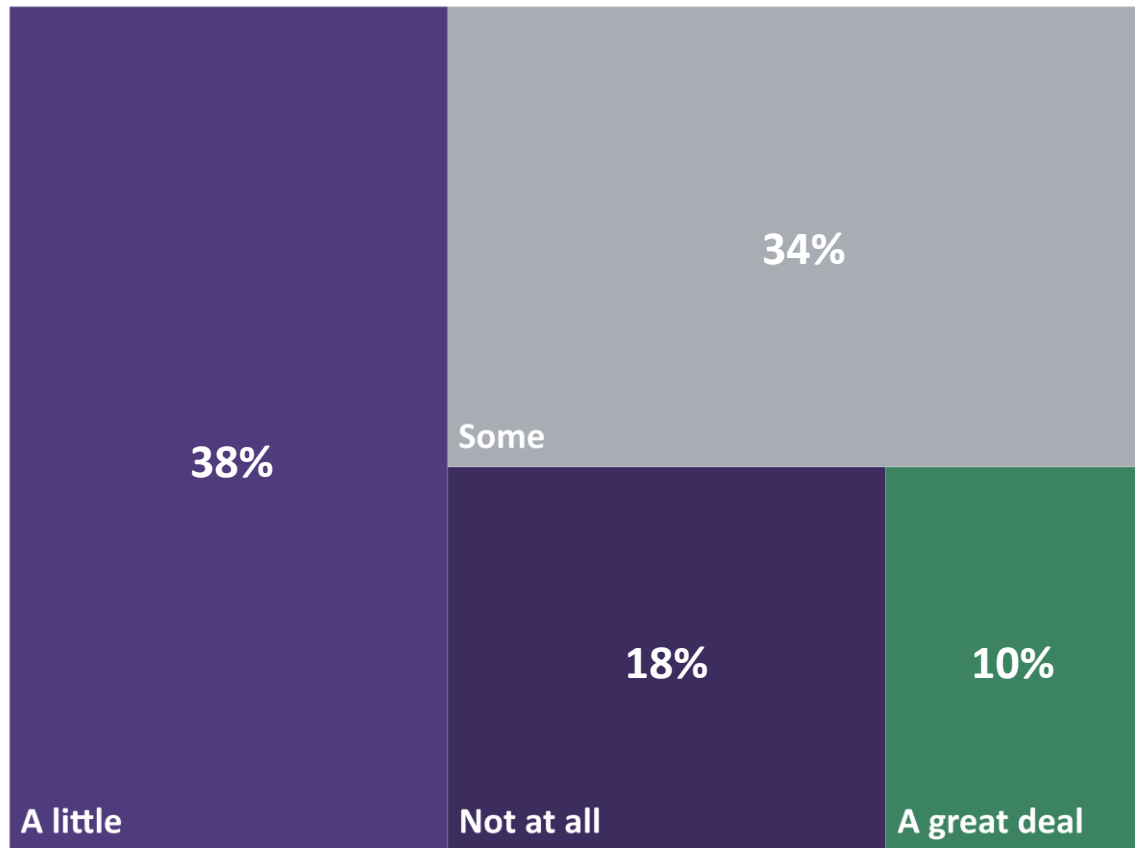
to also report their *personal* ability to influence others is “excellent”

...than those do not have mechanisms or systems in place.



Prevalence of **formal incentives** to facilitate collaboration

Extent to which companies employ formal incentives to recognize and reward efforts to balance competing priorities across different functions and business units



Companies that employ formal incentives “a great deal” to reward collaboration are almost

2.8X as likely

to also have robust mechanisms and systems in place to facilitate collaboration than those who do not employ formal incentives.

Impact of formal incentives to facilitate collaboration

Companies that employ formal incentives “a great deal” to recognize and reward efforts to balance competing priorities were...

10 times more likely

to leverage **inclusive reasoned analysis and debate** to make decisions (rather than formal authority or power)

8.3 times more likely

to report roles in their organization are **completely** clear and unambiguous

6.1 times more likely

to focus on **two-way, creative joint problem-solving** to influence others (rather than focusing on getting others to agree)

5.8 times more likely

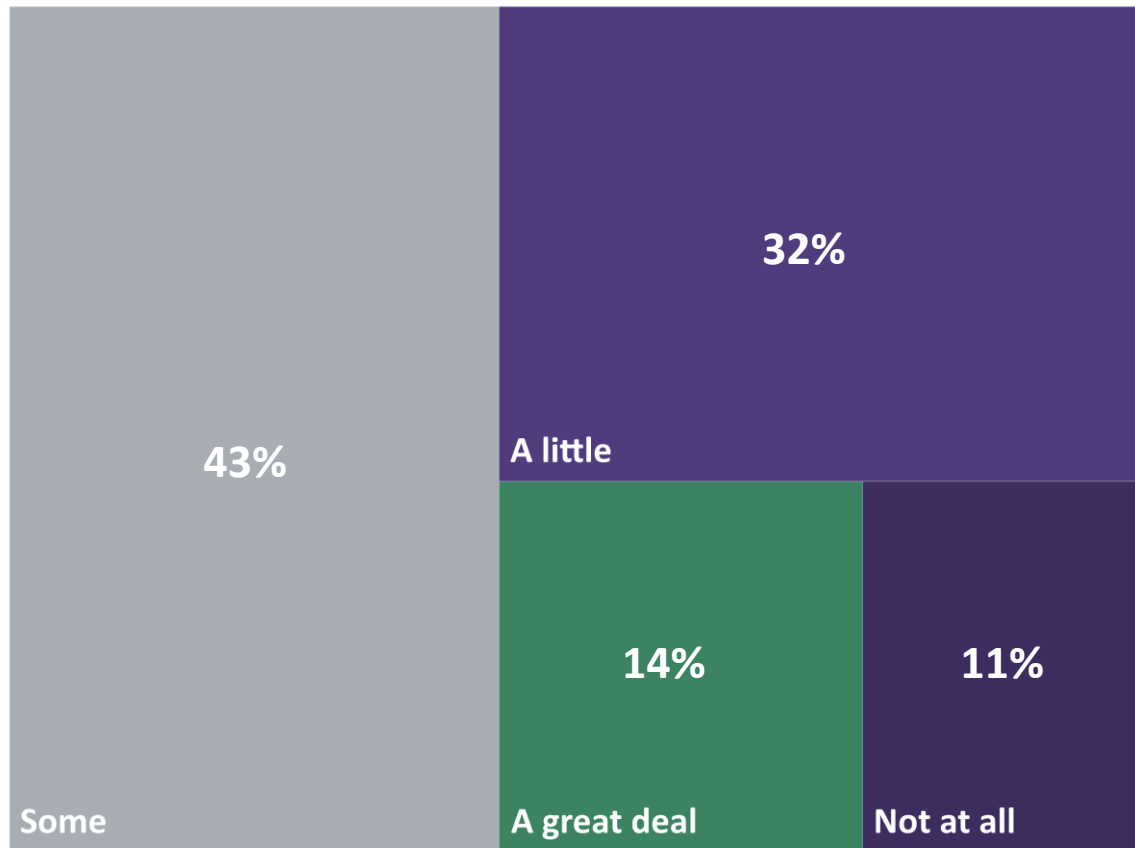
to report objectives and incentives of **different business units and functional areas** are “**completely aligned**”

...than those do not.



Prevalence of investments in **technology** to facilitate collaboration

Extent to which investments have been made in software or (other technology) specifically to facilitate collaboration across internal organizational boundaries



82%

of companies that invest “a great deal” in software or other technology to facilitate collaboration **also invest “a great deal” in collaboration training.**

Impact of investments in **technology** to facilitate collaboration

Companies that invest “a great deal” in software (or other technology) specifically to facilitate collaboration across internal organizational boundaries were...

6.6 times more likely

to report that achieving results through influence is *easier* than relying on the exercise of direct authority

6.2 times more likely

to focus on **two-way, creative joint problem-solving to influence others** (rather than focusing on getting others to agree)

5.3 times more likely

to leverage **inclusive reasoned analysis and debate to make decisions** (rather than formal authority or power)

3.3 times more likely

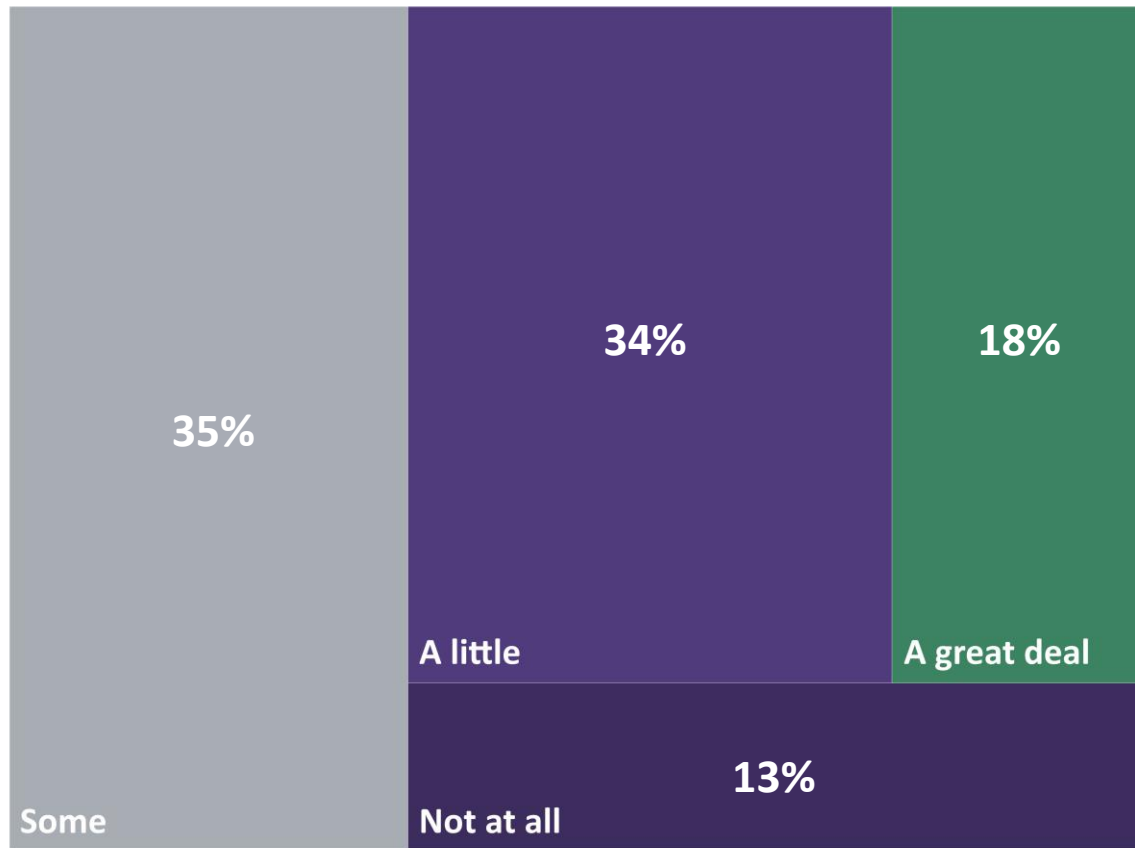
to **make decisions based on the merits of the proposal and the company’s best interest** (rather than personal relationships and connections)

...than those that have not invested in software or other technology.



Prevalence of investments in **training** to facilitate collaboration

Extent to which investments have been made in training specifically to facilitate collaboration across internal organizational boundaries



96%

of individuals who report that differences are a source of learning and innovation at their companies also report their company invests “a great deal” or “some” in training to facilitate collaboration.

Impact of investments in **training** to facilitate collaboration

Companies that invest “a great deal” in training specifically to facilitate collaboration across internal boundaries were...

6.3 times more likely

to focus on **two-way, creative joint problem-solving to influence others** (rather than focusing on getting others to agree)

4.5 times more likely

to report roles in their organization are **completely** clear and unambiguous

2.4 times more likely

to **make important decisions on the merits and what is best for the company** (rather than the exchange of favors)

1.5 times more likely

to report a **lack of effective influence skills** *does not* impede the quality and speed of decision-making and innovation

...than those who do not invest in training.





Characteristics of leading organizations

What differentiates companies where differences are a source of learning and innovation (versus conflict and inefficiency)

Organizations where people report that differences are a significant source of learning and innovation (versus where they are reported to be a significant source of conflict and inefficiency) are:

21X more likely

to report roles in their organization are completely clear and unambiguous.

5.8X more likely

to report two-way, creative problem-solving is the most common approach taken in their organization to influence others (versus selling, manipulation, or coercion).

2.9X more likely

to report that organizational complexity does *not* impede the quality and speed of decision-making and innovation.

2.8X more likely

to report that it is easier to achieve results using influence, versus direct authority.



What differentiates companies where decisions are made “on the merits” (versus personal relationships and connections)

Organizations where people report that decisions are made “on the merits” and based on what is best for the organization (versus on the basis of personal relationships and connections) are:

9.2X more likely

to report roles in their organization are completely clear and unambiguous.

3.1X more likely

to report two-way, creative problem-solving is the most common approach taken in their organization to influence others (versus selling, manipulation, or coercion).

2.9X more likely

to report that organizational complexity does *not* impede the quality and speed of decision-making and innovation.

1.5X more likely

to report that it is easier to achieve results using influence, versus direct authority.



What differentiates companies where decisions are made based on inclusive and reasoned analysis (versus formal authority and power)

Organizations where people report that decisions are made based on inclusive and reasoned analysis (versus where they are reported to be made on the basis of formal authority and power) are:

23X more likely

to report roles in their organization are completely clear and unambiguous.

6.4X more likely

to report two-way, creative problem-solving is the most common approach taken in their organization to influence others (versus selling, manipulation, or coercion).

3.5X more likely

to report that organizational complexity does *not* impede the quality and speed of decision-making and innovation.

2.5X more likely

to report that it is easier to achieve results using influence, versus direct authority.



What differentiates companies where decisions are made “on the merits” (versus exchange of favors)

Organizations where people that decisions are made “on the merits” and based on what is best for the organization (versus where they are reported to be made based on the exchange of favors) are:

2.4X more likely

to report roles in their organization are completely clear and unambiguous.

4.8X more likely

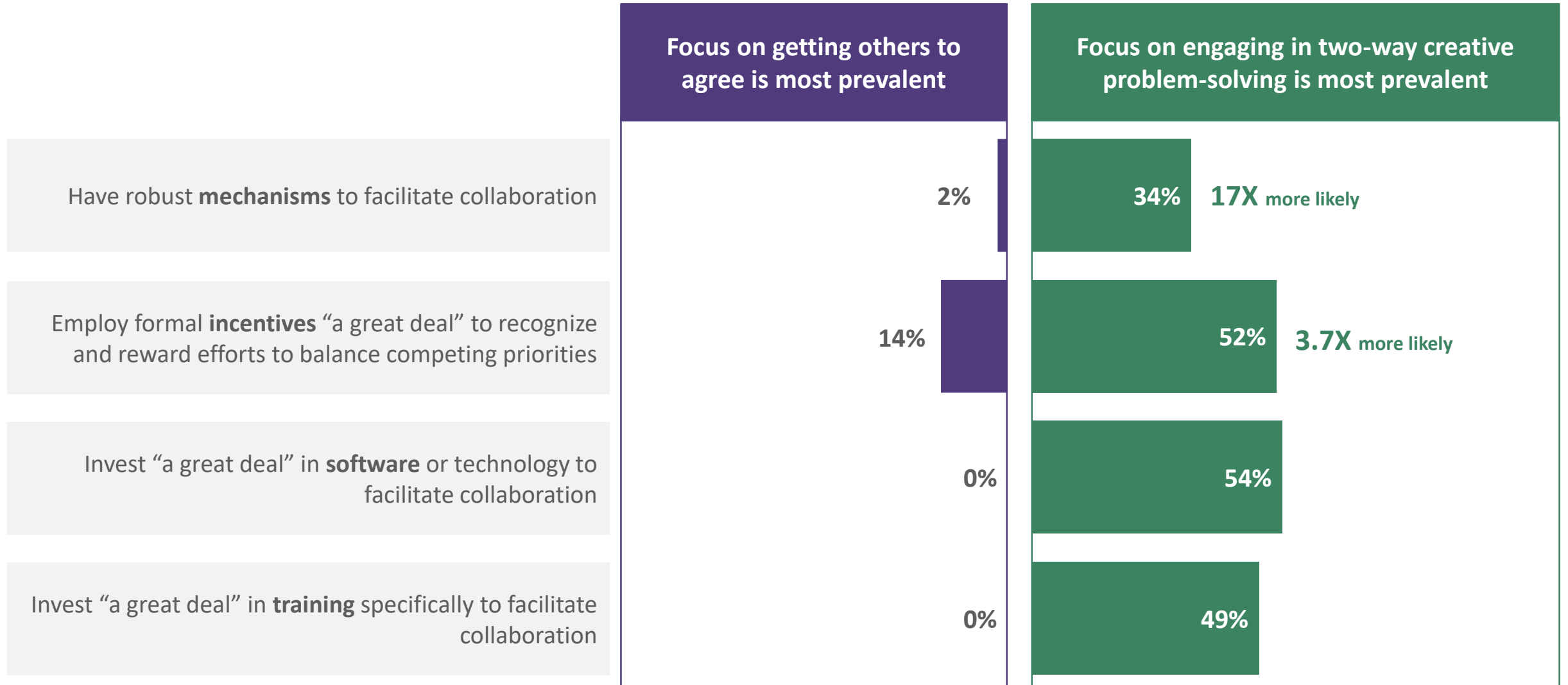
to report two-way, creative problem-solving is the most common approach taken in their organization to influence others (versus selling, manipulation, or coercion).

2.0X more likely

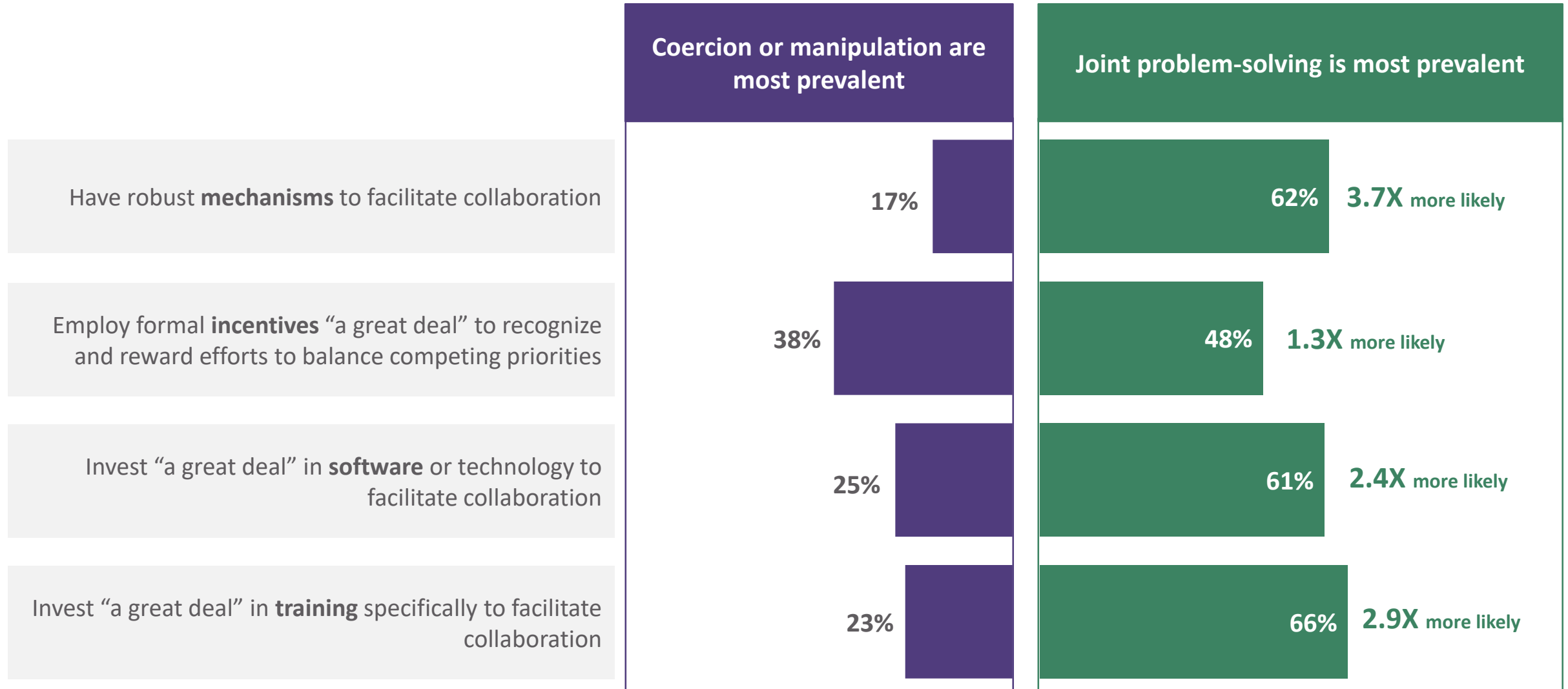
to report that it is easier to achieve results using influence, versus direct authority.



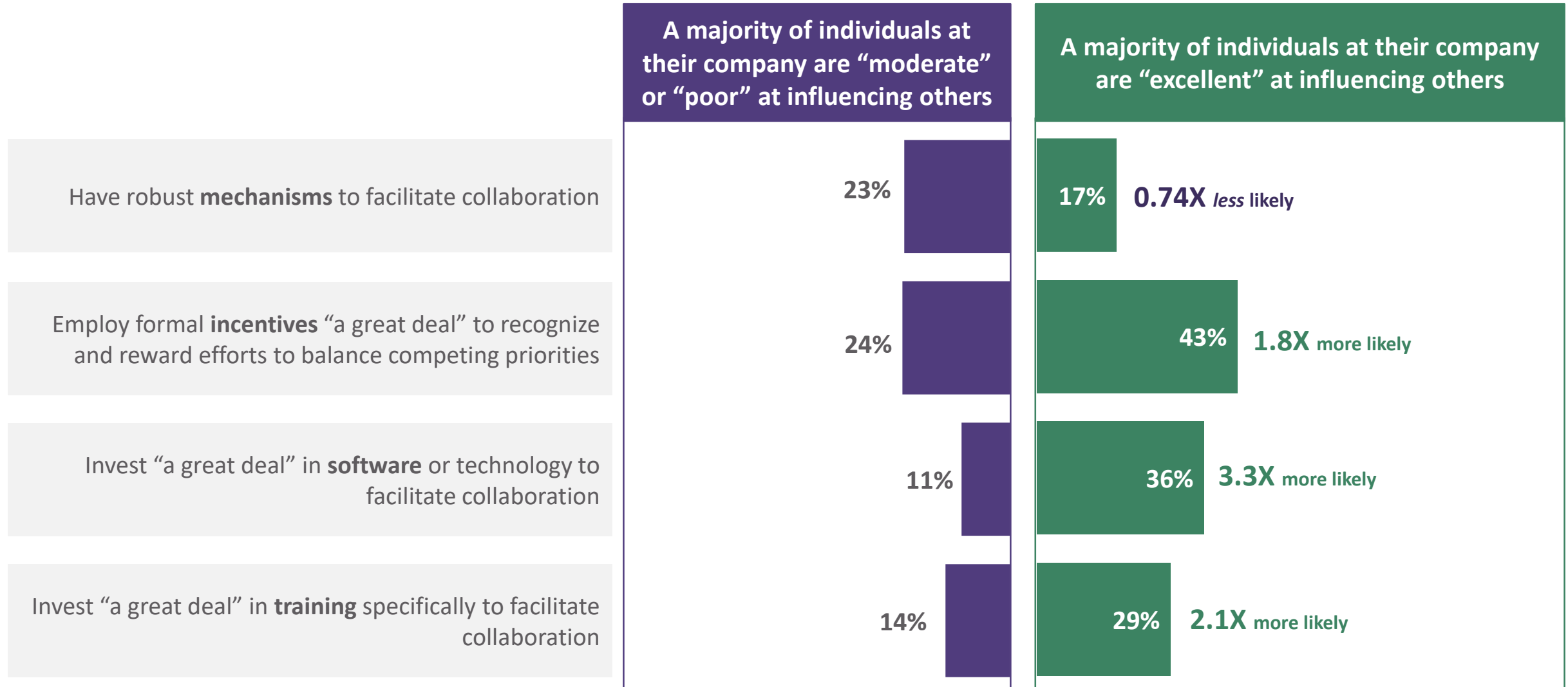
Impact of organizational investments in collaboration on reported influence **focus**



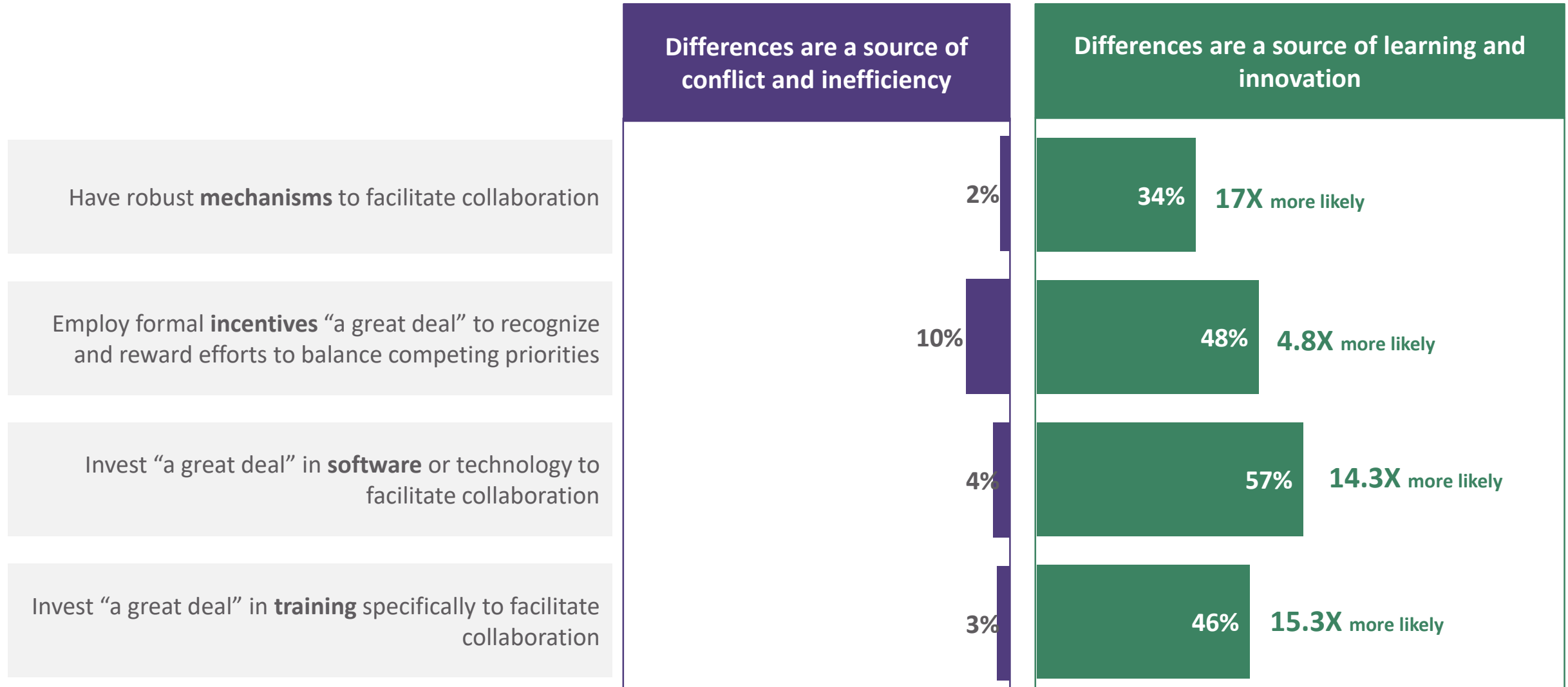
Impact of organizational investments in collaboration on prevalence of reported influence **styles**



Impact of organizational investments in collaboration on self-reported influence skills



How leading companies are able to leverage differences as a source of learning and innovation





www.vantagepartners.com