Editorial

Journal of Database Marketing & Customer Strategy Management (2012) **19**, 77–81.
doi:10.1057/dbm.2012.16

‘It’s the economy, stupid’ was a defining phrase in the US presidential elections of 1992. It worked, despite its outward disrespectful tone, because it accessed, in an instant, a fundamental truth that electorate and political pundits alike could understand and, far more significantly, empathise with.

It’s that latter quality – the art of being at one with or in tune with key markets, whether political or commercial – that is at the heart of success, business or otherwise. Bill Clinton had it, instinctively: so, too, do other successful entrepreneurs, as Apple’s recently departed Steve Jobs. Time and time again, it was Jobs’ ideas, Jobs’ vision that drove his company forward, turning it into one of the defining forces of the late twentieth-century market in consumer ICT.

Being ‘in tune’ though is about far more than having a vision. It comes with other qualities, too, such as having the trust of one’s market, one’s audience: of understanding at an almost visceral level what that market wants; and of being able to convince that you, your product, your business are the one to satisfy their needs.

As world recession stresses existing business relationships to breaking point – and beyond – it is arguable that this particular skill is in very short supply.

As indeed, standard human resource analysis predicts that it is. Those who have undergone basic management training are likely, at some point, to have encountered a battery of tests designed to elucidate basic personality traits. Nothing too deep: this is, after all, business, not therapy; and most of the tests, from the Belbin team role inventory to the EQ emotional intelligence

test, are about identifying the typical ways in which individuals are likely to behave in the workplace, in order to highlight strengths and weaknesses and to target training and organisational needs that much more precisely.

Each of Belbin’s nine types, from ‘plant’ to ‘shaper implementer’, has their particular strengths, and from a team perspective, any group of managers that is skewed too far towards inclusion of one type to the detriment of others risks being unbalanced and failing, when it fails, along the fault lines peculiar to that type. Solution? Either demonstrates to individuals just how they do act in collusion with others, helping them to develop a broader range of personal work strategies. Or more simply, just ensure that teams put together for key tasks are recruited in a balanced fashion: that for every individual who is unlikely to be motivated to complete on a task, there is a finisher; for every ideas person, there is, too, an implementer.

Another typology that has attracted its supporters over the years is the Myers-Briggs Type Inventory (MBTI). This is based on four dimensions themselves, independently constructed from principles of Jungian psychology – but then backed up by hard statistical analysis of the personality types coming to the fore.

Each dimension is made up of two diametrically opposed poles with individuals assigned, according to their test results to one or other end of the pole. Some resource managers will quote the degree to which an individual is one or other type: but in correct usage, the test is intended to allocate people in binary fashion.

The four poles are:

- Introvert/Extrovert (I/E) describes the way in which an individual 'draws energy' from the world;
- Sensing/iNtuitive (S/N) describes how an individual prefers to take in information;
- Thinking/Feeling describes the basis on which individuals take decisions;
- Judgmental/sPontaneous describes the speed with which individuals take decisions.

Again, while the characterisations are often put forward in terms that reflect psychoanalytic approaches, the key for businesses is to relate this typology to personal behaviours. Introvert, Sensing, Feeling, Perceptive types (ISFPs), for instance, tend to be happiest in low key, low stress, aesthetically beautiful work environments: their preference is for working on their own or co-operatively with small groups, and on average, this individual is unlikely to want to lead.

Simply being an ISFP should never be regarded as being a bar to employing an individual for a particular role: however, in putting together teams, managers may need to be aware that the ISFP is more likely to be a counsellor, a writer or someone interested in the Arts. These are all potential strengths – but need to be used appropriately.

When it comes to business in general, the 'typical' manager tends to be an Extravert, Sensing, Thinking, Judgmentalist (ESTJ). That does not necessarily make ESTJs the 'best' managers. Rather, they fit very well with current western ideals of what makes a good manager. The ESTJ personality type is driven, organised and organising: goal-oriented and highly focused on objectives.

This fit, between type and culture is just as well: were the various 'types' to be distributed across the population at random, then one might expect each type to make

up a little over 6 per cent of the population. ESTJs, however, tend to make up double that and, in combination with their ISTJ counterparts, these two types alone make up around a quarter of the general population – and up to a third of the male population.

Whether this preponderance of the 'managerial type' is the result of a cultural preference for a particular style of management – or whether management tends to be the way it is because of the personality types that tend to fit with organisational requirements is a matter for the social scientists to pronounce upon. What is important about this finding is that it gives a particular flavour to management decision making – and communication – which in time cannot help but impact upon the customer base for each and every company run by such managers.

Because when it comes to resolving conflict, or dealing with problems, the most likely approach for an ESTJ manager is to identify what is the 'right' answer: by which is meant the answer supported by facts, by logic and by rationality. That possibly makes for good judges and lawyers, good problem solvers where the problem is abstract or to do with 'things' – but possibly not so good when it comes to dealing with people.

Simply setting out the above narrative, it is likely that some ESTJs will be reading that paragraph and wondering what the issue is. After all, they will be saying: How can you resolve an issue WITHOUT determining what the right answer is?

The alternative perspective is provided by those types, particularly the INFP and ENFP who tend to resolve problems on the basis of the feelings engaged with the process. The start point for such types is far more likely to be: there is no 'right' answer; there are, however, answers that satisfy individuals and that defuse conflict. This is the precise anti-thesis of the previous approach, seeing few issues as

absolutely constructed out of rights and wrongs, so much as the attitudes of individuals affected by them.

The NF dyad at the heart of this type makes for good negotiators, potentially indecisive leaders.

The gulf between these two types is frequently huge: a vast emptiness made up mostly of incomprehension. The hard-nosed ST approach finds it hard to grasp that there either is any alternative but the 'right' one – and certainly does not see the point in subverting 'reality' to customer perceptions of the same: the NF, irritatingly, finds it hard to understand the insistence on a single over-arching 'truth', particularly when it makes others so obviously unhappy.

At this point, I should, perhaps, insert a personal confession: over almost two decades of occasional testing, I have scored again and again as INFP. Only recently, perhaps through age, perhaps as a result of changes in personal circumstances have I shifted marginally, to become an ENFP. I have worked as both manager and consultant, discovering in both roles that I was having to shift my preferred style of dealing with people and issues quite considerably.

Latterly – in fact for many years now – I have worked as a writer, journalist and researcher. The fit was instantaneous, natural and easy, suggesting that in some areas at least, the MBTI has a point.

It also brings us back to where we began, with the 'vision' thing. ESTJs do vision reasonably well (after all, what is vision other than a view of how the world ought to be in order to work 'properly?'): and providing the ESTJ vision in any particular field catches the moment – is well founded either by accident or design – then the energy and organisation that ESTJs will bring to pursuing it will almost guarantee its success. Creativity is needed, certainly: but creativity wedded to strong, core management skills.

What, though, when the real need is for customer approval and buy-in? When customers have ceased to have faith in the corporate vision or, worse, are actively questioning it? The issue descends then not so much to one of vision as simple, basic 'trust'.

Here, there is a problem. As long as individuals trust their leaders and that trust is repaid with active leadership that tends, on average, to have benefits for those doing the trusting, then that trust will remain. Customers will tend to buy product on the basis that it is backed by a trustworthy organisation: many of the questions they would otherwise have asked can be dispensed with, so, at the most pragmatic, reducing the time needed on a sales call or face-to-face presentation.

They will sign long and complicated contracts on the assumption that the length of the contract is simply a necessary legal precondition to doing business – and will not spend too long asking questions about their content or, worse, handing the document over to their own lawyers and seeking to renegotiate the whole before they will even contemplate doing business.

They will buy new technologies, new business models. A good example of the latter is the introduction of the smart grid in the energy sector, which promises major savings for utilities and consumers alike providing that the latter permit the former greater access to their personal data and greater control over how energy is used in their homes.

It is a grand vision, in some quarters regarded as a major part of the solution to global warming: and in the United States, where it was expected to progress quickest of all, it is faltering. Not for reasons of technology or implementation: but because increasingly customers and prospective customers do not trust the utilities to act in their own best interests. They have questions over cyber security and data privacy. They are wary of letting pure

business so deep inside their home. Above all, they are questioning why, for an approach that is likely to bring about major benefits for consumers AND utilities, the start point on the part of the latter is that consumers should pay for a large part of the necessary infrastructure, in terms of smart metering and connection to the new grid networks.

The result, in several US states, is that major smart implementation programmes representing US\$ million or, in some cases, \$ billion have been put on hold as legislators and politicians become involved in the conversation. The problem – the impossible to understand problem for those of an ESTJ mindset – is one of trust.

Smart grids, smart networks may, in time, deliver all the benefits forecast for them and more: but consumers are not convinced and they do not, as surveys and actions prove with alarming regularity, trust big business to play fair.

Is this a modern phenomenon – a growing phenomenon? Or is it simply a playing out of traditional consumer scepticism? The evidence is patchy. In the United Kingdom, there is a major and growing crisis of confidence in traditional institutions. Politicians came in for near universal condemnation over their dishonest and in some cases criminal subversion of the parliamentary expenses system. The press and police have undergone serious depredations in the public esteem as an official enquiry in to press culture – the Leveson Inquiry – daily has produced new revelations about criminal and amoral behaviour on behalf of both those pillars of society.

At the moment of writing this editorial, government is considering the news that UK-based banks, or individuals working for them, appear to have fixed interbank lending rates, thereby skewing economic decision making and potentially deepening national recession. The tone of newspaper reports and, more telling, of commentary in

respect of those reports is deeply critical: the sense of exasperation, even of a ‘tipping point’ having been reached is palpable.

Only time will tell: however, the prognosis for the banking sector as a whole is not good. A series of major scandals around mis-selling of products, from payment protection insurance to inappropriate hedging products sold to businesses is keeping the issue of banking trust in the public eye – while the increasing readiness of consumer groups to start up class actions in respect of specific issues, such as bank charges, also plays against trust. That, for a service sector whose marketing capital has been based very much on its ability to be trusted is not just bad publicity: it is a change in the terms of trade, which could potentially lead to significant added costs for banks that will, in future, need to be very much more persuasive when it comes to customers.

That takes us back to general approaches to business and customer relationships. It has long been emphasised that when it comes to CRM, the focus should be not simply on the customer relationship, which can lead business to make the error of simply doing whatever customers want, often to the detriment of the bottom line – but on managing that relationship. Where customers are profitable or potentially profitable, their revenue stream needs to be managed positively: where they are non-profitable or even loss making, then they need to be managed out or down, so they are not costing more.

The NF approach to business is flawed, in that it may well, at times, fail to be hard headed enough. However, the ST approach may be at a loss when faced with a massive evaporation of trust – as happens at times of economic stress and recession. The closest the pure ST approach might come is to put in place a ‘listening project’: new processes and new channels that can be accessed by companies to show that they are taking customer views into account.

The difficulty, where the real problem lies in the interpersonal sphere, is that systemised confidence building may fail utterly to achieve its ends. Individuals, customers are alive to flattery and to companies adopting fine language simply to make a sale and, where trust is low or absent altogether, simply changing tone, inserting 'listening' into the dialogue and attempting to show that a business cares may be worse than doing nothing at all. Because customers can tell when a message is not founded in truth – and once they become used to distrusting every utterance from a particular company, words alone will not suffice to put matters right.

There is a need for the skills and approach as typified by the NF character to be brought to bear in business now. There are, unfortunately, two difficulties with this: that the NF is not only a rarer than average type within the population at large: but is exceedingly rare within business. NF managers are few and far between, which

means that those people who genuinely regard listening to customers as something intrinsic to doing business have little influence on the day-to-day running of organisations: not just because there are so few of them, but because those that there are do not tend to rise to the top in organisations.

Customer relationship management, across a range of different industries, is in crisis. It does not depend 100 per cent on trust: but where trust is absent, every action designed to manage customers to the benefit of businesses will be that much more difficult to achieve. Businesses need to step back and take stock of how the customer landscape has changed.

Perhaps, it really 'is the economy, stupid'. Because in times of recession, standards that were perfectly acceptable during the good times just aren't enough any more.

Jane Fae Ozimek
Managing Editor