

What Market Forces Impact Organizational Performance?

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How in-tune are you with the key market forces that impact the performance of your organization? Your ability to help identify these market forces, the potential strategic and operating challenges (and opportunities) they present, and an offensive or defensive human resource development plan that both incorporates them and supports the business strategy will certainly strengthen your role as a value-added business partner.

Although a variety of market forces may need to be addressed by your organization, there are three common ones that affect businesses today: customer responsiveness, information demand and cost pressure.

Quickness in anticipating and responding to customer demands will continue to be an important ingredient of competitive advantage. Even today, many organizations are eager to collect your payments for the purchase of products or services, but when it comes to returning those products or terminating those services, they make it a challenge to receive a refund—sometimes requiring extensive submissions of paperwork, long delays to receive a check back by mail or limiting the return/refund period to a short timeframe. How do these approaches and policies affect your prospect of getting repeat business from these customers?

Similarly, in many organizations, front-line service delivery employees are still not allowed to make decisions or approve certain transactions that will enable them to resolve and satisfy the customer's issue on the spot (if in person) or on first contact (if on the phone). Instead, these organizations choose to continue to irritate customers by requiring them to work their way through multiple reviews and decision-makers in order to get a resolution.

Addressing this market force goes well beyond service management training. Increasing emphasis on customer responsiveness requires that an organization's structure and operating practices evolve so that quick response, variety, convenience, proactive identification and understanding of customer requirements, and flexibility are enabled throughout the organization.

The ability to remain competitive will depend on its ability to capture and deploy customer-, market- and industry-specific information to targeted points in its workforce. Although CLOs do not always have a strategic leadership role in selecting the technology required to support the organization's performance needs, it is critical that CLOs take an active leadership role to help identify and define the information needs of employees so they can perform effectively on the job. This includes defining not only what information may be needed, but also when it's required and how information should be gathered from employees and fed into the organization's knowledge management information base.

Increasing emphasis on information demand requires that leaders at all levels help expand information and communication technology capabilities, as well as ensure that information is made available to those who need it on a timely basis. With an increased understanding of information needs, CLOs also will be able to define the competencies required at all levels to improve performance on the job.

As a wider variety of global competitors continue to flood the marketplace, the pressures to remain cost-competitive will place even greater demands on organizations and their employees to work smarter and faster. CLOs are challenged to partner with and convince the executive leadership team to not reduce investments in human resource development even during cost-containment periods.

Increasing emphasis on cost pressure also requires that leaders identify and sponsor targeted global transformation and process improvement efforts to help enhance efficiency and productivity. This will require a great deal of partnering with senior leaders across the organization, helping them incorporate these priorities into their development and operating plans.

Clearly, taking the lead to ensure that your organization is fully prepared to address the key market forces impacting organizational performance today and in the future will strengthen your position as a strategic business leader. ■

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