

Responsibility Diffusion

By Don A. Schwerzler

Responsibility Diffusion

Don A. Schwerzler
don@family-business-experts.com

Family Business Experts <http://www.family-business-experts.com>

Responsibility Diffusion

As a family business expert dealing with growth and profitability issues, I receive many requests for interviews from writers and editors preparing family business articles for newspapers and magazines.

They generally expect me to blame the usual line-up of culprits that prevent growth and profitability, issues such as: cash flow; insufficient capitalization; product quality and reliability; customer service; management infrastructure; communication; management alignment; employee empowerment; planning - just to name a few!

Having worked closely for more than three decades with family businesses, in my opinion the most critical impediment to successfully growing any kind of business is responsibility diffusion. And the larger the business grows - the larger the problem becomes!

With family businesses, responsibility diffusion can occur because of the overlap of roles between family members who work in the business and those who do not. Family dynamics that can influence responsibility diffusion include:

Family dynamics and responsibility diffusion

Fear of causing hurt feelings

Sibling relationships defined by birth order, gender and education

Lack of knowledge or understanding about some segments of the business

Lack of formalized communications, meetings and infrastructure

Fear of being disrespectful

Lack of training in working together as adults thereby creating a tendency to revert to parent and child roles in making decisions

Perceived lack of economic parity gained from the business by family members

Examples of the influence of responsibility diffusion abound in almost every element of a business. In recent years, many business experts have focused attention on the level of "service" a business provides to both its internal and external customers. "Service" assessments of a business can provide an interesting platform to discuss responsibility diffusion because the discussions can cascade into so many crucial elements of a business. Some elements of "service" include customer service, customer care, customer relations, sales, and business development.

"Poor service" can be measured by many factors such as a reductions in new customer acquisitions, reduced repeat business from current customers, demands from customers to reduce price because of service related issues and most generally, a high level of frustration by the customer constituency.

In the operational assessments we conduct, we find that there is almost always a direct correlation between service issues, other problems associated with responsibility diffusion and the lack of a system for ensuring accountability throughout the business.

To underscore the last point and to better understand how dramatic the results can be, consider the dilemma now faced by the larger computer companies. Because of the high number of complaints, the larger computer companies are now rated lower than the airlines in terms of customer satisfaction. While a customer may not have an option in selecting another air carrier in a particular market, they do have options when selecting a company to build a computer for them. According to a highly recognized consumer consultant, generic or "white box" computer companies now account for over 60% of new computer sales!

To better understand responsibility diffusion, consider a one-person business. Quite simply, when something doesn't get done or done correctly, only one person is involved in the chain of responsibility. Oh sure, one can try to blame it on bad luck, poor timing, etc - but most likely it can be attributed to poor judgment or poor execution - maybe both! Founders of successful family businesses understand this concept better than anyone because they fight the battle of responsibility diffusion on a daily basis.

As the business organization grows, the excuse mechanisms that cause responsibility diffusion seem to grow even faster! Both Europe and North America are seeing much more emphasis on corporate social responsibility as our largest corporations exhibit some shocking evidence of responsibility diffusion - Enron, Arthur Andersen, World Com, Sunbeam, Im Clone, Investors Overseas, IBM...

Symptoms of responsibility diffusion

Here are some symptoms that could indicate your organization might be infected with responsibility diffusion:

1. When employees routinely do not show up for work on time - is it because of "traffic", problems with the car, etc. Or do they admit they did not leave home early enough?
2. When work assignments are not completed on time, do you hear things like: "I would have finished the work on time but I had a bunch of phone calls that I had to deal with"; or "There were other fires I had to fight." Or do your people admit they did a poor job of scheduling their time.
3. When you ask why a particular goal or objective was missed, do you get a lot of "its not our fault" reasons why the goals were not met. Or does someone admit that perhaps he or she and their people did not work hard enough (or smart enough) to get the expected results?

4. When a competitor wins a bid on some business project, did you lose the bid because your price was too high; your quality of product or service was higher than what the customer wanted to pay; the competitor "bought" the business. Or does someone admit they failed to do a proper job of salesmanship?

Getting the picture? Listen carefully when explanations are being given! Remember the old saying that - "success has many parents but failure is always an orphan"?

One of the reasons responsibility diffusion is so pervasive is that when something comes off the track, the assignment of responsibility is often used to embarrass, shame and humiliate individuals.

Management sometimes uses the assignment of responsibility like a club to ensure organizational compliance and in doing so they create an organization of lemmings.

I like the notion put forth by Henry Ford: "failure is only the opportunity to begin again more intelligently".

Family business owners, managers and employees in successful businesses tend to shoulder and incorporate responsibility as part of the process of continuous improvement. In this environment, responsibility is considered a positive notion instead of a negative consequence. When using this approach, responsibility diffusion can be minimized and sometimes even eliminated!

Get-Articles.com : 1000's of reprintable business and internet marketing-related articles.

[Submit your article for reprint.](#)