

External and Internal Customer Managers: Differences in Perception and Decision- Making in The Marketing and Human Resource Dyad

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Abstract

Interfunctional relations and their implications for organizational effectiveness is increasingly becoming a major strategic issue. Marketing and human resources (HR) are concerned with building relationships: marketing is the function charged with managing relationships with external customer, whilst HR is the function obligated to the task of managing relationships internally. Indeed, there seems to have been a certain crossover between these functions as issues such as internal marketing (cf. George 1990) and the "marketing of the HR function" (cf. Price 1993) have received attention of late. This article explores the Marketing - HR dyad from the perspective of problem perception. How a problem is perceived determines to a substantial degree the subsequent course of problem solving action. The concept of decision-making context is introduced as the ratio of problem types encountered. To differentiate managers on an individual level the construct of perception type is expounded. The study finds significant differences in perceptions between the marketing and HR, and between different perception types. It is argued that a better understanding of the differences in the decision-making processes between key functions is essential if the hope of enhancing organizational effectiveness through inter-functional cooperation is not to remain an elusive Shangri-La.

Introduction

Organizations can be conceptualized as systems which reify abstract ideas into tangible products or services, a process occurring within a given environment which according to contingency theory organizations have to 'fit' in order to survive. Ashby (1956) argues that for a system to be effective it must obey the law of requisite variety which states that in an effective open system, environmental variety is matched by internal structural variety. The process of organizing requisite variety can be thought of in terms of integration and differentiation (Lawrence and Lorsch 1967); thus differentiation of skills into functions achieves requisite division of labor, specialization and economies of scale. Without commensurate integration, increased differentiation can lead to isolationism and fragmentation, so that as environments, markets, technology and management become ever more complex, the challenges of requisite variety become more and more a problem of integrating highly differentiated elements. This need to understand the integration of

organizational functions has led slowly to a rising interest in inter-functional relations (e.g. Rothwell and Whiston, 1990). Questions relating to how functions differ in terms of process and interaction are becoming pertinent, as managers from different functional areas are likely to perceive strategic decisions from perspectives that originate from different functional sub-cultures (Frankwick, Ward, Hutt and Reingen 1994).

Webster (1992) speculates on the blurring of functional lines and divisions, concentrating on marketing departments being subsumed in organizational structures which are not hierarchical. However, forced integration of functions through whatever mechanism emphasizes, rather than reduces the need for enhancing understanding of how different functional groups differ with respect to key processes. One such process is that of decision-making. The extant theoretical and empirical literature on inter-functional relations is limited, but growing (cf. Dutton and

Walton, 1966; Van de Ven and Ferry, 1986; McCann and Galbraith, 1982; Souder, 1987). With specific reference to the dyadic relationship between marketing and other functions, the late 1980's and early 1990s saw a burgeoning of interest in the topic (Gupta, Raj and Wilemon, 1986; Ruckert and Walker, 1987a & 1987b, Szakonyi, 1988; Olson, 1993; Lawler, 1992; Stam and Gardiner, 1992). Authors generally concur that there exist implicit differences and tensions between marketing and certain technical functions (cf. Song and Parry, 1992; Bertrand, 1992; Kamath, Mansour-Cole & Apana, 1993; Stevenson, Barnes and Stevenson, 1993; Hegarty and Hoffman, 1990; Mahajan, Vakharia, Pallab and Chase 1994), and that extended coordination between functions will enhance organizational effectiveness (St John and Rue, 1991). While Hambrick and Mason, (1984) suggest that functional background has a significant influence on the decisions of members of top management teams, to date, inter-functional differences in decision-making is an issue which has received relatively little attention.

In this work we seek to explore inter-functional differences from a decision-making perspective, with particular focus on marketing and human resource (HR) managers' perceptions of problems. We do this for a number of reasons. First, both marketing and HR are concerned with building relationships. Marketing is the function charged with managing relationships with external customers, and arguably other partners within networks (Webster 1992). HR is the function obligated to the task of managing relationships internally. Indeed, there seems to have been a certain crossover between these functions as issues such as internal marketing (cf. George 1990) and the "marketing of the HR function" (cf. Price 1993) have received attention of late. Second, both of these functions are arguably general management functions, rather than narrow specializations. Indeed, Glassman and McAfee (1992) have suggested that the major issue facing business today is how to integrate marketing and personnel more effectively, as they can no longer exist as separate entities. What do managers do, if they don't manage human relations? Moreover, responsibility for external customers can not be the sole responsibility of the marketing department (Bonoma 1990; Van Leuven 1991) Conceptually, therefore, these areas of organizational concern would seem to have much in common. The question of whether managers practicing these disciplines are similar, or different, remains to be answered.

The primary and arguably the quintessential phase in a manager's or group's decision-making process is that of problem perception; how a problem is perceived determines to a substantial degree the subsequent course of problem solving action (e.g. Mintzberg, Raisinghani and Theoret, 1976). The research described here seeks to assess

the relative impact of organizational factors such as function by comparing them with effects due to individual psychological differences. We proceed as follows: First, the literature on marketing decision-making is briefly reviewed; second, the nature of problems and their perception is explored; then, the concepts of decision-making context and perception type are developed. Finally the relationships between job function, decision-making context and perception type are explored.

Marketing Decision-Making

There has been little normative focus on the behavioral processes behind marketing planning and decision-making, and indeed, those behind overall organizational strategies (Curren, Folkes and Steckel 1992), even though it is likely that these processes may explain essential differences between marketing practitioners, strategy teams, and indeed between firms. Such a focus would be critical to understanding what influences the behavior of marketers, and to provide insights for grasping, influencing, and consequently, improving marketing strategy. A review of the past twelve years of the *Journal of Marketing* suggests that little attention has been given to the behavioral processes behind marketing strategy and decision-making. The major focus of much of the scholarly reflection in this area has been prescriptive in nature - the "what" to do - with only perfunctory consideration of the other interrogatives, *who*, *how*, and in what *contexts*, decisions are made have been neglected (Cosse and Swan, 1983, Stasch and Lanktree, 1980).

The Perception of Problems and Decision-Making Context

A problem can be defined as the relationship of dissonance between a given situation and one's preferences (e.g. Smith, 1989: 27); that is, between 'actual' and 'desired'. On two levels, the perceptions of problems are a function of the individual's cognitive processes, in the perception of 'what is' and, in terms of what 'is desired'. However, an individual seldom operates in isolation, but rather within a socially defined role, so a second important factor in the identification of problems is that of the individual's role related activity (Smith, 1989:28).

Generic and Organizational Problem Types

It is widely recognized that there are two types of generic problem (Mason and Mitroff, 1973): structured and unstructured. Structured problems are typically characterized by certainty (where deterministic relationships between alternatives and outcomes exist), risk (where probabilistic relationships exist) and

uncertainty; the alternatives are known even if their consequences are not. Unstructured problems, are characterized by ambiguity where both alternatives and consequences are unknown (Luce & Raiffa, 1989; Mintzberg, Raisinghani and Theoret, 1976:251); they are 'decision processes that have not been encountered in quite the same form and for which no predetermined and explicit set of ordered responses exists in the organization' (Mintzberg et al, 1976:246). This dichotomy parallels Simon's (1977) programmed and unprogrammed modes of decision-making; the analyzable and unanalyzable decision process identified by Ullrich (1976); Nutt's (1990) high and low puzzlement decisions; and in the consumer decision-making literature Howard's (1989) routine and extensive problem solving modes. Drawing on the decision-making literature the common themes or characteristics of structured and unstructured problems can be specified (Mason & Mitroff, 1973; Mason & Mitroff, 1981; Donnelly, Gibson & Ivancevich, 1987). Structured problems are routine, unambiguous, programmable and well defined; the focus of these problems is on problem solving - i.e. finding a solution within a pre-defined problem structure. In contrast, unstructured problems are novel, unique, complex, ambiguous, open-ended and poorly defined; the focus here is on problem finding - i.e. the initial formulation or articulation of the problem matrix.

On an organizational level, problems are channeled and molded by the nature and structure of organizations themselves. Typically decision-making literature has delineated three classes of organizational problem: operational, management and strategic (Anthony, 1965; Mason and Mitroff, 1973). For simplicity, this study employed the dichotomy of strategic vs. operational as a classification of organizational problem types. From the literature the characteristics of strategic and operational problems can be set out (Thompson & Strickland, 1989; Cowan, 1991; Mintzberg et al, 1976). Problems of a strategic nature typically comprise situations which deal with the determination of an organization's purpose, goals and direction, and the fit or alignment between the organization and its environment. Strategic problems significantly influence the organization as a whole. In contrast, operating problems comprise situations where specific courses of action for the *immediate* future are required, and actions are taken to achieve specific goals and objectives. In contrast, operating problems tend to influence the organization on a localized level. The operational - strategic distinction also parallels the efficiency effectiveness dichotomy. Operational problems are those of efficiency - the fine tuning, of micro level organizational variables; whilst strategic problems are those of effectiveness - the establishment, questioning and modification of meta level organizational parameters.

Generic problem type and organizational problem type are often related. Indeed it is suggested that 'the degree of problem structure for managers and workers often varies according to their level in the organization' (Hellriegel and Slocum, 1978:218). Lyles and Mitroff (1980) claim that problem formulation is more critical for strategic problems, since they tend to be unstructured. However, classification by either generic or organizational problem type is inadequate. Many professional employees located low in the formal hierarchy many face highly unstructured problems. For example, market researchers attempting to forecast customers' preferences five years into the future are undoubtedly dealing with a low-structured problem (Hellriegel and Slocum, 1978:219). Indeed, many operating problems can be highly unstructured - a supervisor, who on a day to day basis has to deal with complex unstructured human relations problems. While most managers face both strategic and operating problems, and both unstructured and structured problems, what varies is the proportions in which they encounter different problem types. Thus we define decision-making context as the ratio of problem types encountered, the problem context or 'gestalt' within which managers make decisions; it is specifically the ratio of problem types managers 'encounter' when performing a specific function. On the one dimension problems are delineated by their degree of ambiguity, complexity and uniqueness and on the other, by the time frame, 'globally' and focus of the decision. This produces four distinct decision-making contexts delineated in figure 1.

The structured-operational decision context is characterized by a predominance of routine, repetitive problems, which have a clearly defined solution sequence, e.g. accounting, information processing and general administrative work. The unstructured-operational context would be characterized by a succession of short term, localized problems of a unique and novel nature, e.g. technicians working in R&D departments, managers working in technical new product developments. The structured-strategic context might be experienced by managers working on strategic problems, but using predefined problem solving formats, e.g. using tools such as the BCG matrix and other programmed approaches to strategy. The unstructured-strategic context is experienced by managers faced with a need for strategic change but with no templates, models or examples to follow.

The Relationship Between Function and Problem Types

Managers representing various functional areas are likely to perceive decisions from perspectives that originate in different functional sub-cultures (Frankwick et al. 1994). Indeed different functional areas are likely to

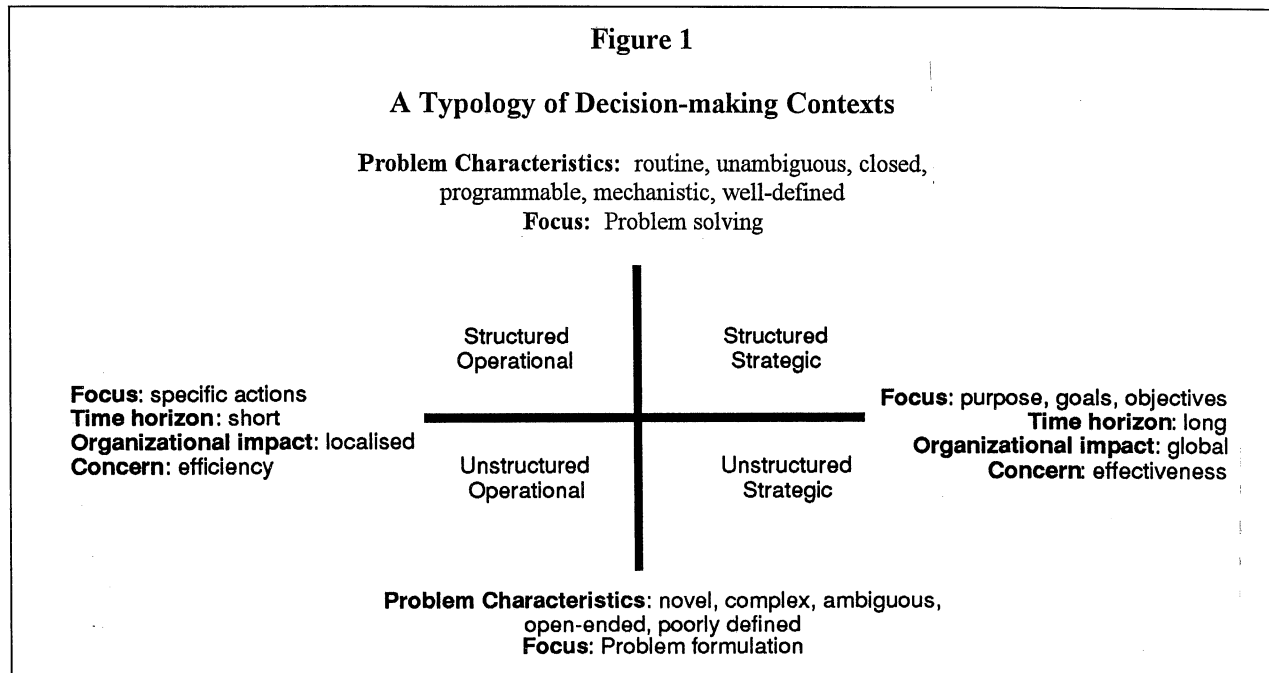


exhibit different “thought-worlds” (Dougherty 1989). In many ways, however, marketing operates in a similar paradigm or mind-set (e.g. Bertrand, 1992) to HR. Functions such as sales and marketing, and HR frequently deal with soft issues of emotion, persuasion and the nonquantifiable. In contrast functions such as information systems, accounting and operations deal with the more logical and quantifiable. This suggests that there may be significant similarities between marketing and HR managers in terms of the decision-making context they encounter; specifically, both groups are likely to meet a high proportion of unstructured problems. However, the decision-making literature propounds that HR problems are the least structured of all organizational problems (cf. Lyles and Mitroff, 1980), so that differences may exist, and be worthy of exploration.

Jung's Typology and Perception Types

Jung's theory postulates two attitudinal orientations and four basic psychological functions (Jung, 1977). The two attitudinal orientations comprise and describe the direction of flow of psychic energy or attention: *extroversion* - attention or energy is directed at the manifest external world of people and things; *introversion* - energy or attention is focused inwardly on the individual's internal inter-psychic processes of ideas and feelings.

The four basic psychological functions comprise two perceptual functions which mediate information to the psyche and two judgmental functions which process and evaluate that information. The perceptual functions

comprise: *sensation* - the function that mediates information through the five senses, seeing details and particulars; and *intuition* - which goes beyond the apparent ‘manifest’ world to the implicit one of potential and possibilities, mediating inner perceptions from the unconscious, and seeing wholes, patterns, or systemic-gestalts. The judgmental or evaluative functions comprise: *thinking* - striving to structure and evaluate perceptions in terms of logical inferences; it is objective and impersonal, focusing on abstract concepts such as cause and effect; and *feeling* - processing perceptions by assigning value which can be based on personal or group values, which may be subjective and personal. Finally, implicit in Jung's typology are two functional orientations, later made explicit by Myers (1962). People tend to approach the outer world by relying on either judgement or perception as functions in themselves. Individuals who are primarily receptive to stimuli (either by sensation or intuition) are termed *perceptual*; such people seek to understand and adapt to life. In contrast individuals who habitually evaluate stimuli (by thinking and feeling) are termed *judgmental*; they attempt to meet and order life with structure and control. Each pair of functions (sensation-intuition & thinking-feeling), attitudes (extroversion-introversion), and orientation (judgment-perception) are opposite yet complementary.

Perception Types

To date, researchers have tended to focus on the four functions of sensation, intuition, thinking and feeling. The attitude dichotomy of extroversion-introversion, and the functional dichotomy of judgment-perception remain

somewhat overlooked. This research seeks, in part, to redress this, by focusing on the latter of these dichotomies, which, it is argued is especially pertinent in problem perception.

Myers (1962) developed the judgment-perception dimension of the Myers Briggs type indicator (MBTI) from the dichotomy of rational and irrational functions, a major theme in Jung's work (cf. Jung, 1977; Jacobi, 1975). By irrational, Jung (1977:454) means something beyond reason, rather than something contrary to reason. The distinction lies not so much in a matter of 'reason' or 'logic' but rather of ratio. The rational functions develop hierarchies of ratios or relationships between distinctions. Formal logic and articulated feeling categories can be thought of as fixed abstractions of this process. Bohm and Peat (1987) argue that reason is as much a perceptive act as an evaluative one. Indeed Jung, at times, suggests that each psychological function has both a rational and an irrational component (Jung, 1977). This perspective is taken up and explicated by Metzner, Burney and Mahlberg (1981). However, others argue against this interpretation and insist that the thinking and feeling are exclusively rational, whilst sensation and intuition are exclusively irrational (cf. Loomis, 1982). This is not the place to enter into this argument: suffice to say that it exists and that the irrational-rational dichotomy is central to Jung's work. Moreover, this aspect of Jung's topology has been largely overlooked in management literature.

To further elucidate the rational-irrational dichotomy, the theory of functions can be related to schema theory (Axelrod, 1973), and more specifically to Neisser's (1976) perceptual cycle. A person with a strong predilection for the rational or judgmental would tend to have relatively fixed schema (composed of thought or feeling structures). These would direct perceptual exploration (sensation or intuition) in a somewhat deterministic manner. Sampling of information would be selective and the schema resistant to modification. Indeed such a person only 'sees' what they 'think' or 'feel' - they would be strongly prone to the confirmation bias (Bazerman, 1990). In contrast, the irrational or perceptual person would have relatively fluid schema. These would direct perceptual exploration in a fairly loose or general way. Information would be scanned in a comprehensive manner and the fluid schema would be easily modified.

The perceptual functions combined with the functional orientation delineates four perception styles: Sensation-Judgement (SJ), Intuition-Judgment (NJ), Intuition-Perception (NP) and Sensation-Perception (SP). The characteristics of each style are discussed in turn. SJs focus on the immediate and particular; data and detail are rapidly structured, classified and ordered; seek out/impose

order and structure in/on concrete information. NJs focus on the global or gestalt nature of situations; seek out possibilities, temporally unconfined, ranging backwards and forward in time; rapidly these possibilities are arranged into neatly ordered hypothetical models (thinking) or myths and stories (feeling). NPs also focus on possibilities, emphasizing and perceiving the fluid and dynamic nature of these. SPs again focus on the particular; grounded in the here and now, the ever changing, fluid nature of the moment is encountered.

Hypotheses

The literature thus seems to suggest that marketing managers may differ from some functional managers and be similar to others. Against this background, we seek to investigate marketing managers' perceptions of their decision-making context; to compare them with HR managers and to investigate the role that perception type plays in these perceptions. The hypotheses on which this study focuses are as follows:

- H1:** Marketing and HR managers do not differ with respect to the ratio of operational and strategic problems encountered.
- H2:** HR managers encounter a decision context composed of a higher proportion of unstructured problems compared to marketing managers.
- H3:** Top managers (marketing and HR) will encounter a decision context composed of a higher proportion of strategic problems compared to middle managers.
- H4:** Perception type will explain more variance in decision-making context than either functional specialization or level of management.

Design of the Research

The research attempted to tap on-the-job perceptions of managers. Accordingly, a cross-sectional mail survey was employed. The mailing consisted of two questionnaires, a pre-paid return envelope and a cover letter. These were mailed to the senior marketing manager and separately, to senior human resources managers of 300 medium to large-sized British companies. Firms were selected at random from a commercial data base. Medium to large size was defined as those companies with >100 employees. The cover letter explained the research to the senior manager, requesting that he/she complete one questionnaire while giving the second survey to a middle manager within the same department. A request was made that the questionnaires be collected and returned in the envelope provided. A total of 133 questionnaires were returned, an overall response rate of 22%. Over half (63%) of the sample classified their companies as manufacturers, 17% as service providers (including finance, insurance and real

estate), with the remainder of the sample consisting of extraction industries, construction, transport and retail.

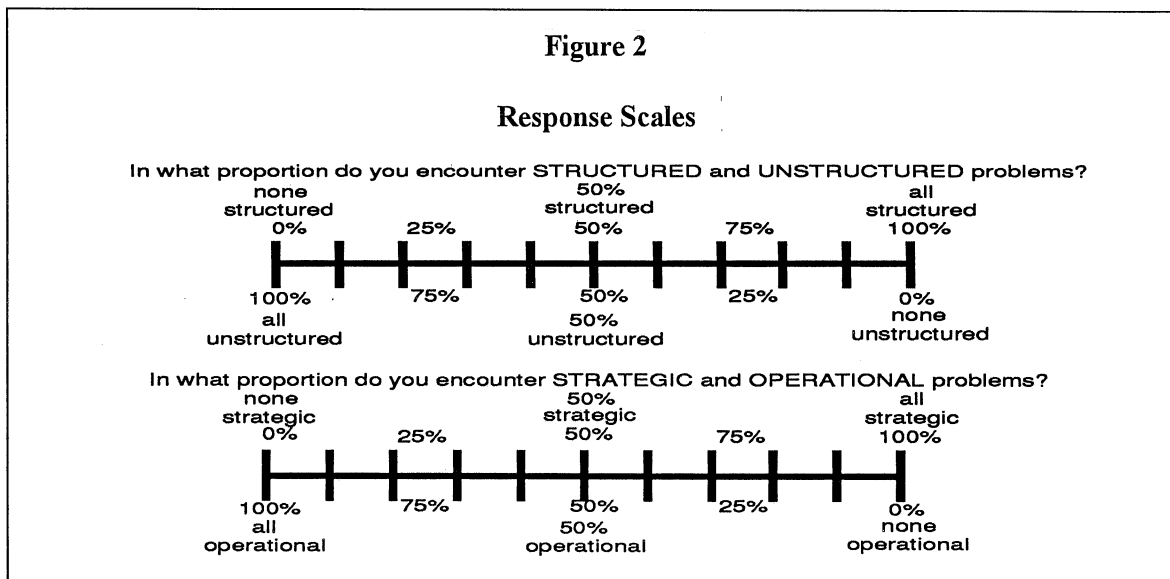
The 94-item, form G version of the Myers-Briggs Type Indicator (MBTI) was employed to assess perception type. The instrument is a forced choice inventory designed to elicit the individual's preference for extroversion versus introversion, sensation versus intuition, thinking versus feeling, and perception versus judging. The MBTI has been widely tested (for a comprehensive review see Carlson, 1985). Split half reliability coefficients (Pearson) typically exceed .80 (Carlson, 1985), test-retest typically produces results of between .77 and .89, (McCarley and Carskadon 1983). Measurement of internal consistency (Cronback's alpha) typically return scores of between .74 and .85 across the four dimensions of the instrument (Tzeng, et al., 1984). There has been concern over the bipolar forced choice format of the instrument (e.g. Loomis 1982) however studies using unipolar versions of the instrument confirm the bipolar assumption behind the MBTI (e.g. Tzeng, Ware and Chen, 1989).

To elicit information on decision-making context, managers were asked to describe their jobs and then rate them in terms of the percentage of types of decision they encountered. Definitions of strategic, operational, structured and unstructured (set out above) were provided. This ensured that managers worked with consistent and common definitions of terms. The two global scales employed to measure the operational-strategic and structured-unstructured dimensions of decision context were reversed to force respondents to read the scale anchors and to discourage them from marking both scales at the same location. These are shown in Figure 2. Moreover, the scales were constructed so that respondents

had commonality of zero point and scale increments. With such a design, ratings take on interval scale properties and parametric statistical methods can be used to analyze the data.

The question arises: how reliable are these scales? That is, to what degree are manager's responses capricious?; how stable are the scales over time?; is scale ambiguity a problem? To assess reliability a test-retest was conducted. 29 managers assessed their decision-making contexts at two points in time separated by an interval of two months. Reliability was evaluated by employing a factor with two levels, corresponding to the first and second assessments of decision-making context. A one-way fixed effects ANOVA was used to test whether the reliability factor was significant. The error variance in the ANOVA corresponds to individual differences (e.g. capriciousness) and measurement error (e.g. scale ambiguity) (Winer, 1991). ANOVA, using an F test of statistical significance, compares the test re-test reliability factor, measured by variation between the first and second set of assessments made by each manager, against the unexplained variance. A rejection of the null hypothesis (that the assessments are not significantly different) would indicate that managers assessments of their decision-making context was unstable and that is difficult to capture salient aspects of decision-making context using this method. In practice it transpired that the test-retest was not significant for either of the two scales. This suggests that this method is a reliable way to capture managers perceptions of their decision-making context.

Obviously the use of single-item scales is controversial as they are considered "cruder" than their multi-item counterparts (e.g. Parasuraman, 1991). Pertinent issues



relating to scales comprise: validity, reliability and sensitivity. Reliability, the consistency or stability of the ratings generated by a scale, is addressed above and it appears that the scales satisfy this criteria. Validity, the extent to which a scale fully captures all aspects of the construct to be measured, is addressed in this case by providing respondents with consistent and common definitions which cover all the salient aspects of the construct(s) under consideration. Sensitivity, the ability to detect subtle differences in attitude, is addressed by employing finely graduated scales: 0 to 100. Obviously this is unlikely to match the sensitivity of a multi-item scale, but as intimated earlier the focus of the research was on decision-making gestalts rather than the analysis discrete problems, and gestalts by definition are resistant fine measurement. Overall, single item scales generally appear to be acceptable when working with high order constructs. For example, Nutt (1986, 1990) employs single-item scales to measure risk and approval.

Analysis of variance (ANOVA) was employed to analyze the data, specifically, to determine whether perception type, level of management and job function influenced managers perception of their decision-making context. ANOVA was chosen in preference to MANOVA as the Pearson r statistic for the bivariate relationship between the two dependent variables suggested that they were relatively independent ($r = .20$). An ANOVA was run for each dependent variable; one for the operational-strategic dimension and another for the structured-unstructured dimension. An *a posteriori* contrast Duncan Multiple Range Test (DMRT) was employed to test differences among the perception type categories (Winer, 1991). This is a systematic procedure for comparing all possible pairs of group means. It essentially equates to a Student's t -test, with a 0.05 significance level, on the dependent variable for each category pair. However, the DMRT is only approximate for unequal group size. Consequently, it was supplemented by the Least-Significant Difference test (LSD) which takes into account the numbers in each case, and thus is exact even for unequal group size (Kim & Kohout, 1975).

Due to unequal cell sizes a non-orthogonal ANOVA design was employed. This is a common occurrence among scientists using random sampling techniques (Kim & Kohout, 1975). Orthogonal designs are usually the province of the laboratory. Non-orthogonal designs complicate interpretation due to the fact that the component sums of squares do not add to the total sum of squares. This is because the main effects are not usually fully independent of each other, and similarly the interaction effects may not be fully independent of the main effects. As a supplement to the ANOVA investigation, a multiple classification analysis (MCA) was

performed. Given two or more potentially interrelated factors, MCA enables one to inspect the net effect of each variable when the differences in the other factors are controlled for (Kim & Kohout, 1975). Of the 133 managers who made up the sample, 56 were SJs, 26 NJs, 34 NPs and 17 SPs. In terms of level of management, 65 were top managers and 68 were middle managers. Most importantly for this study, in terms of job function, 66 were marketing managers, whilst 67 were HR managers.

Results

A summary of the ANOVA results are presented in table 1. For each of the decision-making context dimensions the results appear in four columns. In the first column the unadjusted results for each group are presented; in the second, the MCA adjusted results appear. The results are interpreted as follows: On the operational-strategic dimension, negative numbers indicate a higher proportion of operational decisions, positive numbers, a higher proportion of strategic decisions. On the structured-unstructured dimension, negative numbers indicate a higher proportion of structured decisions, positive numbers, a higher proportion of unstructured decisions. On each dimension, results are relative to the grand mean for that dimension. The results on the two dimensions were calculated by subtracting the percentage of operational decisions from the percentage of strategic ones, and the percentage structured decisions from the percentage of unstructured ones, respectively. In the third column, the classification from the *a posteriori* LSD and DMRT tests appear; in all instances, both tests produced the same classifications. Groups with different letter codes produced significantly different results ($p < 0.05$). Finally, in the fourth column, the statistical significance rating for each study variable is presented.

Perception type was found to be a significant factor in explaining decision-making context, on both the operational-strategic dimension ($p \leq 0.0001$) and the structured-unstructured dimension ($p \leq 0.0001$). For the overall sample, managers, on average perceived their decision context to be characterized by a greater proportion of operational problems than strategic ones (grand mean = -15.11); that is 65.11% of problems were seen as operational, and 34.89% were seen as strategic. In terms of perception type, SP and SJ managers perceived their decision-making context as being characterized by the highest proportion of operating problems. In contrast both NJ and NP managers saw their decision context as comprising a higher proportion of strategic problem than operating ones. This was most pronounced for NP managers. In terms of degree of structure, for the overall sample, managers on average perceived their decision context as being comprised by slightly more unstructured

Table 1

The Influence of Perception Type, Level of Management and Job Function on Managers' Perceptions of Their Decision-making Context

Independent Variables		Decision-Making Context Dimensions							
		Routine-Strategic				Structured-Unstructured			
		unadjusted	adjusted	LSD/DMRT	Sig	unadjusted	adjusted	LSD/DMRT	Sig
		(grand mean = -15.11)				(grand mean = 11.95)			
Perception Type	SJ	-15.06	-22.04	A	.0001	-15.70	-17.66	A	.0001
	NJ	7.80	13.86	B		-14.65	-12.98	A	
	NP	24.81	27.61	B		27.46	28.26	B	
	SP	-11.95	-3.81	A		19.22	21.50	B	
Level of Management	Top	3.89	9.59		.008	-1.49	2.60		NS
	Middle	-3.72	-9.16			1.43	-2.48		
Job Function	Marketing	4.04	8.45		.020	-2.26	2.48		NS
	Human Rsrc	-3.98	-8.32			2.22	-2.44		
Interaction	Type*Level				NS				NS
	Type*Job				NS				.032
	Level*Job				NS				NS
	Type*Lvl*Job				NS				NS

LSD = Least Significant Difference Test; DMR = Duncan's Means Range Test; Sig = Statistical Significance; NS = Not Significant

problems than structured ones (grand mean = 11.95). As a percentage, 61.95% of problems were seen as unstructured, and 38.05% were seen as structured. In terms of perception type, SJ managers saw the highest proportion of structured problems, NP managers the least; NJ and SP managers fell in between. These results seem to suggest intuitive managers have a tendency to see the strategic nature of problems, whilst sensation managers perceive the operating nature of problems. Judgmental managers see problems as structured, whilst perception managers perceive problems as unstructured.

Level of management, proved to be a significant factor in explaining the operational-strategic dimension ($p < 0.008$). The fact that top marketing and HR managers encounter more strategic problems than middle managers is congruent with normative management theory (cf. Donnelly et al, 1987). Perhaps what is surprising is the relatively small difference between the two levels in terms decision-making context. Job function, proved to be a significant factor in explaining the operational-strategic dimension ($p \leq 0.02$), but not the structured-unstructured dimension. Marketing managers perceived a more strategic decision-making context, whilst HR managers perceived a more operational context. From the MCA results, the effect of controlling for the other factors can be

seen. Here, on the operational-strategic dimension, controlling for perception type and level of management increased the difference between marketing and technical managers from 8.02 to 16.77. On the structured-unstructured dimension there was negligible effect. Similarly, with level of management, controlling for job and perception type increased the difference between top and middle managers from 6.61 to 18.75.

Discussion

The results partly confirm the hypotheses:

- H1: is rejected - marketing and HR managers differ with respect to the ratio of operational and strategic problems encountered; specifically, marketing managers encounter a higher proportion of strategic problems than do their HR counterparts.
- H2: is rejected - HR managers do not encounter a decision context composed of a higher proportion of unstructured problems compared to marketing managers.
- H3: is accepted - Top managers (marketing and HR) encounter a decision context composed of a higher proportion of strategic problems than do middle managers.

H4: is accepted - Perception type explains more variance in decision-making context than either functional specialization or level of management.

Although the overall variance explained is fairly low, what is significant is that perception type explained a greater amount of variance on both dimensions than either level of management or job function. The relatively small amount of variance that the variables accounted for suggest that external organizational factors such as organizational context (Allaire & Firsirotu 1989; Porter 1980; Emery and Trist, 1965; Huber & McDaniel, 1986) may play a part in influencing a manager's decision-making context. Future studies should attempt to control for this.

If, as this study suggests, perception type has a significant influence on the perception of problems, an important area of speculation concerns the mismatch of type and problem. For example, a SJ type confronted with the task of formulating a strategy may too easily reduce the problem to one of detailed operational issues and perceive the problem as a relatively structured one. In contrast, the NP type when confronted with a simple routine problem, may waste precious time speculating about multiple solutions and become side-tracked by the systemic effects, the problem and its solutions may have.

Although impacting less on managers' perceptions, job function was a significant factor. Marketing and HR managers differ in their perceptions of their decision-making context. Compared to HR managers, marketing managers perceive a context composed of a higher proportion of strategic, but not unstructured problems. One possible explanation might be that the nature of the job process involved in marketing might encourage a longer term view of problems. Indeed the clash between the long and short term views of marketing and HR managers is of concern, given the views of authors such as Glassman and McAfee (1992) and Webster (1992). The fact that HR managers did not encounter a higher proportion of unstructured problems is contrary to normative theory (Lyles and Mitroff 1980).

So what of the prospect for increased integration between marketing and other organizational functions, and especially HR functions? On a theoretical level the contribution of this research includes development of the perception type and decision-making context constructs; development of scales to measure decision-making context and the establishment of initial benchmark scores; the enhancement of our understanding of the antecedents of problem perception and of the antecedents of tensions between functions. The implications of the current research for the practitioner fall into number of areas.

First, on a vicarious level, managers should, through education, be alerted to the different psychological profiles and the impact that both type and function both have on problem perception. Mutual knowledge of systematic difference in perception would facilitate understanding and communication. Indeed, managers should be provide with information as to different modes of communication that different psychological types prefer (e.g. Myers and McCaulley, 1985). Second, on an experiential level, managers can be encouraged to gain inter-disciplinary experience. Glassman and McAfee (1992) suggest that personnel specialists be given a better understanding of marketing. Perhaps it is also time that marketers become better HR practitioners. Third, in terms of selection, given the changing business environment, a more even balance of types would help organizations generate the requisite variety needed to cope with turbulence. Forth, integration strategies such as changes in communication, organizational design, evaluation systems and the introduction of more advanced computer models would all benefit from awareness of different psychological types and the informational requirements of each. For any model, mode of communication, organizational design, or reward system are the result of certain implicit way(s) of 'viewing the world' which will be more congruent with some perception types than others. Overall, knowledge of interfunctional differences uncovered in this research will go some way to understand and overcome the stumbling blocks in strategy formulation which result from differential problem perception.

Conclusion

This article sought to investigate the relative effect of individual and organizational factors on managers' perceptions of their decision-making context. To investigate individual psychological differences the concept of 'perception type' is developed. At the organizational level, top and middle level marketing managers are compared with their HR counterparts to investigate an area of growing importance - hopefully it goes some way towards answering the call of Deshpandé and Webster (1989) for research on how differences in world views of different groups or departments help or hinder the enactment of strategic decisions. Perception type, job, and level of management were found to be a significant factors in managers' perceptions of their decision-making context. The implications for managerial actions are discussed.

Suggestions for Future Research

Further Research would cover the following areas: first, the development of a more comprehensive instrument to assess decision-making context. Second, deepen and

expand the initial findings through complimentary studies; these might take the form studies of other functional dyads (between which other dyads do significant differences in problem perception lie?), and cross-cultural studies (are functional differences consistent across cultures?) Focus on specific problems that functional dyads share in common, to compliment the gestalt perspective of decision-making context. Third, future research might employ a unipolar instrument to measure strength on a given psychological function. This would overcome the dichotomous, 'either/or' categorization of the MBTI. Finally, the present study should be complimented with a longitudinal one. This would enable a clearer picture of the direction of causality between organizational function, perception type and perceptions of decision-making context. 📖

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