



THE ENEMY IS INSIDE

Case developed by professor

Carlos Alejandro Armenta Pico, of the Philosophy and Business Department of the Instituto Panamericano de Alta Dirección de Empresa, for it to be used as basis for discussion and not as an example of adequate or inadequate management in a specific situation.

The proposal

In January, Antonio told me about a dilemma he was facing and asked for my opinion. He was offered with the CEO position of a business that should begin operations at the end of that year. The initiative was a project of major importance and wide social projection. His first responsibility would be to get it started. The project attracted him but he had some reservations. On one hand, accepting implied leaving the company that he had just started and on the other, he didn't know if the project would dissuade him from his professional interests.

I know Antonio since he was young. He is an intelligent person, naturally inclined to action and with a great practical sense. He has a lot of energy to face difficult tasks. In the last years he had successfully started several projects. In my opinion, he was the right person to start the company, but I did not see him as CEO by a long while. Antonio took up the offer and I stopped seeing him for several months. At the beginning of fall he sought me up to fill me in. I still remember his story.

Starting up the project

“I started working with enthusiasm. Since the first moment I found it difficult to dealing with Gerard and Francisco. Both are members of the Board and they are the most committed to the project. In fact, they are my bosses. They have strong and difficult personalities.

“Gerard is both socially and economically well accommodated. He is 52 years old. Not long ago he sold his business to a big transnational company. Now, he has nothing to do; he only travels in his yacht. The project is his new toy. He wants to do something to transcend. He is a member of the Board and he is the main shareholder. Well educated. He dresses up and has good looks. He is from foreign descent. He speaks five languages. He knows how to sell himself. He feels like he has the right to phone call at any time. During the summer he went on vacation to the Asian Southeast. He decided to travel during the most difficult part of the construction. He asked me to send him a daily email to keep him updated. I resisted it. I felt it like a lack of trust. I commented this with Francisco and suggested we send messages only on Mondays, Wednesdays and Fridays. I got a reproach. Francisco said that what I wanted was not what should be done but what Gerard asked for. During three weeks I sent a daily message and called four or five times.

“Francisco is a successful businessman. He is 47. He is criticized for being tough. He thinks that the end justifies any means. He treats everyone roughly. He takes discussions to a personal level. He has invited CEOs from important businesses to be part of the Board. He knows how to attract people that ‘dress up’ the project. Recently the CEO of an important multinational business was included. I think Francisco uses the project to be close to Gerard and relate with top level businessmen. In spite of all, I started trusting him. I would get off my chest on him about Gerard’s bad treating.

“The Board is formed by nine members. Gerard, Francisco and I are the ones that usually work. Some are there only to ‘adorn’ themselves with the project. They like glamour and they never miss the social engagements. José is 35 years old. He only cares about ‘climbing up’ and be near that kind of people. Carlos is an exception. He is a young manager. He has experience and is very capable. He does not like *glamour*. The clients asked me that he attended one of the project’s presentations. I invited him and he said he didn’t deem it appropriate to attend because it should be me the one that shined on those events. I appreciated his attitude.

Lack of dialogue

“I was worn out by the startup and Gerard’s asphyxiating follow up. I have had some conversations with Francisco in which I bitterly complained about Gerard (his abuse, his highbrow attitude, his frivolity, etc.). At first he encouraged me to stand the demands and not to dramatize the situation. Then he suggested that I prepared a letter that could help me be objective and serene. I had to be cautious, considering that Gerard is very explosive.

“I kept accumulating anger. One day Gerard gave an employee an order before me. His instructions were the opposite of what I had requested. The employee questioned him arguing that I was the CEO. He imposed his decision. I went mad. He was invalidating me and invading my territory. Another day he took a manager out of his office because he used his parking place. He reproached me for the omission.

“The situation discouraged me. My energy should be centered in the customers. That was the key point. *The enemy is outside* I told myself as I watched the market landscape”.

Personal Situation

When I noticed Antonio talked only about the job, I asked him to tell me, if he wanted, how things were going in the other areas. He did.

“I am wasted in all areas. The relationship with my wife has turned tense and distant. Her eagerness of control bothers me. I get home tired and then faced with a mountain of requests. I have already set my limit. In the beginning she complained about a lot of details in order, punctuality, attending family and social reunions. Then she got tired of asking. Now she lets me do as I please. I don’t think this situation is good either. We have fallen into indifference. We barely speak. We convey our feelings just by looking at each other. I am out as much as I can. I got out early and come back late. I go to the office during the weekends. The anger from home adds to the one at work. The situation discourages me. I eat at all times and I am gaining weight.

“The Monday to Friday pace is frantic. I finish exhausted. On weekends I collapse. I feel lazy to search my friends. I have never had many. I feel always stressed. I look for scape in food and shopping. I do silly things but I can’t help it. I change car constantly. I buy phones or computers each time I see a better one. I already started doing some sports and I am going to the club on Sundays. It helps me scape.

“What worries me most is the project. There are many eyes set on me. I really liked receiving the offer to be CEO. I want to start the company, but I don’t see myself running it for a long time. I am 32 and this has been my story: start a project, abandon it and start over a new one. The situation I live in arises questions about my professional profile. I feel bad, but activity distracts me.”

Antonio went back to the topic that kept his mind busy.

The Conflict

“The start-up got complicated. We needed more money. The administrator quitted unexpectedly. The construction company smothered us with collection. The inauguration date was getting closer. Gerard’s pressure was excessive and I perceived it as only eagerness of control. Under these circumstances I made a mistake. I had interviewed a candidate to administrator and his profile seemed right to me. At the end I told him he still needed to be interviewed by the president of the Board. I warned him he had bad temper. Gerard interviewed him and also warned him on his bad temper. The candidate commented that I had already warned him. Gerard got furious saying that I did not have the right to speak bad about him.

“I found the situation unbearable. The business was in trouble and I was worn out. I stopped reporting to his calls. I didn’t take those from his assistant either. I got an email in which he expected me at his home on Monday. When I saw the email my stomach ached. I called Francisco and told him I couldn’t take any more. He suggested me to face the situation and attended the meeting. I wanted to quit and vent Gerard’s rashness from the roof tops.

“I called a friend to prepare for the meeting. I asked him for help me if things went wrong on me. He offered me his unconditional support. He suggested me to begin with the positive points. I arrived punctually to the appointment. I got the computer out and started talking:

“I respect you for the commitment that you have with the project and I admire you as a businessman. I know you have a lot of pressure on you, because you carry most of the economic responsibility. I understand that I should also stand the pressure and put a smile upon my face. I am aware that the situation is difficult and that we have to face it together. However, I have been uncomfortable lately for three reasons:

“1. *Confusion of roles*: I am not the one that asked you to bring the company forth. I have worked with the transnational but I am not the owner. Neither did I commit with you to get a certain amount of money. If you feel cheated, complain to the people that did it. This is not my job and you are crushing me with so much pressure. I am an operating partner. The money pressure must to be distributed with the other

shareholding counselors. I need certainty and trust. That is why I want to talk about the roles. I can work on something else. I accepted the job because it seemed to me a challenge. I liked that you thought about me. I like the project but I don't like to eat fire. I can earn more than you pay me. I am doing my best effort and giving the best years of my career. I think you confuse roles and, suddenly, you set very strict rules. You know I am not well paid. Peter is the operations officer and earns more than me just because he is foreign. He is under me in the organizational chart and doesn't do even the half of what I do. You brought him in because you like the image.

"2. Different leadership style: I am not in favor of an obsessive control. I am used to work with committed people in an environment of trust and cordiality. People perform better under such terms than in a military regime. I like dialogue and ask for advice. I am intuitive. If someone wants to control me more than necessary or does not trust me, then I close in, I don't ask for advice, I become critic and I stop the dialogue. Confrontations leave a mark on me. I am knowing myself and trying to be objective. However, sometimes I do not succeed. Your control style is excessive and intensive. Sometimes you do it trampling over my authority. Remember the employee you reproached in front of me, or the daily messages while you were on vacation or the constant calls, many times at inconvenient hours.

"3. The style: I think that when you are upset you are not aware and you hurt people. The same things can be said without getting mad. I understand you are under a lot of pressure, but that does not give you the right to maltreat people. You do the scolding and then I get the complains. I have tried to stand the business startup and the pressure you convey but I am uncomfortable and worn out. We have the same vision for the company and we both want the same thing; that is why I wish to find a solution.

"4. Possible solutions: My discomfort is due to the dealing with you. We cannot easily change this situation overnight and the pressure will continue increasing. I know I have things to improve. I ask you that we nominate a liaison between the Board and me. A deputy counselor with whom we can work while the critical situation lasts. I would like it to be Carlos, or otherwise, Francisco.

Outcome

"While I was talking with Gerard, Francisco was outside, waiting with the administrator that had quitted. Francisco took the opportunity to ask him about my performance. Gerard was not satisfied with my proposal and when he saw Francisco, he asked him to join the meeting. Gerard filled him in.

"I was expecting Francisco's support. His reaction baffled me. He started to attack me. He said he did not understand why I felt so sure when my results hadn't show yet. He mentioned that the administrator said he was leaving because I treated him badly and did not know how to handle people. He repeated that Gerard was my boss and that I had to do everything he told me to. He said that my attitude was comfortable because I received a salary and I did not know what it was to risk money. I got furious. But I was able to contain myself. I remained silent. The three of us were upset.

"I said good bye and left them talking. Francisco's attitude hurt me deeply. I walked out confused and without willing of go back again. Inside me I thought: *The enemy is inside*".