



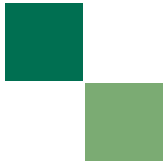
# The Collaborative Organization



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*better results through collaboration*





# The Collaborative Organization

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**In the movie** “A Beautiful Mind,” the character John Nash serendipitously develops his Nobel Prize-winning Nash Equilibrium while trying to pick up a woman in a bar. The scene demonstrates what is considered to be one of the major scientific achievements of the first half of the 20th century in a setting we all understand. It also reveals the challenge of *self-interest* versus *the interests of others*: collaboration.

The character Nash, played by Russell Crowe, is in a bar with several of his college buddies. They’re eyeing a beautiful blonde who is accompanied by several less attractive friends. As they debate how best to proceed, Nash reasons that if each of them goes after the blonde, most or all of them will be rejected. Further, they will now be in a poor position to approach any of her friends. If instead they each ask out one of the friends, they’ll all be more likely to wind up with someone, with perhaps only the blonde going home alone. This leads Nash to a revelation: Adam Smith was wrong. *Each person doesn’t benefit most when he does what’s in his*

.....  
**Adam Smith was wrong. Each person ... benefits most when he does what’s in his own interest and the interests of the group.**

*own best interests. He benefits most when he does what’s in his own interest and the interests of the group.* The blonde forgotten, Nash rushes home to write up his new theorem.

At some level, you may have already deduced that hierarchical, top-down management techniques are not adequate for dealing with today’s business problems and opportunities. Additionally, as technology and information systems forge ahead, the leadership practices that are used to manage them lag behind – way behind. Continued use of these practices creates instability and produces predictable, negative results.

For perspective:

- 74% of U.S. workers over the age of 18 are not engaged in their work (Gallup)
- 30% of IT-enabled projects never come to a fruitful conclusion (Gartner Group)
- 70% of Business Process Redesign (BPR) projects fail (Malhotra)

Perhaps, like many, you may still be trying to employ matrix management and “team-based organization” techniques to address today’s business problems. Nearly every organization we encounter is trying to work and solve problems using tools and systems that will never produce the hoped-for results. The reason they won’t get the results is be-

cause they still operate according to some version of the hierarchical system – which means they still use power and authority to accomplish things. Although many have attempted to democratize their workplace by becoming “flatter” and working in teams, power and authority remain the primary currency being traded. If you can accumulate enough power and authority in a hierarchical system, you can “win.” But hierarchy concentrates power and authority in a few people at the very top. This prevents the rest of the organization from having the necessary currency to solve problems and accomplish goals. It makes working across the silos nearly impossible. And it makes the “leader” with the most power and authority *essential*.

Achieving optimum results in today’s marketplace is possible, yet it requires a new, collaborative system of leading and managing. In their hearts, leaders know this. However, mired in the current paradigm and lacking a clear alternative, they stick with the system they have.

Collaboration goes to the heart of Nash’s theorem, enabling workers to engage in ways that serve themselves, each other, and the organization. For this reason, and many others, the Collaborative Operating System™ represents the ultimate competitive edge in business. Dr. David Hofmann, UNC professor of Business says, “Everyone agrees that hierarchy is dead, it’s just that we don’t have anything to replace it with.” Well, now we do.

## Collaboration: What is it?

Although collaboration is practiced by most organizations as either a behavior or a value, it provides little benefit this way. For example, many organizations have “collaboration” as

Most people believe that it is the differences among people that keep them from working well together. It isn’t.



one of their espoused values. Yet because they are without a way of transforming it into a set of real behaviors and processes, it lives only as an ambition. Conveying collaboration as a value by printing it in an employee handbook or listing it on a wall plaque is prevalent yet inadequate.

Because they believe it is the differences between people that keep them from collaborating, leaders often contract for Myers-Briggs typology and a ropes course expecting to emerge with a sustainable, effective work group. However, it is the way our differences inform how we work (i.e. the differences in work styles) that keeps us from collaborating. Now, take a deep, long breath and read the preceding sentences again, slowly. This observation explains why very little progress has been made in terms of helping organizations be more effective in their work. We need an approach that aligns our work styles, not our personalities.

Our unique approach to collaboration is not about “soft stuff.” In fact, we’ve turned the prevailing paradigm on its head, taking a comprehensive and systemic approach to collaboration, hence the name, Collaborative Operating System™. Collaboration, for us, is not a value or behavior. It is a principle-based system to leading, managing and working. The implicit principles of hierarchy, power and authority, are replaced with the explicit principles of collaboration: ownership and alignment.

Ownership is defined as, “*The degree to which people believe or feel that a process, decision, or outcome is theirs.*” Alignment is defined as, “*The degree to which people see and understand the problem, goal, or process in the same way.*”

Ownership is like getting everyone in the same boat. Alignment is like getting everyone rowing in the same direction. This shift in emphasis from power and authority to ownership and alignment creates a sweeping change in how work is done and how the workers experience it. To those who practice it, it is truly magical.

## How Does Collaboration Work?

A collaborative system is implemented and learned using a “real-work-in-real-time” approach. This means that an individual or team learns to collaborate while they are achieving work goals, instead of during an “offsite” or while doing training activities that only simulate their real jobs. This enables them to experience realistically the merits of collaboration while simultaneously building their own capacity to practice it. Collaboration’s real-work-in-real-time approach means that sustainability starts on day one of its implementation. Executives tell us this approach is incredibly helpful, and that it gives them the tools they need to practice collaboration on their own.

Collaboration is based on developing and evolving the principles of ownership and alignment throughout the organization. These two meta-principles lead to other critical workplace effects such as trust, mutual respect, accountability, and responsibility. In order to operationalize these principles in the workplace, we use the Five Elements of Collaboration. The Five Elements become the new framework for leading, managing, and working. These are, sequentially:

Element 1 Identify the Problem

Element 2 Involve all Relevant Stakeholders

Element 3 Form the Collaborative Team

Element 4 Create a Collaborative Plan

Element 5 Design and Facilitate

Collaborative Meetings

## Collaboration in Practice

A while back, one of us had the opportunity to describe our practice of collaboration to a fast-track executive from a highly respected company who was suffering in the aftermath of a large project in which her team had become fragmented. Some of the work relationships had become contentious, and another large project was starting. She said to me, “I think your approach is too soft; it won’t fly here.” I asked her to share with me the solution she hoped would address her problem. She began to describe what sounded like a standard team-building approach to which I responded, “I think your approach is too soft. Ours is nowhere near as soft as the one you are describing.” “Okay,” she said. “Help me understand your collaborative approach.”

I proposed that rather than doing “team-building,” she allow us to help her team actually perform its work *collaboratively*. After we demonstrated our approach, she and her team described it as the most team-building activity they’d ever experienced. It was more sustainable, too.

This executive had been imagining that taking people out of their work environment to debrief their project, learn some new techniques, and study one another’s personality attributes would change their behavior. This is not what changes behavior. When the desired outcome is to have a team work

# What's The Problem?

A biotechnology firm is trying for the second year in a row to organize a large IT project. They know that success will require teamwork. They also know the disturbingly low success rate for these types of projects. They are organizing the project out of the same leading and managing framework they have used before and hoping, remarkably, for a different result. This approach failed miserably last year, according to more than 600 internal IT professionals brought together for a kick-off meeting. *They were never able to “get moving” on the project because they didn’t have alignment around the problem they were trying to solve with the new technology.* This year they are taking the same approach, only this time with help from a different outside firm. This new firm was contacted only a month prior to the event they were hired to plan!

effectively together, they will need to learn and use a common, collaborative approach to their work.

Like many teams, hers had started the project together but not finished together. They did not observe any of the Five Elements of Collaboration. Along the way, the group fragmented and their plan fell apart. Here are some of the issues that contributed to this outcome: When the lead member of the team took an extended leave, no one knew who was in charge. One member tried to assert leadership but was rebuked. When the one who took extended leave returned, the project was fully underway, yet not being done as she had envisioned. There was no alignment on the manner in which the team’s internal clients would be serviced. There was no alignment on how the team would utilize external

resources. As relationships deteriorated, the team members worked harder to compensate, and became increasingly angry and accusatory with one another. The end result: one team member quit, one was fired, and two stopped speaking to each other.

Going forward, we provide several examples from well-known companies that are considered well-led and quite profitable. In each case, we will look at how collaboration, and specifically the Five Elements of Collaboration, can be used to impact these troubling, but common, scenarios.

## Element 1: Identify the Problem

Every piece of collaborative work begins with one simple, yet powerful, question: “What problem are we trying to solve?” In this context, a “problem” is defined as “any situation you want to change.” The results from answering this question stand in stark contrast to those from answering the usual question, “What are we trying to do?” The latter will likely yield a set of activities, but not goals which will forward the business’s agenda.

By starting with the question, “What problem are we trying to solve?” you do several important things. First, you determine whether the project is even legitimate; that, in fact, a business problem exists. Solving real business problems is the primary work of organizations. Yet every day in business, an expensive, time-consuming endeavor is born that will never actually address the real issues facing the organization. Secondly, you ensure that the stakeholders believe the problem is worth solving and can be solved. People won’t truly commit themselves to a project they don’t believe is worth solving

*A project coordinator within a government agency explains that they have just spent nearly \$100 million on a new enterprise resource system (ERP) which she believes has about a 90% chance of failing in implementation. The reason? The people who must use the system in order for it to be a success are saying it does not do what they need it to do, while requiring them to do many things they don't want to do. They were never consulted. Instead, a high-powered consulting house was called in and dictated the specifications of the new system.*

and can be solved. More likely, they'll ignore it or undermine it.

Thirdly, you forge a level of ownership and alignment that results in high-level of commitment that will be evident in every phase that follows. If you don't create ownership and alignment around the problem, you'll never have ownership and alignment around a solution. Many leaders and teams waste their precious time discussing and disputing solutions when they could shortcut the process by aligning around the problem. Ownership and alignment around the problem makes ownership and alignment around the solution a shockingly easy task. Unfortunately, this alignment work, like much of the work involved in true collaboration, is not something people have ever been trained to do.

## Element 2: Involve all Relevant Stakeholders

The second step in successful collaboration is to have the right people involved from the very beginning. Nothing will destroy trust faster than leaving a key stakeholder out of the process. Most executives do not have a systematic framework for thinking about what constitutes a "relevant stakeholder." When you fail to build ownership and alignment with key stakeholders, it costs you dearly down the road. Today's excluded stakeholder is tomorrow's antagonist or saboteur.

In Example 1, collaboration would require building ownership and alignment between the people who will use the ERP system (i.e., much of the workforce) and the people who will design, install, and maintain the system. This is, simplistically speaking, the great challenge of ERP projects and, of course, it is easier said than done. Indeed, it will require a great many future system users to be gathered together to glean input and instruction about how they need the system to function in order for it to be useful to them in their work. And this is only the beginning; it is just one of many collaborative steps that will need to happen in order for the project to be successful.

However, collaboration is the shortcut. ERP and other projects that require stakeholder involvement will otherwise fail, and at great cost. If you are shaking your head now and saying that this takes too much time, then consider again the price tag on this system and the costs of failure. Consider also the benefits of success. Collaborative work succeeds. The commitment level of the participants ensures it.

## Element 3: Form the Collaborative Team

*Form the Team* is a critical step for a work group, team, or any successful working relationship. It ensures ownership and alignment around the goals, as well as around the way people will work together to accomplish these goals. A properly formed collaborative team does not unravel, fragment, and become ineffective in response to issues of roles and responsibilities, scope of work, execution, different work styles, and competing values and interests. This step pays big dividends, as a team is able to move swiftly and collaboratively in the “real work” which follows. Additionally, members of the team quickly realize the need to integrate some version of this systematic and collaborative formation process in all their work, further seeding this powerful collaborative practice in the organization.

In Example 2, the management team has no agreement for how they will work together in decision making, problem solving, conflict resolution, meeting attendance, and such. The “team” often does not know when they are discussing a matter on which they will need to take action. Also, even when they are aware that a decision needs to be made, they may not agree on who has the authority to make the decision and how that will happen. This causes people to resort to tactics of politics, power, and personality in order to serve their individual agendas – a practice that is frighteningly common. The impact of not having an explicit agreement for how decisions will be made and problems will be solved is enormous. Decision making and problem solving are the primary work of a management team!

Our process for forming a team yields a unique kind of trust. Although the team members may not yet trust one another on a sustained basis, they discover that they can trust the collaborative process. Trust in the process is a requirement for high performance. Few people understand this.

Now, perhaps you are inclined to argue. “Say what you want about this company, they are profitable, so what’s the problem?” Two answers to this valid question are “Yes, but how much more profitable could they be?” and “At what cost are they profitable?” One cost is the unsatisfying work relationships the team must endure, day in, day out, year after year, not to mention the frustration and disengagement from their work created by relationships under constant strain. According to Gallup’s studies, low engagement correlates with low customer loyalty, low sales, and low profitability. We have become so accustomed to these costs that we assume they are necessary.

*An executive on the management team of a respected international company describes his role this way: “My job is to run around and smooth ruffled feathers among the various [division] leaders so that the work can actually move ahead without people getting so bent out of shape that they can’t function.” He notes further that, “when one of these leaders makes a decision to embark on a project, it almost always has negative implications for some other leader. Then, everything just stops until we get it all worked out. This work requires at least 60% of my time.”*

Example

2

*A Fortune 500 company organizes a yearly leadership development initiative in which they require senior managers and executives to devote three weeks to classroom, lecture, and small group discussions. When asked, those in charge of organizing the program do not have an objective for it. When pressed, they say the program is to support the strategic objectives of the company, yet no such affiliation between strategic objectives and program objectives exists. In fact, not one single measurable objective exists for the program. Still, this company will spend many millions of dollars with a major university, high-profile speakers, travel expenses, and, of course, time away from other commitments.*

## Element 4: Create a Collaborative Plan

Element 4 in a collaborative system is about planning the work; yet in a departure from the planning process many work groups use, our process builds ownership and alignment among key stakeholders. This ensures that stakeholders are committed to the project so it won't unravel in implementation.

A plan is collaborative if the stakeholders own it and they are aligned around it. Simplistically speaking, a collaborative plan is created by developing ownership of and alignment around

three things: 1) the current state (which includes the “problem”), 2) the desired future state, i.e., the goals, and 3) the path to get from one to the other. As with the previous three elements, the ability to successfully perform Element 4 requires the ability to design and facilitate collaborative meetings (Element 5).

As you have no doubt noted in Example 3, also neglected are Collaborative Elements 2 and 3 – *Involve All Relevant Stakeholders* and *Form the Collaborative Team*. One challenge the organizers face will be involving others to participate in their program. Because the group working on this initiative is not aligned around a plan, their work will conflict. For example, different interpretations about the goals of the program will lead to different ideas about who should be involved.

In addition, because they have not aligned with the stakeholders who created the business strategy or the stakeholders who will participate in the program, the program will amount to a non-sequitur, neither bolstering the strategy of the business nor adequately meeting the business needs of those who have to implement it. Finally, because they do not have a thorough plan that includes adequate attention to essential elements, such as roles and responsibilities, objectives, scope, and resources, it will be rough sailing, even after they have run it for a few years. The “left hand won't know what the right hand is doing” and the team will fragment.

In our experience, most people have never even witnessed the creation of true ownership and alignment, much less built it into an entire collaborative project plan. Except for a few rare exceptions, this ability to create true ownership

and alignment does not exist in our culture.

## Element 5: Design and Facilitate Collaborative Meetings

Many people complain that they spend too much time in painful, unproductive meetings. These meetings lack focus, churn repeatedly around the same issues, and fail to generate productive action. These people also report that work relationships tend to break down in their meetings, so they actually emerge from a meeting with less trust and respect than when they started. Because every aspect of a collaborative meeting is tied to the principles of ownership and alignment, the meetings build trusting relationships and foster accountability. The typical response of a participant to their first

*A CEO laments that the management team does not fully participate in meetings: “They are nice but not honest with one another. They don’t object during the meeting, but later, there are a lot of gaping holes where no one seems to be responsible. This makes it hard to hold anyone accountable for results. Instead, I get finger pointing and independent, cowboy initiatives where team members just take off and do their own thing without regard for the rest of the team.”*

Example

4

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collaborative meeting is, “this is the best meeting I’ve ever attended.”

Our meetings use a strategic and systematic approach that produces high-accountability. Ownership and alignment drive results. This approach works for every meeting – whether with two participants or 2000, formal or informal, live or via teleconference. It is highly structured and paradoxically flexible. And because it is collaborative, it engages participants in a way that leverages their experience, knowledge, wisdom and creative capacity.

In Example 4, the meetings of the management team are painful and unproductive. You can therefore bet that the meetings in most of the rest of the organization are as well. Because there is no explicit process for how they conduct meetings, they are “nice” to one another, but have no constructive way to engage in disagreement and conflict; they make half-hearted commitments for which there is no ownership; they point fingers, but avoid commitments that would enable them to be held accountable; they initiate their own projects without consideration for the impact on their fellow team members.

While these four examples are intended to illustrate separately the Five Elements of Collaboration, ultimate success depends on all five elements of the system being in place.

## Is Your Leadership Team Ready for the 21st Century?

The way most organizations are currently doing their work (typically some form of hierarchy) naturally creates disengagement in people. The way most executives are taught and incited to lead,

manage, and work separates the people with the information from those who make the decisions and the people who make the decisions from those who will implement them. This is true despite all the team-based tools and structural techniques that are being taught and implemented. These seemingly collaborative tools will never be able to supersede the purely hierarchical system on which they are overlaid.

Moreover, the degree of complexity in today's fast-moving marketplace is simply beyond the capacity of most management systems. Let's face it – there is plenty of technology at our disposal. We can buy great strategy from the best consulting houses. Making that new technology or strategy work, however, is the great challenge. An energized focus on implementation and “flawless” execution won't cut it. The level of complexity that accompanies the most significant problems (often euphemistically referred to as “opportunities”) that organizations face is too great. The current approach was never designed to handle the level of complexity that, for example, a \$10 billion global organization faces in the information age.

## The Problem With Something “New”

In the February 2006 issue of Harvard Business Review, thought leader Gary Hamel wrote about the imperative of management innovation. Hamel said, “if you want to build an organization that unshackles the human spirit, you're going to need some decidedly unbureaucratic management principles.” Further, he says, “It usually takes a crisis to motivate deep change. But that isn't some law of nature; it's merely an artifact of a top-heavy distribution of power.” He concludes by saying that

companies can wait for a competitor to stumble upon the next great management breakthrough or innovate now.

Unfortunately, just the task of *comprehending* a new collaborative system for leading, managing, and working is outside the ability of most people. Even now, chances are you're stuck in the paradigm of the imperfect system you're currently using: you're incorporating the things we've written here into your hierarchical paradigm. Truly, everything people do and conceive of is seen through pervasive “hierarchy-colored glasses.” They can't actually imagine past collaborative tools and techniques overlaid onto a hierarchical system. And understandably, if the organization is turning a profit and your job feels secure, why would you want to change anything?

There is, however, a simple intermediate step you can take to begin this complete paradigm shift: Use collaboration in one small venue – a project work team, a single meeting, or even a simple one-on-one problem-solving conversation. By examining it this way, you'll gain perspective on the strategic advantage this system provides.



## The Collaboration Imperative

Teams that are able to capitalize on and coordinate the talents, training, experience, and wisdom of their members are the exception. More common are the teams that manage to function at a uniformly lower level than any one individual member. People need a way to work cohesively as they manage the complexity of multiple stakeholders with different ideas and conflicting interests.

The interdependent, multi-faceted problems and opportunities facing leaders of organizations require a new approach. It is time to eliminate point solutions and the steady stream of fad management tools and techniques which add to the confusion, chaos, and already manic pace of business. Workers need a single, coherent system for leading, managing, and working; a common framework that keeps people working together within the tumult so characteristic of business today. They need a system that engages them by connecting people with information to those who make decisions, and people who make decisions to those who implement them.

Because of its ability to connect and engage people, collaboration is far and away the most strategic approach to work that we know. Still, there is no question that a collaborative system requires a new mindset, and this mindset comes at a cost. One cost is “delayed gratification.” Not delayed results,

mind you, but a delayed sense of impact, of real work being accomplished. That’s because our current mindset says that if we are not in a frenzied whirlwind of motion, we are not producing results. This simply is not true. We don’t have time to do things well, but plenty of time to do them over. This has proven to be an incredibly unsatisfying way of working: 60+ hour work weeks with nothing to show except substandard work and damaged professional relationships.

In stark contrast to the prevailing application of collaboration as a behavior or a value, collaboration’s real benefits come when it is deployed as a system. The Collaborative Operating System™ provides a compelling alternative to the hierarchical norm. It is a comprehensive, revolutionary approach to leading and managing organizations in the 21st century. It is designed for individuals, teams and organizations that want a sustainable, results-driven approach to work. ❖

## About Collaborative Leaders, Inc.

Our work is developing collaborative leaders. We coach and train leaders in collaboration so they can achieve extraordinary, sustainable business results and solve even the most complex business problems.

Our vision is to develop a critical mass of leaders who use collaboration as their primary way of leading and solving problems. We believe that increased collaboration will bring dramatic improvement to key global problems, both within and beyond the world of business.

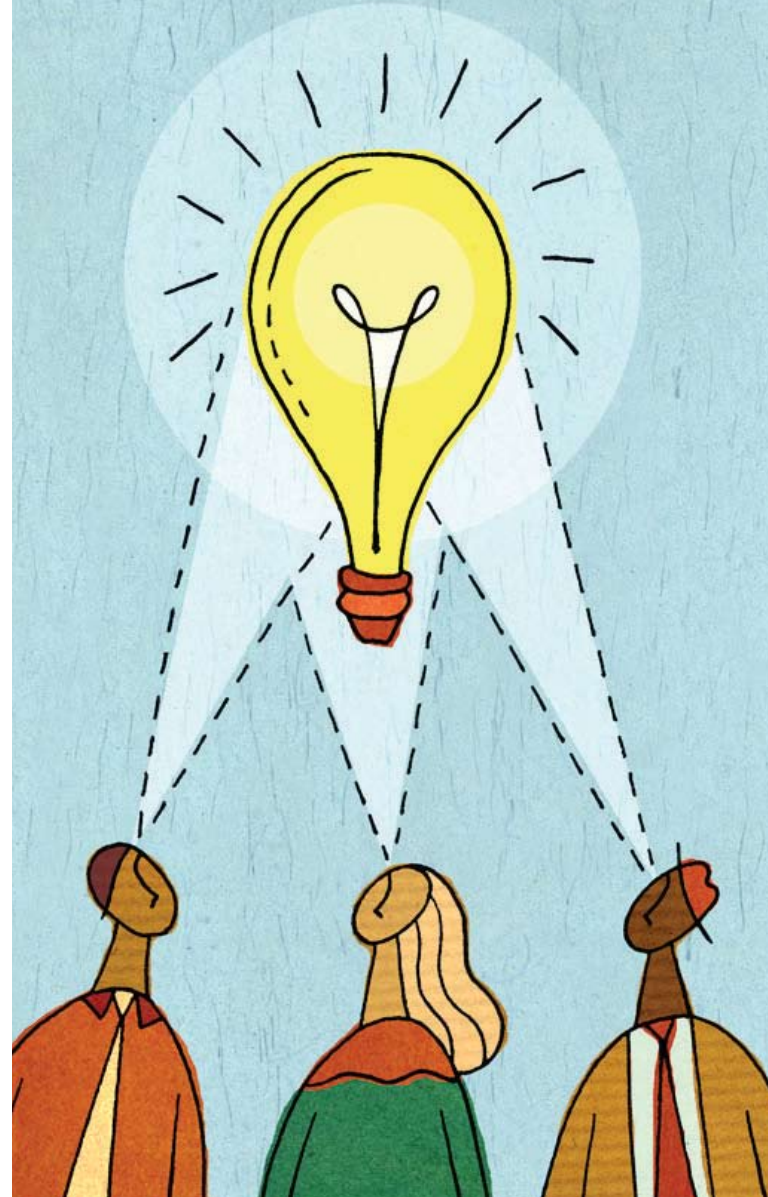
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