

# Are You a Collaborative Leader?

## *Succeeding in a Hyper-Connected World*

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**Summary:** *Increasingly, great accomplishments happen when people collaborate; that means that the new job of leaders is to guide those collaborations. Four skill sets allow leaders to spot collaborative opportunities, attract diverse talents to them, create disciplined flexibility to get the work done, and reward learning.*

Today we work more collaboratively than ever before. Corporations team up with customers, consumers, NGOs, governments, the communities in which they operate, and competitors. And they work with them differently than even ten years ago. Global, virtual teams including people working in, say, Bangalore, Shanghai, Berlin, London, New York and San Francisco have become the norm, not the exception. People coalesce around a collaboration opportunity, get it done, disband, and move on to the next thing, all the while working on two or three other teams. Facebook, twitter, Linked-In, videoconferencing and a host of other web 2.0 information technologies put all this connectivity on steroids and enable forms of collaborations that would have been impossible in the old world. Information flows freely and transparently. Authority flattens.

But, even though the business world has changed profoundly, dominant leadership styles have not. Over the last 100 years, when the dominant mode of organizing companies was based on *hierarchies*, leaders used a Command and Control leadership style to wring results out of people up and down the chain of command. Today, executives are less likely to have formal authority over those on whom they depend to accomplish common goals. In the emerging hyper-connected world, the dominant mode of organizing is based on *networks* that span all kinds of boundaries, and leaders who want to remain relevant and successful need to adapt to a new style—**Collaborative Leadership**—that is not based on formal authority but on the ability to craft common visions and compelling projects that unite disparate groups of people.

Collaborative leadership (CL), in contrast to Command and Control (CC), effectively attracts, involves and guides people outside one's formal control to accomplish common goals, including people in other parts of the organization, suppliers, customers, partners, communities, whether they are nearby or in and far-flung and unfamiliar places in the world. Its hallmark is the capacity to deliver results across boundaries, despite differences in convictions, cultural values or operating norms.

So how does one practice collaborative leadership? At the very basic level, collaborative leaders transcend their own parochial agendas and craft a unity of purpose that brings people together. Setting a common vision and finding

common ground are essential skills.<sup>1</sup> However, as we have discovered in our research (see sidebar), the changing nature of leadership means that executives also need to be well-versed in four new skill-sets: they need to learn to play connector roles, attract diverse talents, direct dynamic networks, and instill a learning mindset (see Table 1).

**Sidebar: Our research on leadership**

Table 1.

<b>Collaborative leadership relies on</b>	<b>Instead of</b>
<b>Connector roles</b> to spot opportunities	Local (inward-facing) authority
<b>Diverse talents</b> to develop them	Homogeneous teams
<b>Dynamic networks</b> to get the work done fast and flexibly	Cumbersome matrices & rigid organization charts
<b>A learning mindset</b> to reap long-term rewards	Short-term performance goals

In the old world, leaders commanded all the needed resources under one roof. But, the whole point of collaboration is to achieve far greater, more innovative results than what is possible alone. Today managers have to look outside their organization charts, playing connector roles and reinventing their talent strategies in order to access the information, ideas, and resources they need to get things done. And, since many of these resources fall outside the lines of their control, different enabling processes are also needed to reap collaboration’s rewards. Managers used to navigating rigid structures and cumbersome matrices must learn to coordinate work more flexibly, and to reward a learning mindset to achieve long-term results.

**Play Global Connector**

In his best-selling book the *Tipping Point*, Malcolm Gladwell introduced the term “connector” to describe people with many connections to different social worlds. Connectors are important not for the number of people they know but for their ability to span distant social circles. Connecting what has previously remained unconnected, in turn, is the *raison d’etre* for collaboration.

David Kenny, President of Akamai Technologies, describes today’s leaders as first and foremost connectors: “A leader has to understand the world. You need a more global view than ever before to define your company’s position in the world, its purpose and value.” Kenny spends much of his time traveling around the world to meet with Akamai employees, partners, and customers, and, just as importantly, to connect the dots in his vast network. “I spend time with media owners to hear how they think about digital, Facebook, and new pricing models

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<sup>1</sup> This point was explored in the book *Collaboration*, by Morten Hansen. [note: instead of footnote, this can be mentioned in the sidebar on our research].

or I might talk to Microsoft about their views on the future of cloud computing. I am also interested in hearing how our clients feel about macro-economic issues, the G20 and how they think debt will affect future generations. I had a fascinating series of conversations at Davos recently about how retired world political and business leaders can help improve the world. I met with European Union officials in Brussels and I went to India to discuss how the telecom networks are changing Indian society. Not only does all of this make me a more aware and therefore more effective leader, it also allows me to pass on what I am hearing to customers and partners, so they can better understand what the trends I'm seeing could mean for them." Out of these connections grew a recent strategic alliance with mobile industry giant Ericsson to significantly change consumers' Internet experiences on mobile devices.

While successful managers cultivate extensive networks to help them manage current and internal responsibilities, many fall short on the external connections that can open their eyes to new business opportunities and help them bring new partners on board. They default to outdated roles as local authorities for their groups and fail to invest in nurturing the relationships necessary to learn from and interact with the outside world. Collaborative leaders like Kenny, in contrast, add value by bringing the outside in.

Connecting one's group to the outside world, historically the province of the CEO, has become a necessity at all levels because innovation no longer originates at the top or center of a single organization. The face of R&D is changing as more and more companies outsource portions of their innovation processes and co-create products and services with their customers. Procter & Gamble, for example, has embraced open innovation by sourcing ideas for new products from anywhere and anyone in the world, whether it is a user in India who has a new product idea or a university professor in Italy who has a good solution for a P&G problem. But the networks that bring insights and solutions do not materialize mysteriously overnight; they are the product of years of informal collaboration, information exchange and relationship building across organizational lines.

Connector roles can be difficult for leaders because network building absorbs a significant amount of the time and energy that a manager usually devotes to operational demands. And, while managers differ enormously in the extensiveness of their outside connections, almost all of them underutilize the external ties they do have. Professional associations, social networks, alumni groups, high profile conferences -- all valuable ways to open new perspectives -- can indeed detract from a manager's effectiveness when they are put to use in the service of organizational goals. Global connectors, by contrast, marshal information, support or resources gained in one sector of their network to obtain results in another. They develop network contacts beyond the typical areas—local clubs, industry associations, customer and supplier relations—to new areas such as adjacent industries, new innovation hotspots, emerging economies (China, India, Brazil), and demographics very different from themselves.

There are many ways to do this, and not just from the top. Beth Comstock, Chief Marketing Officer of GE, for example, is famous for her weekly “BlackberryBeth” messages in which she summarizes and disseminates what she has learned in her external role for busy (and, perhaps, more internally focused) GE executives. Like Comstock, the best are inside/outside leaders—connecting internal groups to the wider world.

### **Seek talent at the periphery**

If collaboration means bringing people from different backgrounds, disciplines and cultures together to work in cross-unit and cross-company teams, then collaborators will, by definition, be different from each other and different from the decision makers of the past. Yet, one of management’s most difficult challenges remains recognizing talent when it looks different from the current model.

Collaborative leaders excel at not only attracting talent from the periphery of their existing networks but also harnessing their diversity of knowledge, resources, and perspectives. Too many leaders spend inordinate amounts of time, money and energy enlisting top talent only to subject them to homogenizing processes that kill the creativity they were intended to bring. In many multinational companies, for example, non-native English speakers are often at a disadvantage – they don’t sound as “leaderly” as the Anglophones and end up easily getting passed over for promotions. But, in a world in which innovation is increasingly originating in emerging markets, companies that inadvertently allow these talent blinders to persist lose out in the collaboration game. At French-based Danone, a world leader in healthy food and a top 5% performer in our global ranking of 2,000 CEOs, when all the managers worldwide get together for the annual strategic review, one day is set aside for each to present in his or her native language. Says CEO Franck Riboud: “We spend a fortune on interpreters so that being articulate in English is not a barrier. Some of our executives have even presented their business case in native dress. This helps us steal away talent from competitors where those who don’t speak perfect English get stuck.”

Research has consistently shown that teams that are diverse in skills and background do better, yet they are also much harder to lead. Collaborative leaders, tap into this diversity to produce results, while also avoiding endless arguments and inaction. At Reckitt Benckiser, the top-performing UK-based producers of household products such as dishwashing detergent, for example, no nationality dominates on the top team: two executives are Dutch, one is German, two is British, one is South African/British, one is Italian, and one is from India. According to CEO Bart Becht: “It doesn’t matter whether I have a Pakistani, a Chinese person, a Brit or a Turkish guy sitting in the same room, whether I have people from sales or something else, so long as I have people with different experiences – because the chance for new ideas is much greater when you have people with different backgrounds. The chance for conflict is also higher – and conflict is good per se, as long as it’s constructive... and it gets us to the best idea.” When Reckitt Benckiser teams meet, they debate loudly and furiously until the

best idea win, then leave the meeting with a clear decision and plan of action. The results of this process speak for themselves. Over the past decade, net income and shareholder return have climbed 17% annually.

We see this diversity-to-result in many creative places that are successful. In fashion, for example, the strongest performers over the last decade were the fashion houses that revitalized their brands by bringing in a new generation of younger creative directors from different cultural backgrounds. Designers like Marc Jacobs at Louis Vuitton and the fallen-from-grace John Galliano allowed established house like Dior to become fashionable again by connecting them to new generations and cultures.

This kind of diversity, however, is still far from the norm. In our top CEO study, for example, we found that only 15% of the CEOs worked for companies based in a country that was not their country of origin. In fact, diversity is more often than not seen as a management problem. A 2010 Economist Intelligence Unit report on teams operating globally found that the single most common challenge reported by executives stems from the misunderstandings that arise due to cultural and language differences.

GenY's, who have grown up sharing knowledge and opinions online, are another obvious asset when it comes to collaborating. Yet, their independent, creative and cross-boundary approach to work is still all-too-often seen as a detriment. Starting with IBM's pioneering "innovation jam," leading companies including India's HCL are taking advantage of technology to harness Gen Y ideas and perspectives in ways that directly improve the bottom line. At HCL, employees throughout the organization join tech-enabled informal conversations around topics that are important to them and CEO Vineet Nayar reaches out personally, by writing a popular blog that allows him interaction with a broad cross-section of his employees. Salesforce.com's CEO, Marc Benioff, taking advantage of his own enterprise social network, Chatter, has used this approach to "blow up the hierarchy." Realizing that he and his top team were not fully involving their top individual contributors, the "Chatterati," as he baptized them, Benioff invited all 5,000 employees, to his last biannual three-day senior management offsite. Using video streaming, file posting and i-touch technology, all employees were able to participate and interact in real time with the senior executives present. A few hours into the event, recalls Benioff, "we had a huge community of all our employees collaborating in real time to define the future of the company."

### **Direct dynamic networks**

Not only is more and more work done collaboratively, high performing teams today look less and less like the small face-to-face groups on which our current models of leadership were built. They are increasingly large, fluid, geographically distributed, and cross-institutional, with members working on multiple, overlapping projects. A recent Economist survey of 407 executives found 78% participate in virtual teams of some sort. Fully one in three, however, said these teams were poorly managed.

Collaborative leaders don't just collaborate themselves, they enable others' team work by creating the right context for it to flourish and then directing the enterprise of collaboration. Cisco CEO John Chambers, a self-professed repentant command and control leader, for example, has transformed Cisco from a silo-focused company into a collaborative one. Boards and councils, which are essentially cross-functional groups consisting of 10-15 managers from different parts of the company, pursue new market opportunities, such as collaboration software, connected homes, and mobility, and managers are evaluated on how well they collaborate in these groups. This approach has allowed Cisco to go after over thirty business opportunities, something that would have been impossible to do within the old structure. But, it does not work for everyone: 15% of the top management team, those who did not adapt to the new way of working, left the company after it was adopted.

Arrangements like Cisco's are faster and more flexible than the old-fashioned matrix organizations that are the bane of many a manager's existence. Cisco's system, for example, allows leaders to shift resources quickly, to start a new board to pursue a specific opportunity or disband one when a prospect proves unpromising.

Dynamic collaboration networks that provide scale without inertia have long been the hallmark of creative industries. In film and theatre, for example, combinations and recombinations of producers, director, actors, light technicians, musicians, and so on come together and later disband. Research on creative industries shows that the most successful collaborations (whether in terms of patent citation, critical acclaim or financial return) are the product of teams that bring together a mix of experienced people and newcomers, and experienced people who have not collaborated before. But, left to their own devices, people tend to prefer to collaborate with others they have worked before with in the past. Nokia's tight-knit executive team, for example, had worked closely together for 13 years and failed to see the threat from smart phones. Today, core competencies depreciate faster than they used to and static groups can be deadly for innovation. Collaborative leaders play a key role in making sure that the network stays fresh via periodic infusions of new players.

Dynamic networks and virtual teams present a paradox of control. On the one hand, they exist because knowledge and expertise is distributed. On the other, precisely for that reason they require more centralized leadership and more explicitly defined roles and responsibilities than smaller, co-located teams. When teams are small, stable or collocated, they benefit from democratic or consensual styles because issues are more easily identified and negotiated on the spot. Globally dispersed teams, however, need clear goals and direction because building rapport and accountability is harder the more boundaries--geographic, functional, hierarchica--the team encompasses.

At Cisco, to make sure the boards and councils didn't become unwieldy, Chambers and his team invented a process called VSEM—vision, strategy, execution, and metrics. First, develop a vision: what does success look like in five years? Next, develop a strategy: how can we win in this market, and what are our

priorities? Then move to execution: who needs to do what over the next 12 to 18 months? Finally, assign metrics to hold people accountable for reaching goals. According to Ron Ricci, who is in charge of orchestrating this process, “one of the most important aspects of our VSEM process is that we have a shared vocabulary and understanding; that allows us to work better and faster.” CEO John Chambers, Ron Ricci, and a few other senior executives shape the context within which others collaborate. By creating boards and councils, setting incentives for collaboration, crafting the VSEM process, and making adjustments, they help the rest of organization collaborate without micro-managing the process.

In this new work environment, a leader’s role shifts from making interventions that create enduring, cohesive teams to creating conditions that enable rapid formation and dissolution of projects and networks. Re-aligning the flow of talent, information and decisions with the evolution of strategic goals, connecting internal clusters with new external knowledge sources, ensuring that no substantial coverage gaps exist with regard to the external network, and making sure the right voices are influencing a project’s trajectory have become the middle manager’s new work.

### **Foster a learning mindset**

It is not enough for collaborative leaders to spot collaborative opportunities, attract the best talent to them, and coordinate the work flexibly. When a company’s innovation ecosystem is dynamic, then the role of the leader is not just to connect and mobilize existing resources but also to build relationships that help all parties get better faster. This, in turn, means creating a climate and culture that values the shared benefits of collaboration. As more and more executives start seeing their long-term financial performance as inextricably connected to the well-being of their customers, the sustainability of natural resources vital to their businesses, the viability of their key suppliers, and the economic health of the communities in which they produce and sell, they are also finding that they can no longer rely on traditional control systems for evaluating decisions and monitoring performance.

Innovating through cross-sector partnerships, engaging suppliers, customers and consumers in the creation process, and meeting the needs of emerging markets, all depend on giving up some degree of control in the service of learning something new. When Danone embarked on a project with Grameen Bank to produce a low cost yoghurt, for example, the goal was to create nutritional goods adapted to local needs. Made from milk produced by local farmers and sold by a network of educated Grameen ladies, Shoktidoi, which means “power yogurt,” retails for 3–4 cents a yogurt. “We were not looking to make a profit, we want to learn,” says Danone CEO Franck Riboud, “Commodity prices are increasing. We need to find new business models, to reinvent distribution, packaging. We are ignorant. From this partnership in Bangladesh, we learned a way to reduce the cost of one of our recipes, and have put the new ingredients to use in other markets.”

As psychologist Carol Dweck finds, on any given task, people will be driven by either performance or learning goals. When what she calls “performance goals” dominate, people are motivated to show others that they have a valued attribute (e.g., intelligence, leadership) and they are looking to validate a self-image as someone who has this attribute. When people are driven by “learning goals,” by contrast, they are motivated to develop the valued attribute. Performance goals, she finds, induce people to favor tasks that will make them look good over tasks that will help them learn. By the same token, cultures driven primarily by short-term performance goals drown out learning through collaborative activities. To avoid this problem, Alessandro Carlucci, CEO of Brazil’s high growth Natura Cosmetics has imposed a rigorous “engagement process” consisting of individual and team development to ensure alignment around common values and eliminate power struggles. Since it was adopted, Natura has grown by XX%.

Even in a flat world, a learning mindset is set from the top. All too often, efforts to collaborate in the middle are sabotaged by political games and turf battles higher up in the organization. Depoliticizing senior management so that they are rewarded for collaborating rather than “pitching” their individual agendas is critical. HCL’s Vineet Nayar tackled this problem by adopting a three-sixty degree evaluation for his leadership team and setting the tone by posting the result of his own on the web. At Reckitt Benckiser, there is little tolerance for politics. Says Bech: “We go out of our way to make sure that politics get eradicated because I think it’s very bad for an organization. I think its poison, to be honest with you.”

### **Middle Management is not Dead**

Despite the oft-pronounced death of middle management, a collaborative way of working requires a great deal of direction, and not just from the top. Middle managers are needed more than ever before, but in a radically different way. They need to step out of their old roles moving information and orders up and down the hierarchy and embrace their new roles creating the conditions to enable people to learn faster by working together. They need to shift from being vertical to horizontal players—by connecting and seeing opportunities across formal boundaries, and by turning those opportunities to results through wide-spread collaboration.

This is a tall order. Managers who were raised in silos or achieved their success with “command and control” styles often have a difficult time leading collaboratively. They may see that position and formal authority are of little use when team members do not fall under their direct chain of command, yet they lack an alternative behavioral repertory. Our research, and the testimonials of well-known leaders who have shed the “command and control reflex” in favor of collaborative leadership, show that these practices can be learned and obtain exceptional results.

Management writers have declared that command and control leadership is dead, inadequate for the connected world in which we live and work. Many

executives can see that it is a new playbook when it comes to leadership, but they struggle to define just what it is. A well-established paradigm like “command and control” leadership, as history tells us, is only discredited when a viable alternative appears on the scene to take its place. Although still far from widespread, our research in top performing companies reveals that a new paradigm is indeed emerging. To define and solve today’s problems in the world, managers need to learn to collaborate rather than control.

## Sidebar: Collaborative Leadership is not Consensus

Collaborative leadership is one of those terms everyone uses and no one defines. We define it as attracting, involving and guiding people and groups outside one's formal control to accomplish common goals. Getting value from difference is at the heart of the collaborative leader's task.

This style of leadership differs radically from command and control and from a consensus style. When hierarchies prove too dictatorial or exclusive, manager may be tempted to turn to consensus leadership. But, today's typical collaborations tend to be so large and complex that there simply isn't enough time to work by consensus when so many people and so many interdependencies are involved. As our research indicates, consensus styles in complex collaborations can grind decisions down to a halt, an unviable option in a fast-paced world.

### *Differences Between Collaborative Leadership, Command & Control, and Consensus Styles of Leadership*

	Command & Control	Consensus Leadership	Collaborative Leadership
Organization structure	Hierarchy	Matrix or small group	Dispersed, cross-organizational network, matrix
Who has the relevant information? (who is involved in critical decisions)	Senior management	Formally designated members or representatives of the relevant geographies and disciplines	Employees at all levels and locations <b>and</b> a diversity of external stakeholders
Who makes final decisions?	Clear authority; Decisions taken at the top	Ambiguous authority; Decisions taken by consensus; all members have equal voice	Decisions distributed to those leading collaborations.
What is the basis for accountability & control?	Financial results against plan	Many, diverse KPIs, by function or geography	Shared goals.
Drawbacks & Uses	Works well within a defined hierarchy. Poor for complex organizations and when innovation is important.	Slow and time-consuming. Poor when speed is important.	Works well for diverse groups, cross-unit and cross-company work, and when innovation and creativity is important.

## **Sidebar: Our research on leadership**

Our research into new forms of collaborative leadership began ten years ago and has followed three streams.

Together, we studied the stock market performance of some two thousand CEOs of the largest public companies in the world over the past decade and in compared CEOs across the globe on their cumulative results over the length of their tenure (The Top Performing CEOs ...HBR, 2010). We have since worked with this ranking to select a few companies for a deeper dive, in an analysis that strives to find hard ways to measure “soft” leadership (HBR agenda, 2011). Collaborative leadership figures prominently in this ongoing analysis.

Our ideas about collaborative leadership are also informed by Morten Hansen’s 15 year, multi-study research on collaboration in organizations (*Collaboration*, HBS Press, 2009). Morten found that three behaviors define a collaborative leadership style: redefining success, involving others, being accountable. But, a collaborative style was not common (only 16% of the executives in his sample exhibited a collaborative style) and new forms of collaboration called for a more in-depth look at the roles, behaviors and mindsets of collaborative leaders.

Finally, our thoughts build on Herminia Ibarra’s ongoing research on the behavioral shifts managers must make in order to step up to bigger leadership roles and perform effectively in a connected world (*How Leaders Create and Use Networks*, HBR, 2007). Herminia finds that managers must develop a more strategic understanding of the world outside their immediate organization, work through far-reaching, externally focused and dynamic networks, and shift from issuing directives and driving performance to more collaborative styles of leadership that allow them to influence and guide those outside their direct control.

### **Sidebar: Taking your Collaborative Pulse**

- Do you attend conferences outside your professional specialty, for example TED?
- Are you part of a global network like YPO or the World Economic Forum?
- Do you write a regular blog or form part of a social media group?
- Does your network include people in their 20's (and not just your kids!)?
- Do you meet with peers outside your company on a regular basis?
- How diverse is your immediate team in terms of nationality? Gender? Age?
- Do you teach classes or speak on subjects of interest? Stay connected to your alma mater?
- How much time do you spend outside your home country?
- Have you visited your emerging markets this year?
- How many "task forces" or other time-limited projects are you member of or direct?
- How many parties outside your company (customers, suppliers, consumers, government officials, university contacts, etc.) did you meet with over the last month?
- Are you involved with a non-profit or NGO?
- Do you have a Google profile?
- What new skill or knowledge base has you and your team acquired this year?

Other possible sidebar:

### **Collaborative Leadership and social Media**

- a few pointers on how these leaders use social media.

Possible graph linking 4 factors:

