Different cultures are a good thing

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One of the reasons that organisations collaborate is that they are trying to benefit from their different skills, geographies, industries and resources. These are the very factors that drive corporate cultures, which will inevitably be different. For instance, one may be expert at people-based activities of product development or marketing, whilst the other might be highly-skilled in the resources-based activity of manufacturing or distribution.

If a collaboration is to be effective, each party must recognise and respect the different culture of the other. It must be seen as a source of value and no attempts should be made to dominate or compromise the other party because it could damage the value of the partnership.

"Different cultures are a good thing, because diversity drives innovation," says Roland Harwood, head of Connect at the National Endowment for Science, Technology & the Arts (Nesta). "If managed well, exposure to new ideas, new organisations and new disciplines stimulates more and better innovations. It should be encouraged, but you have to engineer and successfully manage the clash of cultures and the creative sparks that result from it."

However, the benefits of collaboration are not reflected in traditional management development, which is based on giving potential managers a team of people and a set of resources to control and success is rewarded with more people and more resources to control. By contrast, collaboration requires managers to achieve success through people and resources outside their control and for this they have had no preparation.

"People's natural instinct is to work as individuals, so you have to create a culture of collaboration," says Angela Barron, adviser on organisation and resourcing at the Chartered Institute of Personnel and Development (CIPD).

"Reward, career and talent management systems tend to recognise individual talents, rather than the capacity of the individual to share knowledge and collaborate."

Ms Barron advises organisations to make sure that their HR systems and processes recognise the need for collaboration. That way they will send out the right messages about the behaviour that is to be rewarded.

In a recent survey on political skills by the Chartered Management Institute, 58 per cent of respondents said that it is about building and managing alliances (only 31 per cent say it is about "protecting their turf") and 39 per cent said that reconciling differences was a critical skill. "There is recognition that building alliances is a really important skill and we need to be better," says Jo Causon, the Institute's director of marketing and corporate affairs.

"Making partnerships work" is a Mori research report published in February 2007 on behalf of Socia, a partnership consultancy. Nearly nine out of ten respondents said that collaborative partnerships are either very important or essential to the success of their organisation. When managers were asked to identify the most important factors in building successful partnerships, 59 per cent said having a common purpose and shared objectives, 49 per cent cited good personal relationships, trust, openness and honesty and 29 per cent identified a good understanding and acceptance of each other's culture.

"We do not train and develop our leaders to be able to collaborate," says Alex Cameron, director of Socia. "They have to share control and share power, which requires such key skills as influence, relationship-building and empathy. Consistently, respondents identified mutual understanding and cultural fit as being important to success in partnership, yet these are precisely the areas in which they would like more capability."

Mr Cameron suggests putting young managers in situations during their development where their success depends on working with other parts of the organisation or with other organisations. He also suggests more coaching and mentoring.

Clearly, collaboration is all about identifying, communicating and achieving a common shared objective. "You have to have an open mind, but be very clear what your agenda is, what you want to achieve and why," says Ms Causon.

"You must also understand what the potential partner wants and why. Then you can find areas where you might be able to work together with a common goal to your mutual benefit."

When asked for their advice to others involved in partnering, 59 per cent of the Socia research respondents said the cornerstone of successful partnering is the development of a good understanding between partners.

However, Lucy McGee, head of marketing at OPP, a business psychology consultancy, warns that the problems arise when the two organisations agree on the objective, but differ on how to get there. "Very often, conflict will come less from what you are trying to achieve and more from the way people approach the issue," she says. "Senior managers are sometimes the worst offenders, because they are the ones whose own style most impacts the culture."

She points out that it is very important that they understand their own style, so they can recognise the differences and be willing to negotiate. They must approach collaborative ventures with a degree of openness and honesty and be prepared to trade.

"They have to accept that they have something to learn from each other and must do things in different ways," she says. "They must be more appreciative, less intolerant and strip away some of the personality 'noise' that gets in the way. Real innovation and creative spark comes from the managed friction of the two different approaches, from which they derive their competitive strengths."

As part of this process, managers will want to split the risk and reward more or less equally. However, Mr Harwood points out that the parties may have different views on what constitutes risk or reward. A business might want to harness innovation from a university, for example, in order to minimise costs and maximise profits, whereas the university may be more interested in generating peer review articles.

Outsourcing is a collaborative relationship that has been largely successful for many years. Nigel Roxborough, research director of the National Outsourcing Association, advises rigorously adhering to a governance process. "It ensures that the key parts of the teams come together regularly and establish their objectives, discuss how they are doing in achieving them and take corrective action together," he says, "rather than dividing along party lines."

Mr Cameron warns that many governance procedures measure lagging indicators, which means that they know when things have already gone wrong. He recommends measuring collaboration with forward-looking indicators of conflict and dysfunction that will warn that objectives will not be met.

Some simple examples are reasons for missed deadlines, non-attendance at meetings and decisions overturned. "They are not hard to do and they get to the heart of the matter pretty quickly," he says.

There are many organisational issues to be faced in creating a collaborative culture. However, David Price-Stephens, director in the human capital consulting practice at Deloitte, the professional services firm, warns that culture is very difficult to replicate and incredibly hard to change. "It is not just a matter of publishing a set of espoused values," he says.

"Desired collaborative behaviours must be properly defined, communicated effectively to people, demonstrated consistently by leaders and role models and reinforced and embedded by performance management arrangements."

Kate Tojeiro, founder of Xfusion, an executive performance coaching firm, says that typical barriers to collaboration are turf battles, blame and finger pointing, inconsistent approaches to change, a lack of trust, resistance to change, a lack of accountability and even fatigue. "It is not enough for an employee just to read or hear about the change," she says, "they need to feel it. They must understand the importance of change and how it will be deeply rewarding for them."

There is much to do to create a collaborative culture, but it starts at the top. "The development of our managers is lagging behind the need," concludes Mr Cameron. "The business schools haven't woken up enough to the need for collaborative leadership."