

Removing barriers to social progress

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# Collaborative leadership in times of change

### An interconnected world

We live in an interconnected world. In many ways that's nothing new, it was 46 years ago in a letter from a Birmingham jail that Martin Luther King wrote: 'We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly'. But as leaders, employees or citizens the scale of our interdependence is ever more apparent, the connections are getting wider and the speed of impact ever quicker. In the UK we are increasingly binding central government, local authorities, private sector and 3rd sector organisations in multi-agency partnerships to tackle complex social care, education and health service problems. On the international stage, over the last 12 months the failure of attempts by individual nations to tackle the looming threat of recession has made clear the need for truly collaborative action by financial authorities. Biggest of all, all eyes will be on UN climate change conference in Copenhagen this December, where we are betting the future of the planet on the ability of politicians to work together across traditional boundaries to plot a joint course to reduce the threat of global warming.

The good news is that politicians and business leaders are starting to 'get' the imperative of collaborative working. In his first day in office President Obama published a memo which described the style of his new administration. Addressed to the 'Heads of all Executive Departments and Agencies' it stated that the Administration "will work together to ensure the public trust and establish a system of transparency, public participation, and collaboration. Openness will strengthen our democracy and promote efficiency and effectiveness in Government." It's quite a challenge – in some ways for Obama it builds on his successful nomination drive to reach out to many thousands of individual supporters via the internet, and it echoes the move towards employee engagement and partnership working that has been taking root in the private sector over the last few years – but its scale and the consequences for leaders in all sectors are enormous. These turbulent times call for a new style of leadership – a collaborative style. It's one which doesn't come naturally to most leaders who have been schooled in the old maxims of 'look after your own' and 'winner takes all', but it's our belief that the field of collaborative leadership already has many success stories that we can all learn from in these challenging times.

# Learning from success

In March 2008 in the middle of the 1st phase of the credit crunch turmoil, a San Francisco-based finance company raised \$17.9 billion by listing on the New York stock exchange. At the time it was the world's biggest IPO. That company was Visa – an entirely collaborative venture founded a quarter of a century earlier by visionary CEO Dee Hock. It's been called 'a corporation whose product is coordination' – a highly decentralised, largely self-organising group of member companies that both cooperate and compete under the Visa banner. All members issue their own credit cards and are free to price and market them in whatever way they wish. At the same time there's a high degree of cooperation – each member has to agree to accept any Visa card, regardless of issuer, and everyone participates in a central clearing house that handles transactions and customer billing. It's a formula that has proved remarkably successful.

Dee Hock describes his motivations in setting up the radical Visa structure back in 1970 'Command-and-control organizations were not only archaic and increasingly irrelevant,' says Hock. 'They were becoming a public menace, antithetical to the human spirit and destructive of the biosphere. I was convinced we were on the brink of an epidemic of institutional failure.' Instead, Hock decided that 'the organization had to be based on biological concepts to evolve, in effect, to invent and organize itself'. The proof of his success lies not just in the market support for the IPO but also in the fact that when Dee retired from VISA in 1984 the organisation continued without its founder and never missed a beat.

There are many great collaborative leaders out there. Take for example David Sterry, Chairman of May Gurney a highway construction and maintenance company that gets most of its fees from long term partnership contracts. The construction industry was – and to a large extent still is – traditional and un-progressive, relying on unforeseen extras to

inflate low-margin prices, and generating huge confrontation along the way. Opting for long-term partnerships changes all that.

"In reality I don't like confrontation," says Sterry. "It just got in the way of solving problems and I got very frustrated. It's a waste of effort bringing in the consultants and the lawyers. I'm looking for any way I can to avoid that." When he joined May Gurney, it was an opportunity to do something more constructive. "They were passionate about solving problems together, and working in teams with the client to build a better, safer product," he says. "Now I wouldn't like to work in any other way."

Or look at John Yard who is currently working as CIO at DEFRA and was CIO at the Inland Revenue when it decided to outsource all its IT services in a partnership deal with EDS. At the time it was the biggest deal of its kind in Europe. "Successful organisations are ones that can find ways to work across corporate boundaries," he says. But for him, partnership is more than a route to being successful. The real excitement lies in having to approach problems in completely new ways. "I like coming at things where the solution is counter-intuitive," says Yard. "If you're going to make partnerships work, you have to do things a bit differently."

Moira Wallace now Permanent Secretary at the Department of Energy and Climate Change learnt her first lessons of collaborative leadership when she was in charge of the Social Exclusion Unit (SEU) and later ran the Office of Criminal Justice Reform (OCJR). "The SEU could not have come up with solutions to the problems it was asked to look at without working in partnership — with those experiencing social exclusion, front line workers, and other Whitehall departments. And the Office of Criminal Justice reform was set up because it was only by working in partnership that the police, prosecutors, and courts could achieve the PSA targets set for them — to make justice more efficient and give the public a better service."

#### **Sharing control**

At its most basic, being a successful collaborative leader is about delivering results across boundaries. This inevitably involves sharing control, handling conflict, building long term relationships and creating value from difference. The philosophy of sharing control and finding adaptive solutions from the bottom up may seem to run counter to the received history of Western Capitalism with its focus on entrepreneurs and charismatic leaders but there are plenty of examples to learn from.

Through interviews we've conducted and from the results of research carried out for us by MORI in 2007 we've become clear that there is no one simple recipe to follow for a collaborative leader. The fact that we live in an interconnected world makes the task of leadership a complex one. However we have see a number of common attributes in the successful collaborative leaders that we have worked with over the years and these can easily form the basis of an assessment of collaborative leadership capability.

#### Six attributes of collaborative leadership

Patience: The terrain will change, but collaborative leaders are patient with their partners and with themselves. Your direction may be clear, but you will need a flexible approach to getting there and accept that this will take time.

**Collective decision making**: Decisions made by leaders in isolation and enforced by hierarchical power aren't sustainable in today's world. Inclusive decision making informed by bottom up data is key.

**Quick thinking**: You need to be able to see both opportunities and risks before others do, and act in response to them. This requires a quick intellect, and the confidence and courage to implement new ideas whilst taking people with you.

**Tenacity**: The world we describe isn't a stable one. Governments come and go; dramatic events happen, you cannot produce a detailed plan of action and expect to see it through step by step. Successful collaborative leaders are tenacious in the pursuit of results that deliver the overall common purpose.

**Building relationships**: Collaborative leaders go out to find future partners, identify sponsors, make new alliances – and are prepared to do all this in unexpected places. They invest energy in doing this sort of networking activity ahead of time, so they can call on these relationships when the pressure is on.

**Handling conflict**: Interdependent relationships are multi-layered and always contain seeds of possible conflict. Collaborative leaders don't see conflict as a mark of failure – rather it is part of the territory, and they are confident in holding the difficult but necessary conversations that help to bring about a resolution.

These 6 attributes may not be the familiar leadership competences taught at many business schools but it is our belief that they underpin success in today's collaborative world.

### Collaborative leadership and social change

In his nomination acceptance speech Barack Obama said: "we cannot meet 21st-century challenges with a 20th-century bureaucracy." And during his campaign, he frequently spoke of the need for a new collaborative model of government that is transparent and responsive enough to bring the electorates' ideas directly into the change process. Traditionally, politicians and civil servants talk about their capacity to deliver programmes in terms of the money in their budget and the staff under their direct control. While you can't deliver social change programmes without proper funding and dedicated programme teams, a new model is emerging. A model which sees the world as a complex system in which a leader's role is to create the right environment to enables many interconnected groups to engage in the process of social change, an environment in which these groups understand where they can act independently and where they must follow standards and synchronise their actions with others, and ultimately an environment which encourages the emergence of creative and sustainable solutions to some of the biggest problems of the

We believe that people who work on developing the six attributes discussed above will be the best placed to support this process of social change and to thrive as collaborative leaders in this interconnected world. So it's time that we promoted those individuals who demonstrate the attributes of a more collaborative approach to leadership. Even more, we need to change our leadership development priorities and start to reward the tenacious, patient leaders who are confident enough to share control with others and, in doing so, deliver real change in an interconnected world.

David Archer and Alex Cameron are Fellows of the RSA and Directors of Socia, a specialist partnership consultancy. They are authors of the book Collaborative Leadership: How to succeed in an interconnected world (published by Butterworth Heinemann 2009)

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patrick rea - 31 Mar 2009 6:43pm

Subject: Time for G20 leadership

With the G20 in London tomorrow, collaborative leadership is such an important and topical issue. How our world leaders now choose to cooperate - at the G20 and thereafter - will be a major determinant of the length and depth of the downturn. The media - and the markets - seize on every remark by world leaders, as a key indication of their willingness and ability to collaborate with each other and the heads of major financial institutions for the common good. One can only hope that Barack Obama, Gordon Brown, Angela Merkel, Nicolas Sarkozy and the other leaders at least read David Archer and Alex Cameron's 6 attributes...









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