

The essentials of collaboration

Episode 3: Cultural differences and collaboration

Collaborative business relationships are complex and challenging for all parties involved. Episode 1 of this Essentials of Collaboration series introduced the concept of the collaboration spectrum as a tool to help analyse the type of collaborative relationship best suited to the business requirement. In episode 2 we described the importance of using an appropriate balance of three foundations: Governance, Operations and Behaviours to make a collaboration effective. However, individuals often find building collaborative relationships in business frustrating, and they regularly put this frustration down to difficulties with differences in 'culture'. This episode focuses on how to better understand the cultural differences between organisations and introduces the Organisation Partnering Index. This is a tool for measuring culture and, in doing so, helping to build understanding between the parties in a collaborative relationship.

They just don't understand us

Cultural mismatches cause big problems and their impact on business relationships can be felt for years. So finding ways of describing organisational culture and taking some of the stereotypes, and the emotional baggage out of the debate is an important collaborative activity. And it's not just perceptions of national culture at the root of these issues. The debate about public private partnerships often starts from polarised impressions of the cultural differences between a tough, profit-driven private sector and a bureaucratic, rule-bound public sector. One look at the press reporting of healthcare reform in the UK highlights the cultural difficulties the NHS faces in working with profit-making enterprises. Meanwhile in the US a guidebook for Public Private Partnerships published by the Department of Transportation warns that cultural differences between public and private agencies are one of the major impediments to successful implementation.¹

It might be tempting to think that you can isolate yourself from all this difficulty by just finding people to work with who think and act like you - but communities of like-minded organisations are the exception in the business environment. Working across cultural difference is an inevitable reality. If all the parties in a new

¹ *User Guidebook on Implementing Public-Private Partnerships for Transportation Infrastructure Projects in the United States* - US Department of Transportation - July 2007

relationship can start by being really clear about why they are going into it, and what they want to gain from working with the others involved, you stand a much better chance of working positively with cultural differences and using them as means of achieving your aims rather than just being frustrated by them.

Getting to grips with organisational culture

Most organisations say they assess the culture of potential business partners mainly on ‘personal chemistry’. By this they often mean a gut-feel for something they cannot really describe or articulate. And while this is undoubtedly important, it doesn’t get to the heart of understanding culture or being able to use that understanding systematically to make a new collaborative relationship work.

In fact, organisational culture is notoriously difficult to pin down. We need a way of describing in detail what makes Apple’s culture so different from Microsoft’s, and why NHS managers are so wary of working with a private healthcare provider. The range of different organisational cultures is clearly vast but in simple terms it all comes down to people and the assumptions they make about how to communicate, take decisions, and get things done. And this means there are many similarities and analogies that can be drawn between organisational culture and the well-researched field of personality type and personal working style preferences based on psychometrics like the Myers Briggs Type Indicator (MBTI)®.

William Bridges and the concept of organisational character

William Bridges pioneered the use of personality type instruments as applied to organisations rather than individuals back in the 1990s. In his ground-breaking book, *The Character of Organisations*², he proposed that organisations differed in character and preferred ways of working in the same way that people do. Basing his work on the Myers-Briggs Type Indicator® (MBTI), he developed a way of analysing and articulating culture which he preferred to call ‘organisational character’.³

Bridges talks about the way in which differences in organisational character will shape the way in which people who work there will experience the world and interpret the actions of their business partners. “to an organisation of a certain character the world is a mass of detail and dealing with it successfully means having everything in its place and being error-free. But to an organisation of a different character, the world

² *The Character of Organisations*: - William Bridges - Davies Black Publishing - 2000

³ The Myers-Briggs Type Indicator® was developed in the early 1940s by Katharine Cook Briggs and her daughter Isabel Briggs Myers. Based on Jungian archetypes, it is widely used for personal and team development in business settings.

is a vast design of great forces, and dealing successfully with it means picking up early warning signs when those forces are beginning to shift.”⁴

Whether individuals are familiar with MBTI terminology or not, the concept of organisational character and the precise way in which each type is described provide a sound foundation for exploring the issues that arise when different organisations have to work together.

The organisational partnering indicator (OPI)

When it comes to working with others - in a partnership, joint venture, or following a merger or acquisition - those involved don't just need to understand their own culture, they need a tool to help describe the culture of their partner in an objective way. Whilst you can't tie down another organisational culture fully, (there will always be something unexpected - just as an old friend or partner will sometimes surprise you by acting out of character - particularly when they are under stress), you can go a long way towards understanding the distinctions between organisational types and their preferred ways of working.

The model we use at Socia for analysing organisational cultures and subcultures owes much to the work of William Bridges described above. The reason we've used Bridges' work is that it is well established and it links closely to the widely used MBTI personality profiles that many organisations will be familiar with from coaching or team development work.

We've built on Bridges' thinking so that not only can we describe the character of an individual organisation or function, but we also identify its collaboration style and indicate how other groups might experience working with it. The resulting tool - the Organisational Partnering Indicator (OPI) - helps predict the challenges when different types of organisations have to work together, and gives them the knowledge to start addressing those challenges effectively.

The OPI uses terminology from the Myers-Briggs Type Indicator®, which describes an individual's personality preferences on four dimensions:

- Where, primarily, do you direct your energy?
Introvert (I) - Extrovert (E)
- How do you prefer to process information?
Sensing (S) - iNtuition (N)
- How do you prefer to make decisions?
Thinking (T) - Feeling (F)
- How do you prefer to organise your life?
Judging (J) - Perceiving (P)

⁴ *The Character of Organisations*: ibid

It then applies the same concepts and language to the culture of an organisation, analysing the way culture is expressed in terms of an organisation’s process, ways of working and habits. The result of this analysis goes way beyond vague feelings of ‘chemistry’, giving a detailed picture of what makes an organisation tick - and importantly, how it’s likely to collaborate with organisations with a different culture.

The following four tables give an indication of the characteristics of each dimension used in the OPI.

Where does the organisation direct its energy? Introvert (I) - Extrovert (E)

The first dimension of the OPI explores whether the organisation looks outwards towards its customers, stakeholders and regulators (Extrovert) or inwards towards its own systems, leaders and culture (Introvert).

Table 5.1 - Characteristics of Extroverted - Introverted organisations

Extroverted organisations	Introverted organisations
Have open boundaries and are open to influence from external bodies	Have closed boundaries and are not often open to influence
Act quickly in response to changing situations	Respond to changing situations only after some consideration
Tend to put trust in spoken face-to-face communication	Tend to put trust in written communication
Ask others for guidance and new ideas, and seek assistance when in trouble	Believe that the best guidance comes from within the organisation and close ranks when in trouble
Have an approach to new opportunities dictated by their reading of future trends in the market.	Have an approach to new opportunities dictated by their own values, capabilities and resources.

So for example when it comes to investing for the development of a new product an extroverted organisation would naturally turn outwards and do lots of market research, talking to its customers (and its suppliers) to get ideas. Whereas an introverted organisation would characteristically invest in its own R&D capacity - prizing knowledge that was generated internally and only going out to the market to test the concepts later - if at all.

What information does the organisation pay attention to? Sensing (S) - iNtuition (N)

This dimension looks at whether the organisation pays most attention to details and facts (Sensing) or to future trends and the ‘big picture’ (iNtuition).

Table 5.2 - Characteristics of Sensing - Intuitive organisations

Sensing organisations	Intuitive organisations
Are at their best with specific detail	Are at their best with the big picture
Record and analyse large amounts of data	Quickly spot emerging trends and implications in data
Aim to build solid routines and prefer incremental change	Tend to be a little careless about routines and prefer transformational change
See the future as an extension of the current situation	Believe that the future can be created afresh
Like their partners to operate precisely and to keep to procedures.	Like their partners to be creative and respond quickly to new demands.

In many ways you can think of and describe the culture of a discrete function in the same way you describe the culture of an organisation. For example a typical finance or internal audit function would have a culture and working style that preferred sensing - paying attention to the details of the current situation (and the evidence from the past). Whereas a marketing function would typically be organised to look to the future and make intuitive leaps to spot new trends or create new fashions - before the competition. Often the culture of an organisation as whole is determined by how these inevitable internal differences are resolved and which sub-culture dominates.

How does the organisation take decisions? Thinking (T) - Feeling (F)

The third dimension looks at how the organisation makes its decisions: either mainly by impersonal logic based on clear principles (Thinking), or more personally, based mainly on its values and beliefs (Feeling).

Table 5.3 - Characteristics of Thinking - Feeling organisations

Thinking organisations	Feeling organisations
Make decisions based on policies and principles	Make decisions based on values and beliefs
Think in terms of rules and exceptions	Think in terms of particular human situations

Encourage partners to live up to expectations	Encourage partners to do their best
Trust solutions that appear logical and financially sound	Trust solutions that appear to fit with the organisation's beliefs
Believe that criticism leads to greater efficiency.	Believe that support leads to greater effectiveness.

You might expect to find that the world of work is largely a Thinking one and that a T culture will dominate business life. And whilst it is true that Thinking and rule-based decision-making is the norm in most areas of business it is not exclusively so. Many organisations that have grown out of family run businesses or who have a charismatic Chief Executive have a preference for making decisions based on beliefs or convictions. The same is true for many start-ups with a culture of shared beliefs that could best be described as 'to work here you've just got to get it - or you've got to get out'

How does the organisation plan and structure its work? Judging (J) - Perceiving (P)

The last element of the OPI model focuses on whether the organisation prefers to make plans and close down decisions (Judging) or to keep its options open for as long as possible (Perceiving).

Table 5.4 - Characteristics of Judging - Perceiving organisations

Judging organisations	Perceiving organisations
Drive towards decisions and quickly lock into them	Keep options open and seek more information
Are often moralistic - see fairness and justice as cornerstones of their culture	Are loose and fairly tolerant - often see personal freedom as a cornerstone of their culture
Never like to sit on the fence	Never like to miss an opportunity
Value others who deliver to the plan and give no surprises	Value others who think on their feet and take the relationship in new directions
See the creation of a stable plan and clear instructions as the basis for high performance.	See the gathering of good market intelligence and flexible responsive processes as the basis of high performance.

The nature of the external business a company is engaged in has a big influence on this aspect of culture. If you work for the government department that manages the courts, you live in an external world that is totally geared towards reaching clear decisions - a very Judging world. But does that mean you have to organise all your

internal processes and the way you manage your own staff on that same basis? By contrast the people who work in a hospital with a large Accident & Emergency department will always need to be able to keep options open and react well to sudden events. But again managers within that hospital have to decide whether creating a Perceiving culture is the best way of improving efficiency and quality of routine patient care.

How to use the profiles

An analysis of these 4 dimensions gives a 4 letter code (such as ESTJ or INTP) which characterises the culture of the organisation. There are 16 different possible combinations and each has its own organisational profile. If you would like to see an example of some OPI profiles, then get in touch with us at Socia info@socia.co.uk

Understanding your own organisational profile and those of others sheds remarkable light on the frustrations within a business relationship. It also allows you to use cultural difference effectively by tailoring your approach towards partners of a different type and taking their preferences into account.

To illustrate the profiles in action, consider an example of three different organisational types in partnership together. A large engineering and project management consultancy is in a long-term contract with a government department to deliver a major infrastructure project. In addition a small hi-tech start-up company is supplying some innovative touch-screen technology as a key part of the overall contract.

However, things are beginning to go wrong. Decisions get reversed and ideas blocked, the right people aren't consulted at the right time, and there's no evidence yet that the pilot system is going to work. A team-building day has had no effect. Finally, the partnership assesses each partner's organisational type using the OPI. This throws up some interesting results.

The engineering consultancy has the profile ISTJ - introvert, sensing, thinking, judging. Its people are focused on implementation and want the partnership to deliver tangible results. They're also good at rules and procedures, and at putting the right governance in place. As partners, they need to be given time to digest ideas and come back with an analysis of the challenges. But they're pretty demanding. They want evidence and precision. And if someone makes a commitment, they expect it to be delivered in full.

The government department is ESTP - extrovert, sensing, thinking, perceiving. They're single-minded and task-oriented. They like to take charge when time is critical, and they're good at unblocking bottlenecks. They'll get involved in the detail of their partners' work, but want partners to communicate concisely and stick to the point. However, long-term planning doesn't come naturally to them and they're likely to spring some surprises on their partners as ministerial priorities change.

Finally, the hi-tech start-up is INFP - introvert, intuitive, feeling, perceiving. They're passionate about what they do, though not always articulate about it. They hate bureaucracy, and sometimes rebel against it. But they're happy to be flexible and to share knowledge and expertise in the pursuit of shared goals. As partners, they need to be given freedom to get on with what they do best, and to question the beliefs and values of their partners. Tying them down to processes too early is a big mistake - they'll react against it. Probably the best way to get to know them is to spend some social time with them - they don't believe life is all about work.

Understanding each other's culture is a vital first step to tackling some of the clashes that characterise this sort of three way relationship. Once each partner understands a bit more about the others, they can start accommodating their preferences far more than they have in the past. So for examples, they could choose to start holding forward looking 'pathfinder meetings' where the government department can talk about a range of possible future requirements without having to commit anything to paper. The hi-tech start-up can respond to these with creative ideas of its own, just flying a few kites at this stage but starting to explore what this could mean. Meanwhile the consultancy can take note of possible implications for their core infrastructure and take away the ideas with the biggest potential to do some behind the scenes work on the practical issues that would have to be overcome if they were to be taken forward.

As the 3 partners get used to each other and are able to work with the different cultures rather than fight against them. They can start to use some of the other collaboration tools to help them jointly analyse where the priorities may lie. The collaboration spectrum will help to identify the key points of interdependence in their relationship, and the 3 legged stool of Governance, Operations and Behaviours will help the individuals to focus their efforts in the most critical areas. There's a long way to go. But having these conversations and noticing when and where different cultural preferences make things uncomfortable for some of the partners, or just get in the way of an open discussion, is a stronger basis for effective collaboration.

Although organisational type tends to be deeply ingrained, it is not immutable. Organisations change over time. A start-up will gradually settle down into a more process-driven organisation, and over time, a process-driven organisation can ossify into a slow-moving bureaucracy. Even a change of CEO can herald a new culture.

Avoiding the lure of community

Of course, any relationship is likely to run more smoothly if you share similar values and interests with those you are working with. The temptation can therefore be to avoid the challenges of cultural difference by seeking out others who are like you in some way or other. Nowhere is this more obvious than in the growth of on-line

communities. In the vast expanse of the internet it's quite easy to find people with similar interests and values to work on joint projects together. Sociologist Richard Sennett⁵ describes these as "islands of similarity in a sea of diversity". Much has been written about various forms of on-line collaboration, with volunteers working together to; create software (such as LINUX), write all sorts of expert reference works and encyclopaedias (like Wikipedia), or even search for extra-terrestrial intelligence (SETI@Home).

The effort involved in creating these on-line communities of interest, whilst important, isn't the same as the collaborative challenges discussed in this series. On-line communities are defined by their very similarity and there is little need for interaction with others who perhaps would come from different viewpoints to achieve their purpose. The real work of collaboration is about bringing together different organisations with distinct and different cultures - and getting results and generating value across that divide.

The same holds when faced with selecting organisations to work with in a long term partnership contract. It can be tempting to be drawn to the comfort of working with 'people like us' but is that where the real benefit will come from? In situations that require innovation or the transformation of a business similarity of organisational culture may actually be a barrier to progress.

Getting value from difference

Some successful business partnerships are nevertheless formed because there's a natural fit between the players. And as Rosabeth Moss Kanter has shown, some leaders use highly romantic language about their partners - 'love at first sight' or 'the company of our dreams'.⁶

'Business pairings aren't entirely cold-blooded', writes Kanter. 'Indeed successful company relationships nearly always depend on the creation and maintenance of a comfortable personal relationship between the senior executives.'

However, love at first sight is far from a universal experience in business partnerships. In fact, some are forced marriages where partners have to learn to make the best of it. Most of these are formed precisely because the partners have different things to offer, and hope that by pooling skills and expertise they will create new value that neither could produce on their own.

The truth is that organisational difference can be fruitful in all sorts of ways if you can harness it. It's well worth getting over the initial difficulties that cultural diversity causes in order to understand each other's working style and point of view. Difference in culture can be the grit in the oyster of a collaborative relationship -

⁵ Together: The Rituals, Pleasures and Politics of Co-operation – Richard Sennett - Allen Lane 2012

⁶ 'Collaborative Advantage', by Rosabeth Moss Kanter - *Harvard Business Review* - July-August 1994

leaders who can work with that sort of difference properly can use it to generate a pearl of great creative value.

Three common reactions to difference:

Few organisations know how to value and nurture cultural difference. In fact we see many leaders of multi-party relationships in denial busily pretending the differences aren't there at all. Partners forge on, bravely ignoring the festering resentments springing up at every level, and blind to the need to adapt.

Another reaction is to recognise the difference in cultures, but do nothing to tackle them. Partners shrug their shoulders, shake their heads, and get on with things as separately as possible. In some cases they just walk away. In others, where a contract forces them to stay, the partnership may become completely dysfunctional at enormous cost to all concerned.

Finally, many organisations seek to stamp out difference altogether in the belief that conformity will make things easier to manage. One way is to make everything as transactional as possible to squeeze out any room for frustration. But reducing everything to process and contract, saps morale, and certainly destroys initiative and innovation.

Culture clashes can be extremely damaging to a business relationship. But if you try to deny, ignore, or obliterate differences, you risk ruining what brought you together in the first place. Instead you have to face them - and learn to use them effectively.

When cultures collide

For many business relationships, the differences between cultures are not immediately visible, and the effort to understand is correspondingly low but the consequences can be business critical.

Differences in values can be hidden under the surface and be difficult to spot in a new relationship when all parties are being polite to each other. Often it's the seemingly small things that grow to become major stumbling blocks. For each side they can acquire symbolic status and get talked about again and again as proof that the other partner is 'not like us'.

Making decisions at different rates can also cause serious misunderstandings and frustrations. This is often a complaint made by smaller, nimbler businesses working with larger public sector organisations.

Often a difference in culture can show up as a difference in communication style. An organisation that is used to working by informal channels and expecting important messages to cross the company on the grapevine, for example, many have real difficulties in working with a partner that is used to minuting its meetings formally and keeping an audit trail of all communication. This difference in

communication style is another example that often surfaces as an issue in public private partnership deals.

Leadership style is generally a strong indicator of organisational culture, so when leaders approach things from very different perspectives regarding what good leadership looks like, cultural clashes are likely to follow further down their organisations.

Summary

In making a collaboration work, understanding culture trumps everything

Effective collaboration doesn't mean being blind to your partner's differences nor does it mean trying to change your partner into a clone of yourself. But it does demand a great deal of time and effort to understand an organisational culture different from your own and to learn where the opportunities and risks may lie when you put two or more different cultures together.

If you are really clear about why you are going into a new relationship and what you want to gain from working with the other party from the outset, you stand a much better chance of working with the cultural differences to achieve your aims rather than just being frustrated by them.

The Organisational Partnering Indicator (OPI) is a tool we have developed for describing organisational culture using the language of Myers Briggs (MBTI). Using an analysis tool like this can help people to discuss cultural differences in precise and non-emotive language. And cultural analysis tools provide a way of easing some of the uncomfortable surprises of working with a new organisation by being able to predict how each party is likely to respond in a given situation.

Cultural difference can be the grit in the oyster of a collaborative relationship - understand it and use it properly and it can turn into a pearl.

We all know that there are risks inherent in forming any business relationship - and there are usually plenty of observers (shareholders or politicians) ready to criticise any failures. But it's important to understand and manage the specific risks inherent in a collaborative business arrangement. In the final episode of this series: Clarifying risk and measuring progress in collaboration, we'll be looking at these relationship risks and how to measure progress.