

Collaborating for HIGH PERFORMANCE

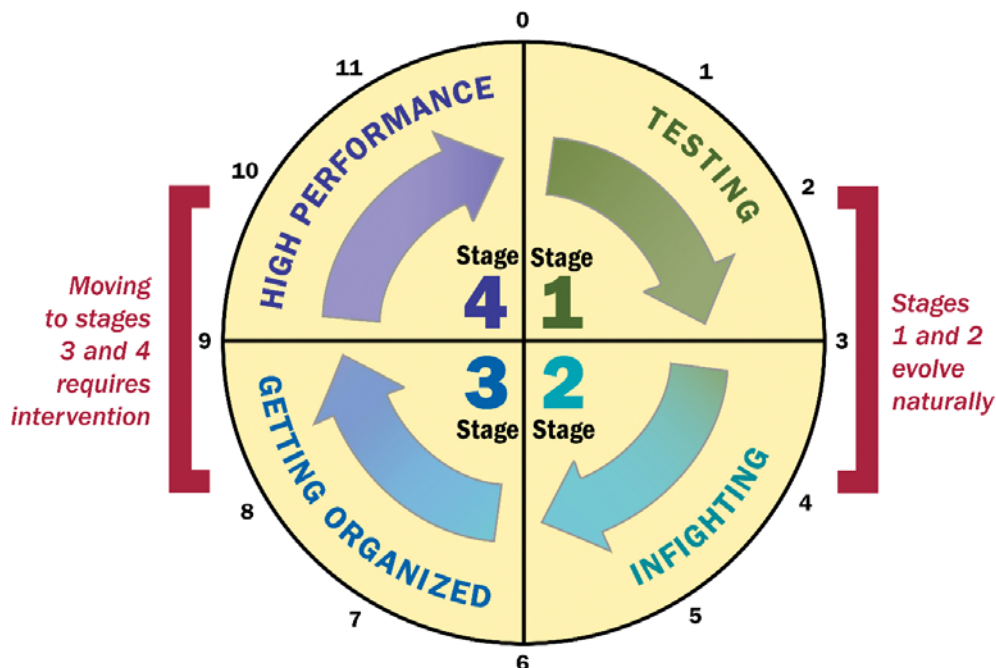
BY HOWARD M. GUTTMAN

“Build a culture of trust and innovation. Collaborate.”

That’s the advice splashed on the cover of *Harvard Business Review’s* July-August 2011 issue, devoted to the subject of collaboration. *HBR’s* decision to spotlight this topic underscores an important truth: While collaboration has always been an important component of success, in the 21st century it has become a “must have.” Gone forever are the days when organizations could be run effectively using the hierarchical, command-and-control model, with its clear leader-follower distinction and concentration of power at the top.

The advent of globalization, the growth of information technology, new forms and intensity of competition, and pressure for rapid innovation have all combined to require a new organizational model: one with fewer layers, where decisions can be made faster and by those closest to the action, and in which functional silos have been replaced by cross-functional, collaborative teams at every level. In the past decade, more and more companies have recognized the value of moving to this new horizontal model.

FIGURE 1: The Team Development Wheel depicts the four stages through which teams move on their way to high performance.



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In the horizontal organization, most business results are achieved by teams. Yet, as *HBR* points out, “Though they talk about team building, most organizations pay too much attention to individual achievement.” How can organizations move past collaboration in the abstract to make it a reality—and one that leads to better business results?

In my experience, the most effective way to create a truly collaborative organization is to create high-performance teams on every level.

TEAMING FOR SUCCESS

Collaboration is one of the hallmarks of a high-performance team. On such teams, the old leader-follower paradigm has been replaced by a radical new notion: Every member is a leader in his or her own right, and everyone is equally accountable for the success of the business. One executive with whom we work likens the mindset to that of the individuals on an athletic team: When the team wins, everyone wins; when it loses, everyone shares in the loss. It’s a good analogy. Another, from business rather than sports, is equally apt: The members of great teams think like members of a board of directors. They keep their eye on the overarching goal: the results the company needs to achieve to stay on top of the competition. And, knowing that time is money, they put a premium on swift, effective action. They are committed to maximizing ROI with every decision.

Company directors are focused on overall business results rather than being emotionally invested in any single business unit or function. So too are members of high-performance teams: They have learned to rebalance their attachment to the specific function they represent. They are team members first and functional representatives second. They don’t show up looking for the biggest handout at feeding time—aka the annual budget cycle—unless a solid business case can be made for doing so. They contribute their technical expertise across functions when it’s needed. And they don’t hesitate to weigh in on the performance of other functions when they sense problems.

ALIGNING FOR HIGH PERFORMANCE

The first step in creating a high-performance team is aligning it in five key areas. When a team is clear about and committed to a *common direction*, when it focuses on *business deliverables*, or goals, that evolve from that direction, when it is clear about each member’s *roles* and *responsibilities*, when *protocols* for decision making and interpersonal behavior are in place, and when *business relationships* are open and honest, then it acquires new performance muscle and the will to win. Its members also begin to collaborate in a way they have never done before.

KEY ALIGNMENT AREAS

That is what happened when Paul Michaels became president of Mars Incorporated in 2004. Michaels knew that the company needed to achieve far greater growth and financial return. But he faced internal organizational challenges every bit as daunting as those he faced in the marketplace. The top team at Mars was siloed and replete with unspoken agendas. Members didn’t see the benefit of working as a team; they were only concerned with the success of their own regions. There was some infighting, but mostly people just left one another alone.

Michaels believed that moving to the horizontal, high-performance team model represented the best bet for the future. “Mars has five guiding principles,” he explains, “one of which is efficiency, and high-performing teams are by far the most efficient way of operating. Without going

through the process of creating high-performing teams, you may eventually get the same results, but it will take much longer, and you will make a lot of mistakes along the way. By using this process, teams quickly begin having authentic conversations, in real time: dealing with issues and not dancing around them. You see the impact quickly; people either step up or opt out. It becomes very evident where your issues are, who your players are, what you need to do to change the shape of the business. This model can speed up progress in these areas by years.”

In their first alignment session, Michaels and his team spent two intensive days in heated discussions about what they needed to accomplish, who was responsible for what, and who had the authority to make which decisions. They called one another out on unacceptable interpersonal behavior: failure to share information, lack of follow-through, riding roughshod over others, unilateral decision making, backbiting, and subterfuge. Michaels made it clear that he expected to be treated like every other member of the team. He wanted direct feedback and insisted on being held accountable for commitments and results. By the end of the two days, Michaels’ team was on its way to becoming great.

Michaels believes that, as painful as some of the encounters were, the alignment served to quickly enroll the team in his vision. Some managers immediately went back and aligned their own teams after the top team was aligned; others were more reticent but eventually saw the value of replicating the team model within their operations. A few people opted out: They were not equipped to play in the new environment.

FIGURE 2: Key Alignment Areas



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CASCADING THE HIGH-PERFORMANCE MODEL

As Mars, Inc. learned, there is no better way to spread through the organization the increased efficiency and collaboration achieved by aligning a senior team than by holding what we call multi-tier alignments. Redken USA is another organization that has had great success as a result of this extension of the high-performance model.

Pat Parenty led Redken for 10 years and is currently president, brands, for L’Oréal’s Professional Products Division. According to Parenty, when L’Oréal bought Redken USA in 1993, the brand had slipped from number one in haircolor sales to number three or four. L’Oréal brought in a new management team, made up of a senior vice president and a number of vice presidents. Aimed at reviving Redken’s fortunes, the raft of initiatives they came up with—from advertising strategies to communication vehicles to new product development—went nowhere. What defeated the team, perhaps more than anything else, was the conflict among its members. Parent points out, “You can’t get the work done if you are dealing with infighting all the time.”

Four years later, despite the flurry of effort, not much had changed in terms of Redken's overall market position and bottom line. In 1997, Redken's top team had had enough. It decided to make a radical shift to the high-performance model.

Immediately after the alignment session, things changed. As roles and responsibilities were clarified, it became obvious that much of the decision-making power resided with the SVP. The issue was quickly addressed. Candid feedback to the SVP, once frowned upon, now flowed. When the SVP retired, Parenty took over the reins, and the team continued its move toward high performance. Results were so impressive that Parenty and his team decided to align with the second tier: the company's 25 directors. The senior team carefully laid the groundwork, explaining the model and role-modeling high-performance behavior.

In what we call a multi-tier alignment, the two teams were aligned around the same five key factors. Over the next several months, the directors were provided with the critical leadership, conflict management, and influencing skills required for them to play at the new, high-performance levels. As a result, the senior team and the directors began to work together more seamlessly. Collaboration improved. Respective roles and responsibilities were clarified, which led to rooting out overlaps and redundancies. Underground behavior became a thing of the past. Decisions between the two tiers were made faster and more effectively.

Next up were the 100 or so managers who reported to the directors, and once they were aligned the process was repeated until all managers and field personnel were aligned. As new employees come on board, there is a structured process designed to increase the likelihood that they will be enthusiastic adopters from day one.

Did the transformation to an organization of horizontal, high-performance teams improve the way people work together—and the results they achieve? You be the judge. By 2007, Redken had achieved 10 years of double-digit sales and profit growth—a record no other hair care company has matched in the last decade.

CONCLUSION

When all is said and done, the results that organizations achieve depend on how well their people work together. The horizontal, high-performance model provides a context in which everyone works together—leads, owns, questions, challenges, creates, solves problems, makes decisions, plans—as a seamless, goal-driven entity. It is the best way I know to create a collaborative enterprise that also delivers results everyone can be proud of. *MW*

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