

THE CULTURE SHIFT

Navigating Change In
the New Business Model

By Katie B. Smith
Master Certified Coach (MCC)





TABLE OF CONTENTS

PAGE 3

THE TRADITIONAL
MODEL: COMPETITION

PAGE 4

COOPERATION

PAGE 4

COLLABORATION

PAGE 5

HOW COLLABORATIVE
ARE YOU?

PAGE 6

NAVIGATING CHANGE

PAGE 7

CASE STUDY #1

PAGE 7

CASE STUDY #2

PAGE 8

CASE STUDY #3

PAGE 9

ABOUT THE AUTHOR

THE CULTURE SHIFT

By Katie B. Smith

Business demands of the 21st century are creating new habits and new systems to meet those demands. Because of this, it is important to know the appropriate contexts for competitive, cooperative, and collaborative culture. Traditional organizations get results from people. In collaborative organizations, people work with each other to achieve the results. How can you get from where you are now to creating a thriving collaborative culture? Let's explore each of these models and first determine where you are.

The Traditional Model: Competition

The traditional top-down model of leadership is no longer effective. Economic forces are demanding we shift to collaborate at an individual, organizational and global level. With the information age upon us, it is no longer feasible for any one person to contain all the knowledge they need to do their job effectively. Daniel Goleman, author of *Working with Emotional Intelligence*, reports on a study of knowledge management conducted by researcher Robert Kelly of Carnegie-Mellon University.

Kelly surveyed workers across industries, asking "What percentage of the knowledge you need to do your job is stored in your own mind?" In 1986, workers responded that they independently stored about 75 percent of the required knowledge for their jobs. By 1997 that percentage had slid to between 15 and 20 percent, and the percentage continues to decrease.



More knowledge was generated in the twentieth century than in all of history before and the rate of information generation continues to increase. As we become a more information-based society, it will be vitally important for people to connect in order to get the results they need.

Because there is more information than any one person can keep up with and the speed of business is demanding we make effective decisions quickly, we are forced to eliminate "silos" - an attitude found in some organizations that occurs when several departments or groups do not want to share information or knowledge with other individuals in the same company. A silo mentality reduces efficiency and can be a contributing factor to a failing corporate culture. Therefore, we must create new habits to support a more collaborative mode of thinking.

Competition in a working dynamic is characterized by the independent efforts of two or more individuals, teams or organizations to attain the same goal or reward. Each party will replicate efforts in order to exclusively win the prize. In competition, you are a winner or a loser. It has driven our western economy for years and yet it is no longer an effective vehicle for managing organizations or sharing knowledge. According to author and career consultant Carole Nicolaidis, "Knowledge acquired and guarded only by one means absolutely nothing. It does not grow like money. It stays stagnant and eventually will be lost along with all the values it might have brought to your company." ¹

Cooperation

Cooperation is the association of individuals for common benefit. Cooperation is a collective effort in which everyone works toward the same end result. In cooperative cultures, there is a division of labor and each person takes responsibility for a portion of the work. Long-term commitment to the project solution, work group or organization may waver because individuals often do not make a whole-hearted investment. Generally, individuals continue to protect their self-interests in a cooperative effort and want to be personally compensated for their investment of time and knowledge.

Collaboration

Collaboration is much more than a meaningful conversation. We can describe it as a way of being, representing a shift in people's values, beliefs and behaviors in the way they work together. Collaboration is a central organizing principle which replaces

hierarchy as the primary means of managing and leading organizations. It is a people-based approach which embraces diversity and provides a way of including everyone's contributions. Collaboration is also a platform for making decisions, solving problems, and achieving extraordinary results. It is the generative process in which two or more people with diverse points of view come together with the intention to create something entirely new, which is superior to anything one person could have created alone. For a collaborative work setting to be successful, all individuals must be invested in the process and demonstrate a commitment to long-term results.



1. Nicolaidis, Carole, "Internal Competition Can Kill Your Organization", www.workathomeindex.net

Collaborative work groups have a strong team identity, and identify themselves as one unit, rather than a collection of individuals. Tasks are the shared responsibility of the team. Collaboration is time consuming, but can yield the most thorough and committed outcome. In traditional organizations, people do not have equal status and worth. Reward and recognition is tied to individual performance, leadership is transactional, and management makes decisions, retains accountability and directs the work. Collaborative environments on the other hand, create partners with a shared mission. They are self-managing, work gets done in cross-functional, virtual or other lateral teams, and reward and recognition is tied to team based performance.

An organization would want to move from a traditional model to a collaborative model when significant improvement is needed, an innovative result is sought and a major transition is underway. Collaboration fosters more positive, productive relationships and people feel more involved and included. As a result, work satisfaction increases. Therefore, decisions are more effective, accountability is shared, and thus there is a higher likelihood of a successful outcome. There is a quality of trust - "if I trust you, I'm going to give more" - and information is shared more freely. Since motivation and progress is not affected by a leader's absence, more successful mergers and strategic alliances can occur, and a more engaged and energizing environment are created.

So the key elements of a collaborative culture will grow trust in oneself and others to do and be their best, and this creates a safe atmosphere for people to contribute 100%. Differences are acknowledged and appreciated as part of the creativity of the process. The outcome produced by the group is superior to what could be produced by any individual alone, and conflict is not feared but seen as an opportunity to expand the group's inherent possibilities and allow growth.

How Collaborative are You?

So now that we have a clear picture of the culture types and an idea of where your organization falls in the description of organizational cultures, what about you? How collaborative are you? Because the change we are all experiencing is global, it impacts us on an organizational and individual level. Thus it is important to work on each aspect of organization and self to create full integration. Just as well-run companies have a well-adjusted CEO, the successful collaborative cultures are the ones whose people assess where they personally fall short in being collaborative, and hold themselves accountable. So to close the culture gap in your organization you have to close the culture gap in yourself and your people, because your people are your business.



Do you collaborate in your relationships? Are you naturally curious about the ideas and opinions of others? Are you afraid of conflict, or do you see it as a possibility to stretch yourself and the person you are in conflict with? So much of being collaborative at the individual level is about allowing – giving yourself permission to let go and be in a place of genuine curiosity. It is important to let go of old beliefs that are based on your past experiences with that person, or the way the organization got things done in the past. Staying in the past keeps you stuck. Being curious helps you live in a place of possibility. In possibility is where collaboration resides.

To assess your own strengths and weaknesses regarding collaboration, you may want to ask yourself some of the following questions:

- Do you trust others to do their best, or do you automatically judge based on a past experience?
- Can you hear another's point of view and actively listen to them, even if you don't agree?
- Are you able to take a risk and detach from your point of view?
- Can you set aside personal gain for the opportunity to experience accomplishment with others?
- In what situations do you lose your patience?
- How comfortable are you with not knowing outcome?

All of these questions will help you pause and begin to observe YOU and your part in the collaborative shift. We each have an impact and contribution to make. What will yours be?

Navigating Change

There is a rise of coaching programs in organizations because we have to close the gap in ourselves in order to close the gap in our companies. We have to become aware of our blind spots and generate new strategies for shifting the habits that no longer serve the new model of doing business. We need support in flexing our nimble muscle so change doesn't have to feel so hard. It is an incredibly exciting time that is full of possibility. We just need to expand ourselves and believe in the idea that it can bring more positive change and better results than we could ever imagine. When an organization is spinning out of control due to business changes, mergers, layoffs, etc. that business is forced to change. If you can view the change as a positive instead of a negative, you will begin to diffuse the resistance in yourself, and our work environment.



We are moving globally from a model of knowing the plan and feeling secure in our jobs, to learning how to be comfortable with the unknown. By working with each other we can ease the discomfort and fear of change. So how can you embrace the possibility that the unknown brings, and what will help you view change as an opportunity to grow?

The ability to rise above and acknowledge the change you are in is a sign that you have mastered your last assignment of personal accountability. Now, you are asked to go deeper and stretch your potential even more, by being more of a leader, team player and business professional. In doing so, you help expand the whole organization and you go with the flow of the global shift. An organization's commitment to navigating change in a healthy way comes through in the programs they offer, the expectations they set, and the communication style of its leaders – the way they treat their people and cultivate a culture of trust. Leaders do this by acknowledging change and engaging people in an open dialogue about it, allowing the good, the bad and the ugly to be discussed and heard without judgment. This builds trust and fosters collaboration. So what action can you take as a leader in your organization to build trust and foster a culture that allows change to be experienced with a positive mindset?

Here are a few summaries of case studies from an August, 2005 Harvard Business Review article by Michael Mankins and Richard Steele titled, *"Turning Great Strategy into Great Performance."*

Case Study #1

An executive search partnership – a subsidiary of one of the largest search companies in the world – was a strong company of 25 young people with a great track record. Then things took a turn for the worst. They were having their worst year ever and the phone had stopped ringing. When they took time to review their situation, they realized they were nearly frozen into inaction with some team members engaged in arguments and sarcasm to mask their true thoughts and feelings. Once they took the time to take stock, talk openly and identify key lessons, the culture gradually shifted to a more positive framework. By the end of the year their most cynical member announced that they 'had achieved miracles.' They not only matched their best performance ever, but exceeded it. Above all the team dynamic became positive, cooperative and focused on delivering results.



An important step to note in any culture change is to review what has happened in the past and learn from it.

Case Study #2

Case Study #2 A sales team responsible for marketing and selling a top global beer in a South American country had 90% of their market share. Although it was obvious to the home office that the only possibility was decline in this emerging country, the team's responses ranged from 'we're invincible' to 'no problem, man!' The new General Manager saw the threat from new competition as well as the lack of discipline throughout the business.

But the biggest job was to tackle the limiting cultural beliefs that drove the entire business. Although it's difficult to imagine that we are invincible could be a limiting paradigm in any sales team, that's what it was. Once they realized how inadequate their approach had been, they became a team committed to doing the impossible. By the end of the year, they had surpassed their key target and achieved their highest result in 14 years. The team was working together in an enthusiastic way they could not have imagined 12 months before. They were winning! Examine limiting attitudes and assumptions and shift them.

 *Examine limiting attitudes and assumptions and shift them.*

Case Study #3

When the new General Manager arrived at his factory, he found an explosive situation. He had been told that if the factory didn't turn around in one year, it would be closed. The decision of the parent company was understandable, as the business was losing \$1 million per month and had a worker absentee rate of 25%. When he first tried to get the managers and factory workers to align on a plan, there was revolt - the workers stopped the engines and shut down the factory! The lack of trust was palpable.

However, the top team stayed with their plan and communicated their commitment to the entire workforce. The personal results of the top team were posted on the factory walls, month after month, and gradually the tension eased. Within two months the absentee rate had dropped to 5% and within three months it fell to 3%, where it stayed. The workers could see that management meant business. Trust was restored and the turnaround was achieved. Not only did the business break even, but they achieved the General Manager's personal target of \$1 million in annual profit.

 *Establish monthly review sessions to monitor progress and learn from what happens. This creates accountability.*



Change is an opportunity to let go of old habits that no longer serve you and welcome the possibility of expanding your personal potential and professional engagement. It is a chance to build more accountability to each other and the common goal, both in your relationships and your work. Change is a generative process because it fosters gratitude for what has gotten you this far and grows your ability to grasp the new. It also offers the opportunity to be more fully engaged with yourself and your colleagues. We have all

heard the adage that 'change is the only constant,' and yet, it is what we fear the most. So when will you commit to allowing change to have a seat at the table?

ABOUT THE AUTHOR

Katie B. Smith, Master Certified Coach (MCC), is an experienced Executive and Career Coach who focuses on helping business leaders and professionals to successfully navigate change, strengthen communication, leadership skills, and emotional intelligence and career transition while effectively growing their business and careers.

A former Executive Recruiter, Katie has spent over 15 years consulting and training professionals on how to hire and retain top talent and providing strategic consulting to increase profitability, reduce costs, build teams, increase accountability, and increase employee morale. Katie also holds the distinction of having coached C-Suite leaders in Fortune 500 companies.



In addition to individual Coaching, Katie does Peer Group Coaching to support leadership development and team building. Her information is communicated in the language of the business world, but with a Zen twist - from the inside out. Her Results Focused Coaching shines a light on the person, not issues.

Katie is also a highly savvy business professional trained to observe her clients' inner strengths and help them design actions that produce their desired results. A member of the International Coach Federation (ICF) and a graduate of Coach University, Katie lives in Golden, CO, and coaches clients all over the globe.