

# **Leading through the Power of Collaboration**

Notes for an Address

By

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Good morning ... I'm delighted to join you today to share my insights about organizational change and about the power of collaboration in leading change. This is one of my favourite topics and I want to thank you for this opportunity to address it.

Throughout my leadership journey, change has been a constant companion. I was an executive with Bell Canada when long distance competition was introduced, ending a century of the company's history as a monopoly.

Then, I headed up Stentor, the company founded by Canada's telephone companies to research, develop and market products and services in this newly competitive marketplace. I was also with Stentor when the telephone companies decided to compete with each other and we made the decision to wind down the company.

I subsequently accepted the CEO position with Lucent Canada at a time when the company had just enjoyed 13 quarters of phenomenal growth. Within the span of a few months, however, the telecom bubble burst. Soon after that, the company was half the size it once was. We underwent a massive restructuring that touched every corner of the organization.

Change followed me when I became the Dean of the Richard Ivey School of Business at The University of Western Ontario eight years ago. It was not the serene, safe haven that some people might expect. Business schools face tremendous competition on a global basis. We compete for students, professors and dollars. To be relevant and effective, we have to stay on top of trends and ahead of the curve, and that means we must continually change.

I know that dramatic change continues to characterize your journey as leaders within the federal public service. Over the

past decade, you have revolutionized the way our government conducts business.

Because of your efforts, the Government of Canada is now a world leader offering many services to Canadians through electronic means a world leader in delivering electronic services.

Now, you are moving toward a shared services model having announced Shared Services Canada on August 4<sup>th</sup> – a central hub that will bring together common IT support and service functions for 44 government departments.

I don't have to tell you that the changes inherent with the move to shared services are not just about technology. They are about changes in day-to-day business processes; changes in organizational structure; changes in financing and management; and, changes in the routine interactions among people and groups. Most importantly, they are about people and leadership.

In other words, these changes will be massive. You will encounter resistance. Some of your people will feel

uncomfortable working outside their comfort zones. You will need exceptionally strong leadership to succeed.

But I am here today to tell you that you can succeed. That has been my experience. In times of great change, I have not only survived ... but thrived, learned and grown as a leader.

More importantly, the organizations I have led during these times became stronger, more committed, and more agile – ready to take on any future challenges.

Today, I will share with you the three most critical lessons about change leadership that I have learned. These lessons are:

1. Don't just talk. Listen to your people, learn from them and act on what you learn; engage them in making decisions along the way.
2. Build a clear set of values together with your team. Live those values. Your people will trust you and follow you; and

3. Understand the big picture in all its complexity. Find out what it means for your people, find out what it means for people outside your group. Help your team to develop a vision that is meaningful to them. Help your team look horizontally and understand the perspectives of others outside their team.

The biggest challenge for any leader during a time of major strategic change, is to foster an environment where people buy-in to the change and where they want to contribute to making the change happen.

With shared services, you will have to create a culture of collaboration that is unprecedented in scale and scope. Let's examine the lessons I've learned and how they can help you to build that culture of collaboration.

## *1. Communications*

First, let's look at the leadership communications needed in times of change. For me, being an effective leader is not simply about being able to give a speech or to make a presentation.

Rather, effective leadership communications is about listening. It is about asking the right questions. And above all, it's about being open and honest.

As Ivey Professor Jeffrey Gantz writes:

“Candour ranks very highly among the characteristics we look for in good leaders. A culture of candour, established and reinforced by leaders who value and model it in their own behaviours, can be a source of competitive advantage for organizations.

“It ensures that good news travels fast and bad news travels faster, allowing mistakes to be fixed promptly... Candour is at the heart of aligning people with strategy ...”

That's because honest, two-way communications engenders trust and secures loyalty. It breeds the transparency so critical to building and nurturing collaborative relationships.

Unfortunately, this critical leadership quality appears to be lacking among many managers. Surveys consistently show that most employees distrust their bosses. They distrust them because they feel their managers don't listen and they don't keep them informed.

This destroys constructive dialogue. It also inhibits information sharing and prevents learning. By contrast, leaders who encourage open and honest communications help to create a working environment where knowledge is created and shared.

Equally important, their people tell them about problems and potential risks, giving them the ability to make informed decisions.

For instance, Ivey's research about the global financial meltdown showed that a receptiveness to diverse viewpoints and opinions often defined the cultures of companies that survived the crisis.

Some very complicated investment products were developed at the height of this bubble. Many executives and board directors admitted that they did not understand the mathematics or the economics behind many of these products.

But as we found during our research, the effective leaders probed the experts about how these products were designed. Consequently, they learned that the underlying assumptions supporting these products were wrong. Or if they did not understand them, they chose not to offer them.

As Warren G. Bennis of the Leadership Institute at University of Southern California, observes: "In a world of growing complexity, leaders are increasingly dependent on their subordinates for good information ... Followers who tell the

truth and leaders who listen to it are an unbeatable combination."

I know it is not easy to encourage this calibre of open and candid communications in most organizations. It is also difficult in public organizations, where cultures can be politically charged. Turf protection and power issues will inevitably arise.

But, no leader can change a long-held mindset or transform the way people work by just telling them to do it. A leader has to continually influence that process through collaboration. They have to learn to trust their employees as never before.

That atmosphere is critical to generating the ideas that enable organizations to grow, change and flourish. In her research about organizational learning, for example, Ivey Professor Mary Crossan discovered, as I did, that there is a "clear and measurable link between the flow of knowledge and performance."

We built a learning culture based on information sharing when I was with Stentor so I know it can be done. In fact, you could say that Stentor was a microcosm of the federal public service in many ways.

The company brought together employees from the nine major telephone companies across Canada.

And believe me, these telephone companies had plenty of rules, very formal hierarchies, and entrenched corporate cultures – all the result of the decades when they operated as monopolies.

But with the advent of long distance competition, that had to change. Stentor was tasked with the awesome responsibility of cutting the product and service development time to market of the telephone companies in half.

We knew that we couldn't achieve this without pulling everyone together in new and dynamic ways. We had to create a new organization. In a carefully planned strategy, we tore down old departmental boundaries, cut the management levels

in half, and formed cross-functional teams. These teams were formed around projects and disbanded when the projects were completed. The organizational structure was very fluid.

And we concentrated on ideas. It didn't matter who had the idea – or what position they held. All that mattered was the idea itself.

As a result, we created an organization that thrived through collaboration. It was an organization where people wanted to come into work, where information was shared widely, and where ideas were actively leveraged every day. And we not only achieved our product development targets, we exceeded them.

## ***2. Integrity and Shared Values***

The second important lesson I have learned is that integrity and shared values are essential to gaining the commitment and collaboration of employees throughout the often painful times that characterize change.

My core personal values are honesty, learning and a balanced perspective. Anyone who knows me well or who has ever worked with me understands that these values are guideposts in my life and my work. Basically, these values define my character.

And as executive coach, Sara Jane Radin, believes: "Your character is the anchor that grounds you, the compass that guides you, and the magnet that draws others to you."

I have found this to be very true. So throughout my career, I have made the creation of a common set of values a priority for each organization I have led.

I believe that shared values are more important than ever before, especially given the volatility of change that affects most organizations today.

The research conducted by Ivey's Tima Bansal and Sonia Kandola backs up this fact. It further points to the critical role of values in fostering integrity.

To ensure that employees will act with integrity, Bansal and Kandola found that organizations need a consistent set of values. “These values,” in their words, “establish a framework for what is considered to be acceptable within an organization.”

And in my experience, that framework becomes a powerful motivational tool as well.

Early on and as a team, we developed our own set of values at Lucent. These values – not rules and regulations – guided our plans and shaped our activities. These values were:

- We have a total focus on serving our customers
- We are committed to business excellence – a commitment that means:
  - We are results-driven;
  - That we prize innovation and value quality;
  - That we count on speed to anticipate our customer’s needs; and that

➤ We uphold the highest business ethics.

Lucent's values, however, were not only about serving customers or increasing market share. They were a fundamental part of how we worked each and every day. So in addition to customer focus and business excellence, our corporate values included:

- A deep respect for the contributions of each person to the success of the team, and
- A strong sense of social responsibility.

Throughout the period of intense restructuring that Lucent experienced after the telecom bubble burst, these values did not change. They continued to resonate strongly throughout the company. And that's critically important.

I believe that as you move toward a shared service model, you should develop a fresh set of values for all employees involved in this change. These values can't be something that is simply handed down by senior management or HR.

All employees should have a voice in defining them. In this way, the values will become shared. And shared values provide direction during times of uncertainty, comfort during periods of difficult change, and inspiration in the face of opportunity.

### ***3. A clear vision developed in collaboration with others***

The third lesson I have learned about change leadership is the importance of working together to formulate a clear vision of what the future should be.

In times of change, people at all levels of an organization need to understand the full impact of their actions. They must grasp the complete picture. They must appreciate their influence across and outside the organization.

At Ivey, this is what we call a cross-enterprise perspective - a perspective that encompasses the full scope of an organization's interconnected relationships -- the ones that exist

across the organization and between the organization and other organizations, sectors, geographies and cultures.

To gain a cross-enterprise perspective, you must not only look at the big picture, you have to understand it in its rich and full complexity. You have to be able to anticipate what decisions and actions might change that picture. You will need to learn how to share accountability and share risk.

The picture presented by shared services is full of promise. For example, by eliminating duplication and redundancy, shared services can lead to considerable savings – an estimated 20 to 30 percent of costs according to the Gartner Group.

By encouraging the adoption of common infrastructure platforms, shared services can also enable different departments to more easily share meaningful information. Most important, shared services can free up strategic management resources to focus more intently on serving clients and citizens better.

In other words, a shared services organization has the capability to move beyond simple efficiency and effectiveness to become an organization that consistently provides added value.

But while shared services bring measurable benefits to an organization, the implementation of this approach will be complex. The concept will be threatening to some employees. Some will fear that they will lose control of their respective areas of accountability. Some will find their roles change. For some your roles will become more similar to advisors rather than deliverers of service. You will need to redefine your roles.

Others will assert that that they can handle any function better in individual units rather than in a centralized area. Still others will feel that shared services smacks of command and control management. Emotions can range from anger to skepticism.

To counter this resistance, leaders must bring people together to build a common understanding of what the future holds and how they can play a part in shaping that future.

Breaking down the barriers and widening the channels of communications will not be easy for government leaders, just as it wasn't easy for us at Ivey. Both government and universities tend to operate in silos.

At Ivey, for example, we had departments in marketing, finance, organizational behaviour and so on. And even though Ivey was part of the larger academic community at The University of Western Ontario, we very seldom worked together.

Traditionally, there's very little interaction among different business disciplines and even less between business schools and other faculties.

But we changed that at Ivey and we changed it dramatically five years ago with the launch of the Cross-Enterprise Leadership approach.

We knew then – as we do now – that the relentless pace of globalization, technological change and competition was fundamentally transforming the world's economy.

We understood the dynamic inter-relatedness of these challenges. We saw how a leader's decisions and actions in one area ripple through to the entire organization, eventually influencing its external partners, customers, suppliers, and competitors and ultimately affecting other players.

But in introducing this new approach, we didn't simply change our curricula. We changed the way we teach. Now, students examine case studies through the lens of cross-enterprise leadership. They investigate all the intricate ways a decision in any one area can affect other areas as well.

We also re-organized our research to focus on cross-enterprise leadership. We sought out our colleagues in other disciplines to develop new management programs for specialized professionals.

And through workshops, conferences and new networks, we reached out to other stakeholders to open up new avenues for discussion and the exchange of ideas.

Our vision was simple: we wanted to turn leadership education on its head. And we accomplished just that.

I believe that every organization is capable of renewal -- renewal that changes the rules of the games, that uncovers opportunities and that capitalizes on new possibilities.

But, if you want to motivate your employees to embrace change, I believe it is essential to define a vision that is truly meaningful to them.

As Ivey Professor Jeffrey Gandz puts it, the vision "must reflect the wants, needs and aspirations of those who will be tasked with achieving it."

The best way to do this is to engage your people in the process of developing the vision by giving them a concrete opportunity to shape it. That's what we did at Ivey, at Lucent, at Stentor and at Bell.

Once you give people that power, they inevitably come to believe "That's my vision." And when they feel like they own the vision, they will be committed to making it a reality.

## **Conclusion**

You have an exciting challenge ahead. By successfully implementing shared services within government, you can take the lead in fostering a vibrant shared services sector in Canada.

You could also ignite a renaissance of providing better services to Canadians – a renaissance driven by the imaginations of your employees – a renaissance that would give Canadians higher quality, more innovative government services.

All this is within your power as leaders within the federal public service -- Canada's largest employer, Canada's most national employer with 1600 points of services across the country, and Canada's most international employer with staff in more than 150 countries worldwide.

I know it won't be easy. Change never is. But if as leaders, you listen to your employees, learn from their feedback and act on it, you will gain their trust and commitment.

If you work with your employees to articulate shared values and a powerful vision, they will have a compass pointing the way forward in the storm of volatile change ahead.

They will learn to collaborate with each other and with others across different government departments. In this way, they will learn not only to manage change. They will become masters at creating change. And when that happens, shared services will deliver all of its promise ... and so much more.

Thank you.