



Collaborative Leadership: New perspectives in leadership development¹

By Arnoud DE MEYER

Management is about coping with complexity, leadership is about coping with change.

— Kotter, 1990

Leadership is often defined as the capability to successfully manage change in organisations. The way one manages change is to some extent contextual and influenced by the environment. The environment our future leaders have to operate in is quite different from what we were used to in the previous decade. Leadership styles therefore need adaptation. This article will provide an overview of nine changes that I see in the environment and make the case that this new environment needs more collaborative leadership. I will attempt to describe some of the characteristics of this type of leadership and share some insights that those who aspire to be collaborative leaders should pay attention to and understand.

Introduction

Leadership is considered to be a key attribute of successful management, whether it is in the private or public sector. But what are the essential leadership qualities really, and can one teach them? Research on leadership has come up with multiple variants of leadership (Kets de Vries, 2000), ranging from traditional 'command and control' lead-

ership, moral authority, intuitive, charismatic or seductive leadership, through to the capability to become a global learner (Brown, 2007). This broad and frankly speaking often incoherent if not contradictory literature on leadership does not help us a lot further in defining how young high potential managers can be prepared to rise up to the leadership challenge in the professional world.

It seems to me that the best approach is to develop these young high potentials to become effective innovators and managers of change. This is in line with how Kotter defined leadership: management is about coping with complexity, leadership is about coping with change (Kotter, 1990). But providing leadership in order to manage change is to some extent contextual. It is dependent on the culture in which one operates (Schneider and Barsoux, 2003), is contingent on the objectives of the organisation e.g. non profit versus a profit orientation, and has to adjust to the changing challenges of the economic environment. I will build the case in this article that in many circumstances today a collaborative approach to leadership is better adapted to cope with the emerging environment in which our future leaders will have to operate.

Collaborative leadership

All too often leadership is associated with 'taking power over' people,

as opposed to take power *with* people over the change process. In the traditional approach leadership is associated with formal command and control, or sometimes with a charismatic leadership style, where the leader may seduce groups of followers to sometimes blindly execute his or her wishes.

I present on purpose a black and white view, but I want to do so to contrast it with a style of leadership, which I call responsible, collaborative leadership.

Mary Parker Follett, the early twentieth century social worker and management guru 'avant la lettre' described management sometimes as 'the art of getting things done through people'. She essentially believed in the power of people working together. In order to get things done, one needs to form a community. She distinguished between operating change in a coercive manner versus operating in a co-active manner, and she considered community as a creative process that can be effective by constantly reframing the issues at hand.

Current day leadership may require more than the co-acting that Mary Parker Follett argued for, but it is very much based on it. I will want to argue that effective leadership in the current climate requires collaboration, listening, influencing, and flexible adaptation, rather than command and control. It is this that I define as collaborative leadership. But let me first introduce why such a new approach to leadership is needed.

What is changing in our environment?

The environment in which we need to innovate and implement change has changed dramatically. I have often attributed the changes to the following eight megatrends:

1. Globalisation

We are living in a world that has become truly international, and where organisations themselves have also become truly international. The future shape of globalisation may become different from what it is was over the last two decades, but I remain convinced that globalisation is a trend that will be difficult to stop and that organisations must develop more capabilities to operate on an international scale.

This may be relatively straightforward and



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accepted for large companies and organisations, but even small and medium enterprises and non profit organisations today are networked and integrated into international networks of suppliers, subcontractors, distributors and partners.

As a consequence all of us have to manage diversity, both culturally and geographically. And we have to understand how international supply chains operate and how global geopolitical trends influence their markets for talent, resources and outputs.

This increased globalisation requires increased networking on an international scale. How to network is contextual, and has to be adapted to the key characteristics of the cultural, religious and geographical environment in which it operates. With the rise of the emerging economies and the increased confidence that this has entailed our capacity to be cultural sensitive needs to become an order of magnitude more sophisticated than it used to be.

2. Fragmentation of the value chain

A corollary of the internationalisation of business and commerce is the increased fragmentation of value chains due to outsourcing and collaborative networks for the design and delivery of goods. Which company can

still safely say that it controls its whole value chain?

We all have created collaborative networks for value creation. The outsourcing occurs on an international scale, and often involves partners which are lot bigger than the company itself. Think about a medium sized European company that uses an outsourcing giant in India like Wipro, Tata Consulting Services at Infosys for its software development or the management of its service call centres. This can lead to major changes in the natural power equilibrium in the value chain. Some suppliers have become true partners. But some outsourcing partners may be in a position of power vis-à-vis their principal, and in a position to dictate their terms and impose their systems. Managing change and providing leadership in these collaborative networks cannot rely on traditional power relations and hierarchies, but requires a style of management that again is based on seduction and convincing (Mukherjee, 2008).

3. More knowledge workers

Knowledge has become a production factor of growing importance. A large group of our workforce today consists of knowledge workers: people whose major contribution to the value creation is their creativity and

expertise. Modern knowledge workers often have a rather different attitude from their traditional counterparts. They are often more independent, more loyal to their area of expertise than to their organisation, and dislike authority unless it is based on expertise. In short, they may require a different style of leadership, one that is based on trust building and convincing on the basis of rational arguments, rather than on command and control (De Meyer et al, 2001).

4. The increasing demands of society

Society has a growing expectation about the contributions from companies in the social area. Due to the growing trend of corporatisation and privatisation of public services, many companies are now expected by their governments to engage in public-private partnership to support education, health provision, public transport, and in some cases even security and protection, services that were traditionally provided by the State. Companies are called upon by society to become corporate citizens and they are required to pay attention to all of their stakeholders, not only their shareholders (Jones et al, 2007).

As a consequence of this trend, leadership more than ever requires integrating and working with local and national communities in order to preserve the integrity of the company's image and brand. The new leadership requires that the integration with the community be at the heart of what the company sees as its way of creating value.

The financial turbulence in 2008 and the ensuing economic crisis have accentuated this trend. We are coming out of a period of almost thirty years where 'business was good' and business leaders were upheld as role models. The recent crisis and scandals in which some business leaders have shown incompetence and an inability to satisfactorily self regulate has changed this attitude of society in a dramatic way. It is likely that in the coming years the business world will constantly have to justify its actions to an increasingly sceptical society.

That in turn will impose new requirements on business leaders in terms of interactions with the societies in which they operate. Business leaders will have to become active marketers for the value of business and will therefore be required to collaborate with other stakeholders in society and improve the communication about the role of business in society.

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5. Dispersion of the sources of knowledge and innovation

Contrary to the previous century, the source of innovation today is no longer limited to a fixed set of sources as in the industrialised world. In most of the areas of innovation, in particular if such innovation was enabled by technology, the sources of innovative ideas were rather

limited and concentrated. This has gradually changed, and not only the sources of ideas and knowledge, but also the sources of innovative consumer behaviour have become a lot more dispersed (Doz et al, 2002).

At the same time we are witnessing the emergence of an immense lower middle class with specific and different consumer preferences in the emerging countries such as China, India, South East Asia and Latin America. They are also a formidable source of new ideas (De Meyer and Garg, 2005). It has been pointed out that when it comes to innovation with mobile phones, operators in emerging countries like India, the Philippines or East Africa have been leading the world. But it is not only in these business model innovations that emerging countries play a role. The fundamental research that is carried out in China, India, Singapore, Korea or Taiwan may fundamentally change the innovation landscape of tomorrow.

Leading change in a world where the sources of ideas for innovation have become so dispersed will require people who can listen all over the world, and who can combine these ideas in new products, services and organisations, and roll these out in a very effective way (Doz et al, 2002).

6. Changes in the structure of multinationals

Multinational organisations are moving from a 'triangular' organisational structure to a networked structure. The 'master-slave' organisation whereby the regional organisations and subsidiaries reported into a master at the HQ is gradually slipping away (Palmisano, 2006), not least because of the commercial and financial success of some of the subsidiaries in emerging regions, and who therefore demand a more equitable balance of power in the organisation. This is reinforced by the technological developments that allow for international coordination and integration of employees without having them co-located in one place. This flattening of organisations and distribution of organisational power may reflect better the current reality of these multinationals, but it has the disadvantage that it reduces clarity. Managing change in such networked and flattened organisations, where the core management group is not necessarily in one location, and where power is more evenly distributed, will require managers that can live with ambiguity and can trigger action through collaboration.

7. Increased importance of risk management

Good leaders will be those who can calculate and cope with risk. If I am correct in assuming that we will continue to see in the long term a growing internationalisation of trade, a reduction of trade barriers, and a decrease in the importance of national borders, it will reduce the protection of the individual firm by its national authorities and increases the interdependence of the players in the world market. This also means that economic shock waves will spread faster throughout the world, and that the amplitude of shocks may increase – The speed with which the demise of Lehman Brothers influenced the rest of the financial world was a simple illustration of this. The debacle of BP in deep sea drilling in the Gulf of Mexico, the questioning of the WHO's actions during the H1N1 epidemic, or the reaction of European air traffic authorities during the Icelandic volcano eruption are other

interesting cases of how the nature of risk is changing and globalising.

In such a world, the quality of both management and leadership becomes more important for the success of an organisation. Managers will become more exposed and high quality leaders will be those who can estimate risk and uncertainty, and are better at coping with it through experimentation and quick learning (Loch et al, 2006). Such experimentation and learning will require people who are more sensitive to weak signals in their environment, and have the ability to avoid that small disruptions become amplified once they start rolling through the networks.

8. The role of ICT in networking

The world of business has adapted quickly and remarkably well to the opportunities that are offered through better electronic communication. But I am convinced that there are two areas where we have only seen the start of the challenge: how do we exploit the value and the format of the weak ties that are created in the social networking sites, and how do we cope with information overload?

Social networking as we observe it in Facebook, LinkedIn, Baidu, Orkut or Youtube has increased by several orders of magnitude the number and the nature of weak ties (Fraser and Dutta, 2008). We still have yet to scratch the surface on how to manage and get advantage out these new types of relationships in the business world. The leader of tomorrow will need to use this abundance of weak ties to his or her advantage in the management of change.

Moreover as a consequence of these de-

velopments in the Internet world, we have moved from a world of information scarcity to a world of information abundance and cheap transparency. We don't have yet the tools to lead and decide in a world where everybody has access to an abundance of information, and where every decision can be challenged, based on evidence available on the World Wide Web. The recent history on wikileaks is interesting as an illustration. Nobody had ever thought through how to manage a leak of information on this scale. And because of the sheer size of the leaks, there seemed to be a relatively high level of apathy about the content. Once again the ability to exploit this abundance of information and the mobilisation of the experts that own this knowledge will be the hallmark of a good leader.

The new collaborative leader

These eight megatrends are fairly general and to some extent speculative. Many of them are also correlated. But when you put them together, the picture that emerges suggests that the future leaders will require a different portfolio of skills than in the last decade. What we need now is more 'responsible, collaborative leaders'.

This is a different breed of leader from the one who leads through sheer power, expertise, charisma, or based on dogma. It is a leader who can be sometimes at the same level as those with whom (s)he wants to implement change. And who wants to achieve results in innovation and change management by stimulating collaboration with peers. The four key words that I would like to propose to describe the skill set that these future leaders will need, are **collaboration, listening, influencing and adaptation**.

Collaboration

In many of the trends above the word network was used: Multinationals become networks, value is created in fragmented networks, knowledge workers prefer to work in networks of peers, ICT leads to networks of weak ties, and sources of new ideas come from combining ideas from different geographical and cultural networks. In these networks management becomes 'getting things done through a community of peers'. Action requires collaboration with people, i.e. to co-

act with others in order to succeed in implementing change.

Good leaders should be able to operate in these networks and become the drivers of the networks. This will require a willingness to constantly make significant strategic investments in networking and collaboration, and create a virtuous cycle of collaboration. Collaboration is in itself not always natural. Under pressure and faced with shortages of time and budget we may prefer to isolate ourselves from a network, fall back on command and control and implement the change all ourselves. Collaborative leadership does require that one makes constantly the trade off between going it alone and working through others, in favour of the latter.

Listening

Collaboration will not be effective unless we develop some other capabilities. A good collaborative leader needs to monitor what is going on with the peers. Often the signals these peers are sending are very weak and not codified. Knowing what is going on in the networks forces one to be alert to these weak signals. Providing collaborative leadership often requires being able to get under the skin of the peers and mastering the art of responding quickly to their needs and uncertainties. Collaboration also requires a strong capacity to trust the peers and leave them the opportunity to develop their own entrepreneurial action in the face of change. All this requires an enhanced capacity to listen, both to internal and external signals and messages.

Influencing

Change in these networks will not come through command and control. It requires evidence based influencing. Peers in social networks, knowledge workers, equals in the multinational networks, stakeholders in society want to be convinced. These peers often have their own insights, strong expertise and entrepreneurial drive and prefer to act in teams of equals. If told what to do they may have excellent reasons and knowledge to disagree, in particular in a world where information has become abundant, and where information that exists outside one's organisation is often as valuable as information inside it. Their insights may well be as valuable

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as yours. And they will try to influence you. A good collaborative leader is the one that is able to influence and convince his or her peers, without falling into the trap of becoming manipulative.

Adapting

Finally, the world is becoming more uncertain and one that contains more risks: there is less protection in the form of governments, artificial information asymmetries or trade barriers. Change and change management has become at the same time more complex because of the dispersion of sources of knowledge and innovation. Therefore the environment in which change needs to be implemented is becoming less predictable. The successful leader will be the one that is able to adapt flexibly and very rapidly to these changing circumstances. She or he needs to be able to appreciate and manage the increased risks in the environment.

But beware, this is not a panacea

I am not arguing that all leadership should become collaborative. The transaction costs of collaborative leadership can be pretty high and there may be circumstances where the urgency of the situation does not allow

for the investment in collaboration. For example in management of catastrophes one would prefer straightforward command and control. But in the cases where some of the trends, described higher, do apply, collaboration should prevail.

Collaborative leadership may also have its dark side: listening may become procrastination, influencing may become manipulation, flexible adaptation may come at the expense of thoroughness. One of the important elements of collaborative leadership is also restraint, and an ability to walk the fine line between the clear and the dark side of its characteristics.

There are six insights that those who aspire to be collaborative leaders should pay attention to and understand.

1. Getting the right mindset

Collaborative leadership is partially about having the right attitude and mindset. It is about understanding that others have capabilities and are prepared to share these with you in order to achieve change and innovation, and this on the condition that you work on an equal basis with them. It is about being prepared to make the investments in relationships. It requires being prepared to

recognise peers' contribution.

Corporate change these days is often about the continuing renewal of the business model. In the large majority of the cases, new business models involve many partners. Getting them implemented, requires the collaboration of the partners and the suppliers, who can help structure the information linkages which are needed to deliver the business model. It is necessary to recognise that operating alone one can achieve little, whereas in a network one can achieve a lot.

2. Reducing transaction costs

Collaborative leadership does not come free. Collaboration requires interaction, has its coordination costs, and requires often the provision of leadership over the boundaries of your own organisation.

In order to be successful collaborative leaders must be good at recognising the differences in values and organisational structures between profit and non-profit organisations, between large and small organisations, between firms and organisations with a different cultural anchoring. A good collaborative leader will know how to reduce transaction costs, mainly by building trust and investing in the informality of relationships. And if successful this will lead to a truly collaborative, which may reduce the transaction costs in many ways.

3. Seeing beyond the borders of the organisation

A good collaborative leader needs to understand that his or her domain of action does not stop at the border of the organisation. Organisational boundaries become often fuzzy in a collaborative world, and both authority and accountability do not stop at the border of the organisation. Companies can be made accountable for what their subcontractors do, or how their partners communicate. Leadership has to go beyond the borders of the organisation. Persuading other parties to build value together will be essential to any effective collaboration.

4. Building consensus

Action that is implemented through a community of peers requires consensus building and creating ownership for the implementation of the decision among the widest group

of peers. But consensus building has a big risk: it may lead to the acceptance of the lowest common denominator of the group and thus to suboptimal decisions. We need to understand how to build consensus, but at the same time how to get the optimal and most performing decision with the group.

We know from earlier research on culture and management that diversity can enhance the quality of decision making, on condition that we confront the cultural and contextual differences (Schneider and Barsoux, 2003). The least effective thing to do is to cover up differences between individuals with a different cultural background, out of a misplaced sense of politeness, respect or political correctness. Groups that are able to confront and address the differences perform better than mono-cultural groups, because they benefit from the creativity and the differences in perspectives that the diversity offers.

Therefore I offer the hypothesis that collaborative leaders need to build consensus, but doing this in such a way that they bring out the differences and tensions in the team, enhancing thereby the creativity and avoiding getting to a lowest common denominator.

5. Ability to network

Collaborative leaders need to be good social networkers. The creation of a wide network of weak ties will enhance significantly their capabilities to perform. We can and should teach them how to build and maintain these networks.

They need to understand how to carefully build the perception of their identity with their peers, how to manage status and power relationships in the network, and how to develop the capabilities to spot the important information externally available and translate it back into the internal network.

Collaborative leadership has a lot in common with this ability to develop social networks, but also with infusing them with know-how that others may not have spotted, or where the relevance for the change to be implemented was not as clear. This role of translation is no doubt a key element in collaborative leadership, because it is part of the building of the credibility of the leader.

6. Managing the dualities

The world is full of dualities (Trompenaars

and Hampden Turner, 1998). The right approach is often not 'either, or', but 'and and'. We need to conform to the group and yet creatively think out of the box. We need to be formal and informal. We need to listen to experience and at the same time challenge it through experimentation. We want to make money, and we need to be socially responsive. We need to compete and we need to collaborate.

It is uncomfortable to live with such dualities. But in a collaborative world we have no choice.



About the author

Arnoud DE MEYER is the President of Singapore Management University. Prior to becoming President of SMU, Professor De Meyer was Professor of Management Studies at the University of Cambridge (UK) and Director of Judge Business School. He was also a visiting professor at the Universities of Kiel (Germany), Ghent and Antwerp (Belgium) and Waseda and Keio University (Japan).

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Notes

1. This paper is based on De Meyer A. (2011)

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