THE TEN PRINCIPLES OF COLLABORATIVE ORGANIZATIONS

Teams and projects form and re-form today at record speed, and competitive pressures require collaboration across teams, levels, projects, functions and organizational boundaries—including the need for collaboration with customers, vendors, business partners, and governmental and other nonprofit agencies. But no matter where the collaborations take place, they can succeed best by following some basic principles of joint human endeavor. It is critical to know the importance of each, and how to determine when each is or is not working. © 2003 Wiley Periodicals, Inc.

Creating collaborative organizations is a long-term process. Most organizations have pockets of excellent collaboration found in specific internal teams, with specific customer groups, or even within large project endeavors. Few, however, can boast of excellent collaboration across the dynamic cadre of relationships that form their world of work. We propose that when you undertake such an endeavor, you look at the overall capacity of your organization to engage in efficient and productive collaboration and take steps to improve that capacity.

This focus represents a departure, or perhaps a next step, from some of the more traditional discussions about teams and teaming. The principles presented here are designed for application at the organizational level. Because teams and projects form and re-form today at record speed, it is extremely important that the organization possess the characteristics that once defined the time-focused, high-performing team.

The following discussion represents a “how to” for ensuring that your organization has the capacity and commitment to collaborate efficiently and effectively across levels, teams, projects, functions, and organizational boundaries. It is also about effective collaboration with external partners—customers, vendors, business partners, and government and other nonprofit agencies.

Ten principles that support building the collaborative organization are described below—characteristics that enable the organization to collaborate efficiently and effectively across...
the myriad collaborative tasks required in today’s business environments. The ten principles are as follows:

1. Focus collaboration on achieving business results.
2. Align organizational support systems to promote ownership.
3. Articulate and enforce “a few strict rules.”
4. Exploit the rhythm of convergence and divergence.
5. Manage complex tradeoffs on a timely basis.
6. Create higher standards for discussions, dialogue, and information sharing.
7. Foster personal accountability.
8. Align authority, information, and decision making.
9. Treat collaboration as a disciplined process.
10. Design and promote flexible organizations.

**1. FOCUS COLLABORATION ON ACHIEVING BUSINESS RESULTS**

To suggest that collaboration be focused on business results seems to restate the obvious. It is hard to imagine nonbusiness reasons for creating or sanctioning formal collaborative activities. This principle, however, goes beyond wanting people to talk about work and beyond wanting them to focus on specific business-related outcomes. It is also about providing a common context, fueled by education and communication, that ensures that all members of the organization understand and are committed to the specific business goals and strategies of the organization. This kind of focus on business results empowers participants in formal and informal collaborative activities to act in the best interest of the organization.

Organizations with a focus on achieving business results include members who

- Understand the central purpose of their business, including responsibilities to customers, investors, and other stakeholders
- Recognize the competitive nature of their business and the source of their current and potential competitive advantages
- Recognize who their customers/clients are and the importance of anticipating changing customer/client requirements
- Understand their role and responsibilities in relationship to the performance goals of each of the organization’s units and subunits
- Make decisions consistent with both long-term and short-term business requirements

**When collaboration is focused on business results, participants begin with a common understanding of what they need to talk about, how they must prioritize their time, and the tradeoffs that have to be made.**

**Importance.** To focus collaboration on business results provides a context and the motivation for working together. It provides all organization members with a common purpose, a sense of membership in a larger endeavor, and a set of shared assumptions. Such a focus also provides the motivation for members to ignore, or work through, personality or values differences.

The vast majority of organization members want very much to accomplish good and meaningful work. They want to be proud of whom they work for and proud of the work they do. Thus, members must have a sophisticated understanding of the overall goals of the organization. They have to be able to explain those goals to others and to understand how the goals apply to the many choices about work they make every day. They also must understand the relationship of those goals to their individual and collective responsibilities and to the responsibilities of those with whom they must collaborate.

**When It Is Working.** When collaboration is focused on business results, participants begin with a common understanding of what they need to talk about, how they must prioritize their time, and the tradeoffs that have to be made. To paraphrase Steven Covey, they begin with some common ideas of “the end in mind.” Collaboration takes place with a broader understanding of the necessity for balancing the needs of the participants, the needs of the immediate task, and the requirements and goals of the larger organization. This focus helps deter the creation of solutions that don’t serve the goals and objectives
of the larger organization. More importantly, perhaps, it sets the stage for the revisions and compromises when, in spite of the best-laid plans, teams generate noncompatible solutions.

**When It Is Not Working.** Collaborative efforts that lack a focus on business results are common. They happen most often in organizations without the educational, communication, and direction-setting processes that help members understand and embrace business goals and priorities. Symptoms typical of such organizations are

- Discussions that appear to be without direction or appear to be directed toward different goals
- Continuing or recurring disagreements among participants from different departments, organizations, teams, or functional groups
- Decisions or actions that serve the goals or priorities of the specific collaborative unit and fail to serve the larger entity
- Decisions or recommendations that are frequently ignored or overturned by upper management

**2. ALIGN ORGANIZATIONAL SUPPORT SYSTEMS TO PROMOTE OWNERSHIP**

Ownership, in this context, refers to the personal commitment of organization members to the business and its outcomes. People rarely engage in the complex, frustrating, and risky activities that characterize successful collaboration without personal, often passionate commitment. Support systems are the organization’s most direct way of fostering such commitment. These support systems include the following:

- Leadership system—who is allowed or expected to lead; what the criteria are for awarding leadership; how leadership relates to accountability, expertise, and commitment; what style of leadership is valued
- Information and communications systems—what is communicated to different people and by what means; what information is available to which people at what point in time
- Performance management system—what behaviors are important; how the organization monitors individual and collective action in relationship to these behaviors; and how it rewards, both formally and informally, desired behaviors
- Learning system—the organization’s attitudes about and processes it uses to train and learn from its members; the processes for assimilating information and perspectives available from the outside world; and the criteria and the processes for decision making
- Organization and design system—process and criteria used to create reporting, learning, and task-specific units and the relationships between those units

In collaborative organizations, these support systems are consciously designed and actively managed to support collaborative activity.

**People rarely engage in the complex, frustrating, and risky activities that characterize successful collaboration without personal, often passionate commitment.**

**Importance.** Effective collaboration vests organization members with the responsibility for critical, time-sensitive decisions. Unless members are fully informed about and committed to the organization, vesting decision-making responsibility with them can be dangerous. Support systems that educate, involve, and reward appropriately are prerequisites for outstanding collaborative capacity. Furthermore, these support systems must be consciously designed to ensure that they align with one another and the overall goal of effective collaboration.

**When It Is Working.** When the support systems are aligned correctly, organization members are encouraged and rewarded for acting in ways that are consistent with the organization’s goals. Descriptions of how each support system functions in a collaborative organization are given below.

**Leadership System.** Leadership roles and responsibilities in collaborative organizations are diverse. Leaders serve as managers, teachers,
coaches, and coordinators. Leadership is expected and accepted from members at all levels of the organization, depending on the requirements of the situation. Expertise and commitment are as important as formal leadership status in determining who serves as the leader in a given situation.

Information and Communication Systems. Collaborative organizations depend on a constant and efficient flow of information and ideas. They require sophisticated information technology (IT) systems, accompanied by a culture that both models and encourages open communication. Collaborative organization members also need access to their customers or information about their customers, as well as access to other key stakeholder information and perspectives.

Performance Management System. The performance management system includes the system for directing, and redirecting, the behavior of employees toward the achievement of organizational goals. In collaborative organizations, these systems provide direction and rewards at the individual, team, and organizational level.

Collaborative organizations depend on a constant and efficient flow of information and ideas.

Learning System. Collaborative organizations have sophisticated formal and informal learning systems. There is a high value placed on continuous learning. Well-designed training and development programs and well-established processes for pooling information about lessons learned, problems solved, and trends anticipated are a part of this system. The organization pools its collective data-gathering and information-processing skills to improve its processes and to anticipate the future challenges and opportunities.

Organization and Design System. Collaborative organizations, and the collaborative units within those organizations, are designed to reflect the changing nature of work. Typically, they are composed of a combination of temporary and semipermanent teams, each created based on the requirements of the task, the level of interdependency involved in the work, and the expertise required. In addition to these formal collaboration mechanisms, members are encouraged to engage in the collaborative activities necessary to meet their collective responsibilities.

When It Is Not Working. Organizations with nonaligned support systems send mixed messages. It is hard for members to know when to compete and when to cooperate. Members are unsure about where to spend their time and energy and what rewards to expect if they expend extra effort. Confusion exists about what is important—collaboration or individual performance. People talk about “not walking the talk” because the actions they see as most supportive of the organization don’t appear to be recognized or rewarded.

3. ARTICULATE AND ENFORCE “A FEW STRICT RULES”

“A few strict rules” refers to a set of guiding principles that govern decision making within the organization. These rules define the overall values and competitive approach of the organization and allow organization members a great deal of leeway to accomplish goals. These rules or principles provide a consistent direction for the organization and ensure the cohesion necessary for productive collaborative effort. These rules may include the following:

- The relative weight of cost versus performance in product design decisions
- The relative importance of a specific customer or set of customers
- The overall ethical principals of the organization
- The relative weight of quality versus speed in service delivery
- When and how the organization responds to change

Both the formal and the informal leaders of collaborative organizations enforce adherence to these “rules.” The organization maintains the necessary cohesion and coordination to meet its objectives by consistently applying these guidelines. Within these parameters, however, individuals
and teams are encouraged to use innovative, even experimental, approaches to accomplish their goals and the goals of the organization.

**Importance.** Organizations today operate in complex, highly dynamic environments. Success is often dependent on the ability of all members to collect and respond effectively to complex, shifting information from a variety of sources. The decisions, however, need to be made within a consistent context that assures that the organization maintains its commitment to its customers, its principles, and its competitive position. The ideal system represents an optimum balance between a highly structured environment that limits the ability of its members to adapt to changing requirements and a chaotic environment that provides little consistent direction for its members.

... *organization members recognize what is valued within the organization and what is not tolerated and behave accordingly. They can articulate what the boundaries are in very clear, concise terms.*

**When It Is Working.** The “strict rules” allow teams to function comfortably within the boundaries of their responsibilities. They allow teams to deal with other teams with the assurance that those teams are functioning under the same set of rules. The “few” rules allow these groups to respond to the dynamic nature of the business with flexibility and creativity. In addition, organization members recognize what is valued within the organization and what is not tolerated and behave accordingly. They can articulate what the boundaries are in very clear, concise terms.

**When It Is Not Working.** When an organization has too many rules, organizations spend way too much time waiting for permission or trying to manage upward. When an organization has too few rules, tasks are not completed, false starts are common, and individual and small-group goals take precedence over the goals of the organization. Members appear unsure about how much energy to devote to a particular set of tasks or goals because what they are expected to do is constantly changing. In addition, the lack of rules creates a lack of clarity about what is important to and valued by the organization.

### 4. EXPLOIT THE RHYTHM OF CONVERGENCE AND DIVERGENCE

Divergence and convergence are core processes for all collaborative activity. Without these processes, collaboration, in any real sense, simply does not take place. *Divergence* is the process by which collaboration participants surface the different perspectives that need to be considered. *Convergence* is the process members use to reach agreement.

**Importance.** We learn the processes of divergence and convergence as children, although no one ever labeled them for us. As soon as we noticed that playing with someone else was fun, we learned to raise different perspectives (divergence) about what, where, and how to play. We surfaced and processed the various alternatives and made a decision to play at one or more of the alternatives (convergence). We learned that power plays a role in the decision-making process (if you want to play with your older brother, you play what he wants to play), as do the availability of tools (you have to have a ball to play ball); the limits of the environment (you can’t play baseball without a yard or field); the role identity of the players (boys don’t do tea parties); and the dictates of upper management (you aren’t allowed to play in the mud). With all of this complexity, almost all of us were able to manage the divergence and convergence processes successfully. We played with other kids.

The beauty of our early efforts at collaboration is that we had a common goal with our collaborative partners (to have fun) and we had a shared set of assumptions (we believed fun was relatively easy to achieve and involved action of some kind). We were not likely to get bogged down in the process of continuous divergence (we wanted to play; we didn’t want to talk about playing), and we were able to test out our decision empirically (we played our choice, determined it was fun, and changed it when it wasn’t). We diverged and converged in an acceptable rhythm with little or no thought as to the relative balance of time spent in each activity.

As collaboration becomes more complex, and the time lapse between decision making and empirical testing becomes greater, managing
the divergence and convergence processes becomes much more challenging (and much less fun). However, it is this management, which takes place at an organizational, team, and individual level, that results in all significant collaborative achievements. Inadequate rigor in either process produces poor results and frustrated participants.

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**Often collaborative work involves almost instant integration of complex and/or dynamic information to make costly decisions with long-term implications.**

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**When It Is Working.** When convergence and divergence are managed effectively, there is a recognizable rhythm to the process. This rhythm exists in the organization as a whole and for the individuals and teams engaged in collaborative work. There is an overall sense of balance between the time and attention given to surfacing the various perspectives or divergent forces and the time and rigor spent working through those alternatives. Decisions are seen as informed, if not always correct, and subject to testing and revision when necessary.

When this principle works well, complex collaborative activities take place in cycles, forming a series of what Mohrman, Cohen, & Mohrman call “iterative processes that produce a product that is agreed upon by all parties.” These cycles use tools and strategies to ensure adequate divergent activities, including surfacing individual member perspectives, comparing data from multiple sources, generating a number of options and scenarios, concretizing abstractions, and involving all pertinent perspectives in decisions. Tools and processes are also used to manage the convergence process, including agreeing on decision-making perspectives (values, goals, tasks, tradeoff criteria), analyzing data using previously agreed-on approaches, using criteria to sort through options, making plans as explicit as possible, and clarifying decision-making responsibility.

**When It Is Not Working.** When the convergence and divergence rhythms are not managed well, an organization or team suffers from limited vision or inadequate completion—or simply an incorrect pacing of these two activities. Organizations and teams who fail to exploit divergence will overlook information or perspectives critical to their success. Organizations and teams who manage convergence poorly don’t make decisions fast enough or well.

5. **MANAGE COMPLEX TRADEOFFS ON A TIMELY BASIS**

The term *tradeoffs* refers to those decisions that involve weighing the relative costs and benefits of two or more interrelated but, to some extent, conflicting criteria. Because of the increasing complexity of products, processes, technology, and markets, complex tradeoff decisions are now required at all levels of many organizations. These decisions typically require specific skills, specialized expertise, detailed and timely information, and the ability to review and process the implications of a variety of alternatives quickly and accurately.

**Importance.** Many collaborative systems exist to make and execute complex tradeoff decisions. Often collaborative work involves almost instant integration of complex and/or dynamic information to make costly decisions with long-term implications. The quality and speed with which the team can make these decisions is a major determinant of organizational success.

**When It Is Working.** A collaborative unit that makes and executes the correct tradeoff decisions is a highly disciplined team. The members of these groups have a clear, shared understanding of the criteria on which to make the decisions, a defined process for collecting and reviewing relevant information, and a respect for the differing expertise of various members. They also have a keen appreciation of the need for speed in making these decisions. Finally, the organization provides clear escalation paths for the team so that decisions for which they lack the necessary information or perspective can be passed up or over quickly and effectively.

**When It Is Not Working.** Collaborative units that cannot make effective tradeoff decisions either fail to make decisions or make poor decisions. Typically, these groups lack clarity about, or agreement on, the complex set of criteria (the tradeoffs) necessary to make an informed decision.
or lack the information to apply those criteria in an informed manner. An example is a manufacturing management team that decided to accelerate production at the request of a key customer. Soon after it made the commitment to the customer, it discovered that meeting that request would require double shifts, a cost increase that eliminated most of the profit from the product. In addition, the double shift resulted in mandatory overtime, causing several key employees to leave, which ultimately resulted in an even longer production time. Because the team was not aware of, or at least did not consider, all the tradeoffs involved, it undertook a course of action that turned out to be in direct conflict with its intended goal.

6. CREATE HIGHER STANDARDS FOR DISCUSSIONS, DIALOGUE, AND INFORMATION SHARING

“We are confused at a higher level about more important things.” This statement, made about a self-managing work team at Texas Instruments in the early 1990s, summarizes this principle perfectly. Creating higher standards for discussions, dialogue, and the sharing of information continually raises the level and complexity at which collaborative participants are able to consider alternatives and contribute to the organization’s success.

**Importance.** In raising the standards for discussions, dialogue, and information sharing, the organization builds its capacity to manage the increasing complexity characterizing business today. It also builds the capacity and commitment of each member to contribute to the collaborative processes. The result is an organization—and organization member—that can cope more effectively and more creatively with an increasingly unpredictable world.

**When It Is Working.** When the bar is raised for discussions, dialogue, and information sharing, organizations experience a multitude of positive results, such as

- Members and teams who have easy access to well-organized information
- Members and teams who know who the “experts” are and can easily call on them for advice and counsel

7. FOSTER PERSONAL ACCOUNTABILITY

Personal accountability is both a requirement for, and the result of, successful collaborative work. Organization members who feel personally accountable believe their success is directly tied both to meeting their commitments to their colleagues and to the success of the organization. Members and teams are often personally and passionately committed to what they do, how well they do it, and the outcomes that result.

In raising the standards for discussions, dialogue, and information sharing, the organization builds its capacity to manage the increasing complexity characterizing business today.

**When It Is Not Working.** When the organization does not actively engage in “raising the bar” on discussions, dialogues, and information sharing, collaborative capacity is seriously limited. Examples of those limitations are

- Members and teams who develop emotional attachments to their own (limited) perspectives
- Members and teams who are uninformed or unnecessarily delayed because of a lack of access to information
- Detailed, time-consuming discussions about the wrong issues
- Managers/leaders who are not helping to educate members and teams about the bigger issues
- An absence of breakthrough thinking
- Too much information, too little knowledge
Importance. Collaboration is necessary when the correct decision or course of action is not known or when the decision requires the active commitment of a number of people to make it work. The participants have to work through a series of activities that define a correct decision or course of action. It is hard to envision a situation where this process could work if the participants do not feel personally responsible for the results.

Effective collaboration requires that each individual fulfill his or her role effectively, provide some value-adding contribution, and feel personally responsible for both the process used and the results of the collaborative effort. Members with a strong sense of personal responsibility need little or no supervision related to motivation or commitment. They identify what needs to be done and initiate actions to accomplish those tasks. They perform work that is of high quality and they meet their commitments to their colleagues and to the work itself.

When members cannot see the relationship between the effort they put into the organization and their own well-being, then their priorities are not likely to align with the goals of the organization.

When It Is Working. When members accept personal responsibility, they are passionate about the organization and their individual and team responsibilities as a part of it. As a result, we are likely to see members and teams who do the following:

• Argue frequently, question authority often, and complain loudly about any barriers to meeting their team or project goals
• Subjugate personal agendas for the collective whole
• Take on tasks outside of their normal scope and volunteer to help their colleagues
• Deliver on their commitments and accept responsibility for their mistakes
• Organize and manage their own work
• Are led by managers who are free from the task of “motivating employees”

When It Is Not Working. When members cannot see the relationship between the effort they put into the organization and their own well-being, then their priorities are not likely to align with the goals of the organization. The following are examples of how this misalignment can be seen:

• Members and/or teams are more concerned about their own careers than about the well-being of the organization.
• Members talk often about the “personal agendas” of others.
• Members and teams focus on a single organizational metric.
• Members and teams spend much of their time blaming other teams or individuals.
• Few people initiate ideas and actions.
• Members do more to keep things from happening than to make things happen.
• Little action is aimed at making things easier or better.

8. ALIGN AUTHORITY, INFORMATION, AND DECISION MAKING

The earlier example of collaborating over what to play is a perfect example of aligning authority, information, and decision making. As teams of children deciding what to play, we had the information necessary to make good decisions, the skill necessary to process that information, and the authority to implement a decision. We were highly committed to the outcome and well aware that the process had to have enough buy-in so that all members would actively support the decision. We could also assess the results and make corrections as necessary. Collaboration is most efficient and effective when it has these characteristics.

Importance. Frequently, organizations demonstrate a “pick two” mentality when assigning tasks to teams. For example, management teams often assign implementation planning for a new program to the team that will ultimately have to implement the program. They also mistakenly assume that the team will have the information and perspective to make a decision congruent with larger organizational goals. That is, they “pick two” by aligning decision making and authority and fail to ensure the necessary alignment of information. Of course, aligning all three
is a difficult task and one that deserves a great deal of management attention.

The benefits of decisions that are aligned with information and authority include the following:

- Members with the skills to make the decisions, including business, administrative, and communication skills
- Information available through multiple media, that is, the information paradigm has shifted from a need-to-know basis to a desire to share openly and directly with members
- Members responsible for completing the work who have as much discretion as possible in deciding how the work gets done
- Information flowing across levels in a fluid and dynamic manner
- Teams that understand clearly when they are acting in an advisory capacity and when they are or will be directly accountable for implementation as well
- Members who understand which decisions they can and should make and which decisions require collaboration with others

**When It Is Not Working.** No complex organization achieves consistent alignment between information, authority, and decision making for all collaborative units at all times. However, organizations that are consistently out of alignment suffer some very consistent consequences. For example:

- Decisions and plans have to be reworked because those responsible for implementation were not included in the process.
- Decisions are made carelessly because those making the decisions were not ultimately accountable for the results.
- Low morale and high turnover are present because people feel they have little or no control over their work or the results of it.
- Suboptimization is present at a variety of levels because decision makers lack the perspectives and information to optimize processes or results.

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**When It Is Working.** Organizations and teams who have aligned decision making with authority and information are characterized by

- Decisions are made quickly.
- Decisions are implemented by people committed to the success of the implementation.
- Participants have the information to participate fully in the decision-making process.
- Organization members experience a sense of control and accountability about the work they do.

**Treating collaboration as a disciplined process requires attention to the design and execution of collaborative activity.**

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**9. TREAT COLLABORATION AS A DISCIPLINED PROCESS**

Organizations that treat collaboration as a disciplined process recognize the cost, the risks, and the potential benefits. These organizations approach the process as they would any other business process—striving to define the processes and tools that are most effective and ensuring that those processes are replicated wherever appropriate. Such organizations also work to identify and improve those collaborative processes that have the most significant effects on either their short-term or long-term bottom line.

Treating collaboration as a disciplined process requires attention to the design and execution of collaborative activity. It doesn’t mean that one process or way of work is followed for all collaborative work, but it does mean that the process is always conscious. In addition, such organizations and teams are as concerned about the processes used (including the information considered) in collaboration as they are about the results. As a result, upper management is much more able to rely on the decisions and recommendations of subordinate collaborative units. In addition, those same units are more able to provide decisions and rationales in a form that communicates to and is supportive of the goals and objectives of upper management and other collaborative units.
Importance. Disciplined collaborative processes enable organizations to make faster, better decisions. The research on decision making clearly points to disciplined processes, not time spent in decision making, as the most important contributor to good decisions. In addition, treating collaboration as a disciplined process results in the use of common tools and practices that allow members to convene, process information, make decisions, and report findings seamlessly across the organization.

The issue of accountability is one of the main reasons we have hierarchical organizations with clear, often singular, reporting relationships.

When It Is Working. Organizations that treat collaboration as a disciplined process are able to manage multiple, interrelated collaborative efforts in a timely fashion. They are able to do this because a great deal of thought has gone into designing the groups or teams doing the collaborating, both in terms of who is involved and in terms of the relationships among the teams. Also carefully managed are the mission and objectives of the teams; the information, processes, and tools used; and the ways in which relevant information is distributed to and among the teams. Typically, in organizations using disciplined processes you will see

- An almost religious commitment to agendas and minutes
- Clear escalation paths so that collaborative groups that are “stuck” on a decision are able to appeal to a higher and/or better-informed authority quickly and easily
- IT systems that provide common databases, easy access to needed information, and sophisticated communication tools
- Members and teams skilled in the use of a number of systematic decision-making processes
- Meetings that start and end on time
- Decisions that are rarely overturned either by upper management or by the team itself

When It Is Not Working. A number of things can happen when collaboration is not treated as a disciplined process. Examples include but are not limited to these:

- Haphazard attention to agendas, timing, minutes, and other communication responsibilities
- Decisions that are overturned frequently, with few attempts to explain the reasoning to those who made the original decision
- Management that spends more time evaluating the results of collaborative decisions than evaluating the processes used to make those decisions
- Progress that is not tracked or managed systematically
- Problems or delays in one collaborative unit that have direct consequences for other units not identified or addressed until the consequences are both major and costly

10. DESIGN AND PROMOTE FLEXIBLE ORGANIZATIONS

“How will we know who to kill?” This was the question many executives asked when team-based organizational systems were first suggested. The executives really didn’t want to kill anyone (usually), but they did believe it was critical to identify, and unequivocally express their concern to, those individuals who did not meet their responsibilities. The executives were concerned about accountability. While their motivations may have been mixed, their concerns were legitimate. An organization depends on its members to meet certain responsibilities and needs ways to provide sanctions when they do not.

The issue of accountability is one of the main reasons we have hierarchical organizations with clear, often singular, reporting relationships. It’s just easier in clearly boxed, strictly hierarchical organizations to know who should decide, who is accountable for results, and how rewards and sanctions should be delivered. The problem is that the business world no longer seems to fit this model. Projects,
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competitive pressures. They shift personnel quickly into business units where they are needed. These organizations decentralize decision making so that more decisions can be made at levels closer to where the problems and opportunities arise.

When It Is Working. Flexible organizations are characterized by people comfortable with broader roles as opposed to well-defined jobs. These organizations actively sanction work across department and other boundaries. The management team functions more often as a team and works to resolve complex questions at higher levels so that subordinates are empowered to “do whatever it takes to get the job done.” Organization members feel free to communicate laterally and vertically with others in the organization.

Flexible organizations are able to form and re-form multiple types of collaborative projects and teams to accomplish increasingly dynamic work requirements. They represent a different way of thinking about organizations.

Traditional organizations sought to create very clear reporting relationships, the ideal being a single boss for each employee. Organizations dealing with more dynamic and complex demands evolved into a matrix system, with people reporting to one person for immediate work requirements and another person for some level of functional responsibility. Woven within each of these types of organizational structures are teams created to accomplish a variety of purposes. For many organizations, these teams or projects have become so pervasive that they represent the major way work is being done.

Flexible organizations are different in that they accept the dynamic nature of business and react with organizational structures—and the accompanying culture and support systems—to allow a new level of fluidity. These organizations deliberately loosened the traditional boundaries between managers and subordinates and foster and reward leadership at all levels of the organization. These organizations have members who are able to work collaboratively within the organization and with customers, vendors, and temporary external partners. They have an increasing number of members who can collaborate with members of very different countries and cultures. The flexible organization is, in many ways, the only effective response to a global environment.

Importance. One advantage of flexible organizations is their ability to respond to shifts in business conditions. They are capable of adapting more quickly to shifting product features, technology trends, customer preferences, and

The flexible organization is, in many ways, the only effective response to a global environment.

When It Is Not Working. When organizations are not flexible, people are often more aligned with their bosses or areas of expertise than with the work at hand. Members are often unwilling—or unable—to create the shared understanding necessary to work effectively in teams with people from differing backgrounds and perspectives. A lack of organizational flexibility can also lead to these problems:

- Decision making is too slow or too out of touch because it is concentrated in the upper levels of the organization or within other units that do not have the necessary perspective or expertise.
- Projects, teams, and/or individuals lack the resources necessary to do their jobs.
- Projects, teams, or individuals have limited commitment to collaborative activity that is not under the direct supervision of their immediate managers.
- Reorganizations are frequent.
- The organization has an inability to anticipate or adapt well to change.
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<td>1. Focus collaboration on achieving business results.</td>
<td>Creates a common purpose and context for decision making.</td>
<td>Agreement on priorities; deliberations always include business results/concerns (both long- and short-term); groups or teams subordinate to needs of overall business unit or organization.</td>
<td>Conflict between team or small-group results and larger organization goals; frequent, nonproductive disagreements; relationship goals overshadow results goals.</td>
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<td>2. Align organizational support systems to promote ownership.</td>
<td>Fosters commitment to and understanding of the overall goals of the organization.</td>
<td>Members are informed and committed; members experience little conflict between their personal goals and the goals of the organization.</td>
<td>Poor and/or slow decision making; confusion over what is valued or important; members unwilling to make commitments of extra time or effort.</td>
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<td>3. Articulate and enforce “a few strict rules.”</td>
<td>Creates the necessary cohesion to foster goal-directed cooperative effort while maintaining the flexibility to respond to changing demands and opportunities.</td>
<td>Individuals and teams have a shared understanding of what is valued in terms of behavior and outcomes in the organization; individuals and teams are able to operate productively across boundaries and make decisions consistent with the goals and strategies of the organization.</td>
<td>Bad decisions are made; no decisions are made; available expertise is ignored when making decisions; teams cannot articulate the issues or decision-making criteria used.</td>
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<td>4. Exploit the rhythm of divergence and convergence.</td>
<td>Provides the necessary balance between generating new and exciting ideas and the discipline necessary to do the job.</td>
<td>The organization is able to create new, shared ideas and to meet commitments to customers, shareholders, and employees; members recognize when it is important to concentrate on “thinking outside the box” and when it is time to make a decision, complete the product, or deliver the service.</td>
<td>With too much divergence, decisions are made and remade, products are not finished on time, organization goals are not met; with too much convergence, new or creative ideas are limited, members move to a decision too quickly with little exploration of new ideas, different perspectives, or information from external sources.</td>
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<td>5. Manage complex tradeoffs on a timely basis.</td>
<td>Provides the information and disciplined processes for making the complex decisions in new situations.</td>
<td>Members of decision-making groups have a shared understanding of the criteria to use in making tradeoff decisions; members are aware of the various weightings senior management has selected for tradeoff in specific situations.</td>
<td>Bad decisions are made; no decisions are made; available expertise is ignored when making decisions; teams cannot articulate the issues or decision-making criteria used.</td>
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<td>6. Create higher standards for discussion, dialogue, and information sharing.</td>
<td>Ensures that more information is considered and more potential consequences are anticipated in each example of collaboration.</td>
<td>People have the information they need when they need it in formats they can use; discussions indicate a level of understanding and sophistication that ensures that the right issues are being considered.</td>
<td>Decisions are made without consideration of the most important issues or the most valuable information; the same decisions are made again and again; decisions are made that suboptimize the goals of the total organization.</td>
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<td>7. Foster personal accountability.</td>
<td>Ensures that each individual fulfills his or her role effectively and provides some value-adding contribution.</td>
<td>Members need little or no supervision in the traditional sense; members identify what needs to be done and initiate actions to accomplish those things; members perform work that is of high quality and meets their commitments to their colleagues and to the organization.</td>
<td>People wait for direction before acting, place blame, and do not acknowledge their responsibility when a mistake is made; members look to satisfy their individual objectives versus overall business objectives.</td>
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<td>8. Align authority, information, and decision making.</td>
<td>Ensures that the team has the information necessary to make good decisions and the authority and accountability to implement those decisions.</td>
<td>People are willing and able to make effective decisions in a timely manner and to be held accountable for those decisions; people who have the information and authority actually make the decisions.</td>
<td>Decisions are made at one level in the organization and then have to be remade as more information is discovered; people are not accountable for the decisions they make.</td>
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<tr>
<td>9. Treat collaboration as a disciplined process.</td>
<td>Ensures that the correct information is considered, the deliberations are focused and balanced, and the decisions are workable.</td>
<td>Team members can explain how they make decisions; common forms exist for summarizing and reporting collaborative activities; there is a sense of order and discipline in collaborative activities.</td>
<td>Decisions are made without considerations of all relevant points of view; people with power exert more influence than their information or accountability warrants; collaborative activities are characterized by chaos.</td>
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<td>10. Design and promote flexible organizations.</td>
<td>Fosters multiple grouping across members to meet the changing requirements of the organization to do the work.</td>
<td>People are able to work productively with members at all layers and in all functional groups within the organization; groups form and re-form seamlessly to do the work.</td>
<td>The organization is constantly being redesigned; collaborative activities that involve people with different managers are nonproductive; new groups take a long time to reach productive activity.</td>
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</tbody>
</table>

Exhibit 1. The Ten Principles for Building Collaborative Organizations
The ten principles described above work interactively to create a collaborative organization. They are summarized in Exhibit 1. Organizations most able to thrive in today’s environment work toward improvement in each of the ten areas in concert. Indeed, adherence to the principles leads to the creation of collaborative capacity at the organizational level. ■

**ADDITIONAL RESOURCES**