CASE STUDY

Ignite The Spirit: AkzoNobel's Journey from Multi-Local to Global
Collaborative leadership is an increasingly vital source of competitive advantage in today’s highly networked, team-based, and partnership-oriented business environments. Yet few leaders have been trained to lead collaboratively, especially those at more senior levels who climbed the organisational ladder in a different era.

In this paper we describe key practices of collaborative leadership and identify critical leadership competencies associated with it, highlight common barriers and suggest next steps for companies interested in developing leaders who can collaborate to transform business for good.

DEFINING COLLABORATIVE LEADERSHIP

Leaders today need an expanded repertoire of skills and a new mindset to succeed in an ever-more fast-paced, chaotic, and highly competitive business environment. They must be able to think strategically in a global context, articulate an inspiring vision across cultures, and make wise choices amid complexity and uncertainty. They must lead global teams, build dynamic networks, and grow the company’s ability to compete around the world. Increasingly, this calls for collaborative leadership and the creation of collaborative cultures that can harness the knowledge and expertise of all stakeholders to innovate, partner effectively, compete, and win.

By collaborative leadership, we mean the process of engaging collective intelligence to deliver results across organisational boundaries when ordinary mechanisms of control are absent. It’s grounded in a belief that all of us together can be smarter, more creative, and more competent than any of us alone, especially when it comes to addressing the kinds of novel, complex, and multi-faceted problems that organisations face today. It calls on leaders to use the power of influence rather than positional authority to engage and align people, focus their teams, sustain momentum, and perform. Success depends on creating an environment of trust, mutual respect, and shared aspiration in which all can contribute fully and openly to achieving collective goals. Leaders must thus focus on relationships as well as results, and the medium through which they operate is high-quality conversation.
Working in this way can be challenging for leaders who have established a track record of success by exerting unqualified command over the people and resources under their control. Few leaders have been trained to lead collaboratively, especially at the senior level, and in many cases the culture and reward systems in organisations discourage collaboration. Developing leaders with the capacity to collaborate and creating aligned cultures thus go hand in hand. It’s incredibly challenging work, but increasingly vital for business success.

Our focus in this paper is on collaborative leadership of teams, but the same principles and practices apply to creating more collaborative cultures.

THE CONTEXT FOR COLLABORATIVE LEADERSHIP

A collaborative approach won’t wholly supplant command-and-control leadership in most companies. Yet a multitude of forces are driving the growing need for collaborative leadership in today’s organisations, most notably globalisation and the ICT revolution. Companies must align strategy, coordinate operations, manage teams, and leverage synergies across increasingly complex and distributed organisational structures. Flatter hierarchies, matrix structures, and cross-functional teams are increasingly common, meaning leaders must often work with people over whom they don’t have formal authority. Managers need to engage employees more fully at every level to improve efficiencies, increase agility, understand customer needs, and innovate. Teams need to draw on diverse perspectives from both within and outside the organisation to solve problems and identify opportunities, especially when familiar ways of working no longer apply. The success of business models based on partnerships, strategic alliances and complex supply webs depend on the ability to collaborate.

Driving all this is the dizzying evolution of information and communication technologies, especially the instantaneous, always-on, hyper-connected business and social networks that now cut across all organisational boundaries. While many companies are still finding their way when it comes to using social media and other interactive technologies productively, they are transforming how people connect, how businesses operate, how companies compete, and how communities organise and govern themselves.

In this context, competing successfully requires leading collaboratively. In addition to the core capacities all leaders must have, they must now be able to build trust, align diverse interests, share power, and sustain high-quality lateral cooperation with their peers while facing intense pressure for performance. They must be powerful shapers of collaborative cultures, able to harness the collective intelligence and leverage the distinctive competencies of employees throughout their organisations to adapt and innovate with agility and speed. In larger industry or social contexts, they must know how to forge generative alliances with business partners or community leaders who have their own strategic agendas, organisational cultures, decision-making processes and egos. Many companies are just recognising this need. In a 2007 survey of private and public sector leaders in the UK, almost nine out of ten senior executives said that collaborative partnerships were key to their organisation’s success, but fewer than one in ten said they had the capacity to partner effectively.

One company that has taken up the challenge to transform both leadership and culture is AkzoNobel’s Decorative Paints, under the leadership of CEO Tex Gunning and his team.
TRANSFORMATION IN AKZONOBEL

Tex Gunning faced several challenges when he was named CEO of Decorative Paints (commonly called Deco) in 2008. Most importantly, he had to re-ignite growth and increase profitability in a declining economy. At the same time, he had to integrate a recent acquisition while re-structuring the company to leverage its global reach and compete more effectively in diverse local markets.

At that time, Deco was characterised by a multi-local organisational structure that encompassed over 20,000 employees in dozens of independent business units around the world. It was ill-suited to operate as a single global entity and to leverage its people, competencies, and capabilities to execute on its strategy. Gunning realised that simply moving boxes around on the organisation chart would not produce the kind of fundamental transformation required in the business. As in other companies, more and more work and learning in Deco takes place not through the traditional hierarchy, but through matrix structures, cross-functional teams, functional councils, communities of practice, and other boundary-spanning networks – a constantly changing organisational ecosystem that Deco’s employees call the “spider web.”

Gunning also realised that strategy-driven structural change would require a change in Deco’s culture, starting with a change in its leadership culture. Leaders needed to see themselves, the company, their markets, and the communities in which they operated in much more interdependent ways. They needed to develop collaboration as a core competency. In an interview, Gunning described it this way:

> We have to get into collective leadership and move from an independent achiever structure and culture ... to an interdependent collaborative structure and culture, led by collective and collaborative leadership ... a culture where structures, processes and systems improve our ability to work across organisational and political boundaries and support and empower operations.

In partnership with Oxford Leadership™, Deco’s global leadership team designed and implemented a leadership program that was based on these principles, aligned with its business strategy, and scalable to all levels of the organisation. “Ignite the Spirit” learning journeys brought leaders and their teams into frank and open conversation about their purpose, priorities, and action plans. Follow-up activities began to shift Deco’s leadership culture from a “me”-based orientation to a “we”-centred approach and set the stage for a broader organisational restructuring based on a growing commitment to collaboration and collective intelligence.
Since embarking on this transformational initiative, Deco’s decline has been reversed. In 2010, the company generated a turnover of €4.9 billion, a 9% increase from the year before. EBITDA increased by 13% and employee engagement scores increased significantly. Knowing the transformation process has just begun, Gunning keeps everyone focused on a new vision of how the company has to operate to succeed:

“

In a truly complex organisational environment, a global company can no longer be dependent on a command-and-control logic. Our new vision still has an element of command, but the mechanism for moving in the same direction has to be entirely different. The old structure is a role-defined organisation. The new structure is purely dependent on the relationships that people share and the quality of the conversations that takes place. We need to create new relationships.

KEY DIMENSIONS OF COLLABORATIVE LEADERSHIP

Other companies have taken different routes to transforming their leadership cultures and fostering greater collaboration. Cisco created an extensive network of boards and councils dedicated to developing new strategic initiatives (and is now streamlining that structure as it seeks the right balance between over- and under-collaboration). Sanofi drew on the World Café - a large-scale dialogue process for evoking collective intelligence - to transform its internal strategy formation process and leadership’s relationship to external partners. However, the story of Deco Paints’ transformation is particularly useful because it so clearly illuminates several key dimensions of collaborative leadership.

Leadership from the inside out
First, collaborative leadership is rooted in “leadership from the inside out”. Even though leading collaboratively means less concern for individual power or achievement, and more concern for collective innovation and accomplishment, leaders must still know and lead themselves in order to collaborate effectively or create more cooperative cultures. In many ways, self-leadership is even more important when leading collaboratively because of the more complex relationships involved.

Authentic relationship
Second, collaborative leadership is grounded in authentic relationships among peers in which the shadow side of hierarchy has no place. Conversations reflect this. Collaborative leaders value openness and engagement. In their teams, mutual empowerment takes the place of top-down control, and growing trust creates a field in which participants are secure enough to take risks. The motive force for achievement comes from the fundamental human desire to make positive contributions to a meaningful purpose.

Commitment to the whole
Third, collaborative leadership involves creating the conditions for members of a team or organisation to move from a concern for “me” to a passion for “we.” A shared purpose inspires those who might otherwise be territorial to leave their silos. An ethic of contribution draws out the best from each person. Mutual accountability and co-responsibility supplant “the blame game” and power struggles. People are recognised for contributing to the common good and achieving business or team goals, not simply pursuing their own ends.
In essence, collaborative leadership involves a shift from “ego system” to “eco system” (see graph). This is first and foremost a shift in leadership consciousness, but a complementary set of leadership skills accompanies it. Perhaps most important is the leader’s capacity to convene and host high-quality conversations, for clear, open, and purposeful communication is the medium through which collaborative leaders do their work.

Towards a New Operating System for Leaders

**Ego System**

*“It’s About Me”*

- Top Down Control
- Command
- Independent Silos
- Territoriality
- Power Struggles
- Self-Interest
- Withholding Information
- Blaming

**Eco System**

*“It’s About Us”*

- Influence
- Conversation
- Aligned Agility
- Partnership
- Mutual Empowerment
- Mutual Support
- Joint Knowledge Development
- Mutual Accountability

**LEADING THROUGH CONVERSATION**

To lead collaboratively is to lead through conversation. Collaborative leaders take personal responsibility for communicating effectively and consciously use focused, intentional conversation to achieve key ends. They cultivate the ability to communicate with presence and intention and use different modes of communication as required to support alignment, learning, or collective problem-solving and innovation. Open-ended dialogue may be needed to surface assumptions and explore divergent approaches before skillful discussion is used to evaluate options and make decisions.

In a collaborative context, conversations have a different quality than they do in more hierarchical settings. Instead of being a medium for telling and directing, they serve as the vehicle for learning, co-creation, and collective achievement. Leaders become the host for crucial conversations. As such, their role is to create a safe space for dialogue, frame questions that focus on collective attention, and actively encourage everyone’s contribution, thus ensuring that the group’s work benefits from the diverse perspectives of all participants. While fully contributing their own knowledge and expertise, they relax their need to be right or have all the answers. They listen more than they speak and model the quality, tone, and energy of communication they want to see in their teams or organisation.
Hosting Collaborative Conversations

The collaborative leader:
- Creates a climate for discovery and emergence
- Evokes and honours diverse perspectives
- Asks powerful questions
- Suspends premature judgment
- Explores assumptions and beliefs
- Embraces ambiguity and not-knowing
- Articulates emergent patterns and solutions

CORE PRACTICES OF COLLABORATIVE LEADERSHIP

Collaborative teams often form, do their work, and disband quite rapidly in today’s dynamic business environment. Leaders must thus become skilled at creating the conditions that enable high-quality collaboration. These include:

Forging shared purpose
To lead collaboratively is to lead with an unshakeable commitment to shared purpose and collective goals, for it’s purpose that inspires and sustains high-quality participation. People will stretch to achieve goals that truly matter, so a powerful purpose will speak to aims and outcomes beyond making a profit, creating a new widget, or bolstering a company’s image. The purpose of Deco Paints is now “Add Color to People’s Lives,” inspiring employees to make new connections between the business and the communities in which it operates. When HP Labs reframed its mission from being the best industrial research lab in the world to being the best industrial research lab for the world, it unleashed a wave of collective energy throughout the company and catalysed strategic programs like HP’s e-Inclusion initiative, dedicated to giving the planet’s four billion people with very low incomes access to the digital world.

A higher purpose that requires collective effort to achieve will motivate people to prioritise group goals and work for the good of the whole rather than pursue their own interests in more parochial ways. Yet forging shared purpose is but the first step. The true test of collaborative leadership lies in deepening a team’s commitment to collective goals over time and sustaining alignment of diverse interests when competing agendas arise, strong egos vie for command, or short-term setbacks weaken a group’s focus and commitment.

Crafting shared agreements
High-quality collaboration is energised by purpose and patterned by agreement on the ground rules for participation. These include the core values or guiding principles that define how members of the group will relate to one another and the specific behaviours that express each value or guiding principle.

Certain core values and guiding principles are common in teams that work collaboratively - for example, commitment to the whole; inclusivity, openness, and sharing; inquiry and appreciation; and decision making at the lowest feasible level. When such values are only stated abstractly, though, they usually end up being ignored on a wall or in a desk drawer instead of being put into practice. Collaborative leaders thus ensure that the team’s values or guiding principles are clearly expressed in terms of explicit behaviours that will make the greatest difference to the group’s effectiveness.

---

1 Hendit eatemporae pror mos dipsae. Onsendest, ist aut dolupta tessequad quidebis et quitas incutr ratem ipid quaspelesedi dolore pliatib ustruptate sumque et quidest tem quodio.
Forging a shared purpose that inspires all participants

Explore the question “What can we only do together, that none of us can do alone?” Being able to answer that question – in a way that is both personally and professionally meaningful to participants – is vital if the group is to focus and function effectively.

Crafting agreements for engagement and accountabilities

Well-conceived guiding principles and clearly articulated behaviors are useless if not implemented. Summarise them on a scorecard the group can use to monitor and reflect on its performance after each meeting. Leaders have an important role to play in fostering reflection both on whether their team is meeting its goals or not and how well the group is collaborating.

Clarifying roles and decision rights

Take time to understand how your team’s composition, scope, and structure affect decision making. Teams that are smaller and more geographically intact can often rely on more democratic methods of decision making because challenging issues can be worked through in person. Teams that are globally distributed need more structure and differentiation in terms of roles and decision processes.

Harnessing collective intelligence

Many leaders tend to be conservative when it comes to inviting input – but often the insight they most need can only come from a broader network of stakeholders. Challenge yourself to find ways of experimenting with enterprise social media to solicit ideas on key strategic questions from people throughout the organisation.

Creating systems and processes for communication and coordination

A leader’s commitment to clear, open communication sets the tone for his or her team and organisation. In a collaborative context, transparency is vital. It contributes to trust and productivity, while hoarding or withholding of knowledge and information undermine them. Leaders must also ensure that everyone understands specifically what’s expected in terms of information sharing and responsiveness to communications.

Ensuring accountability for results

Invest trust in your team at the outset – and assess continually to deepen that trust or identify where help is needed. Be clear about what you are trusting others to do and what mutual accountability means. Have the self-confidence to share credit generously. Above all, be trustworthy and accountable. Do what you say you’re going to do.
CORE COMPETENCIES OF COLLABORATIVE LEADERS

Four core competencies support collaborative leadership:

01. Self Leadership
02. Relational Intelligence
03. Team Orchestration
04. Networking

0.1 Self Leadership

Knowing oneself and leading oneself is the foundation for leading others, even when leading collaboratively. Authentic leadership always flows from the inside out. To lead collaboratively, one needs the same clarity of purpose, values, and vision that all leaders need - they're a leader’s personal touchstone for open and authentic participation. One needs leadership presence and the confidence to choose wisely in the moment, even when under pressure.

More particularly, collaborative leaders also need the confidence and humility to recognise that they don’t need to have all the answers and to be open to the wisdom and expertise of others. Self-esteem – being secure in oneself without needing external validation or ego gratification – enables a leader to create space for others, support collective achievement, and share knowledge, power, and credit.

Leaders who truly commit themselves to leading collaboratively will naturally develop ever-greater self-awareness. When leaders can’t simply impose their will or views on others, they take an interest in the assumptions, patterns, and practices that impede effective collaboration. They begin to notice their need to be the ones who know, their “hot buttons,” their discomfort with ambiguity or impatience with dialogue, their ego needs and decision-making biases. By becoming more aware of these patterns, leaders can be less reactive, stay more open, and choose more wisely, especially in difficult conversations.

0.2 Relational Intelligence

In traditional organisational hierarchies, leaders could sometimes be jerks since all they had to do was give orders. In today’s networked organisations, as Tex Gunning noted, relationships are central and the quality of relationship is directly related to a capacity for getting things done. Leaders thus need to be more emotionally and socially intelligent, with a heightened ability to assess and work skilfully with the emotions, motivations, desires, and intentions of those they lead. While access to one’s total intelligence is still essential, collaborative leadership calls particularly for the development of relational intelligence.

Collaborative leaders invest in strong personal relationships at all levels while focusing on results at the same time, recognising that the two reinforce one another. They are actively interested in people as individuals and take time to learn what others care about, how they view issues and opportunities, and what will enable their wholehearted engagement. As a consequence, there is often a “strong family feeling” to a collaborative – a sense that one can call on other members of the team for help without embarrassment or shyness. Relationships are grounded in genuine mutual respect, not simply a sense that others are useful to accomplish an end.
This not only supports collaboration on present goals but also builds social capital that may create unanticipated future possibilities. When people trust each other and like working together, they’ll look for other opportunities to collaborate. Some industries, like those of film and television, are built entirely on this principle.

0.3
Team Orchestration

The third vital competency for collaborative leaders is a practical grasp of group dynamics and the ability to facilitate complex relationships among people with diverse personalities, strong egos, and different learning styles. We call this team orchestration to reflect the creativity involved in doing this well and without manipulation.

To lead laterally, leaders accept responsibility for building heterogeneous, high-performing teams and helping them achieve shared goals without being able to rely on command-and-control methods. We’ve identified several core practices that figure in this, such as forging common purpose, nurturing trust and mutual respect, creating contexts for full and equitable participation, and harnessing collective intelligence. In practice, this is challenging work that invariably demands not only self-awareness and emotional intelligence but also sensitivity to power dynamics, skill in handling conflict constructively, and a knack for creating contexts in which people can learn and grow.

Power dynamics are present in every team and can take a variety of forms, from the silencing of some participants or the devaluing of certain views to control of the group’s agenda or insistence on always having the last word. Collaborative leaders work to make such processes visible and to ensure that they don’t undermine the full, open, and respectful engagement of all participants – the precondition for accessing collective intelligence.

Conflict is usefully viewed not as something to be avoided but as a potential source of breakthrough. Teams comprised of passionate and talented people with diverse views should expect conflict; the most effective will encourage a wide-ranging exploration of ideas and have systematic ways to identify, assess, and make decisions about the options presented. Even personality clashes can be a source of breakthrough when they’re addressed openly and resolved in ways that increase the group’s collaborative capacity.

0.4
Networking

One final skill set figures centrally for collaborative leaders – knowing how to develop and use networks. Many tend to be natural coalition builders and connectors anyway; they easily reach out to and establish relationships with those in other parts of the organisation, other companies, or the broader community. They leverage those connections in service of their work and reciprocate when others need their support.
BARRIERS TO COLLABORATIVE LEADERSHIP

It’s common when first introducing collaborative leadership to encounter a variety of personal, interpersonal (or team), and organisational barriers. In terms of our “iceberg model” (see graph), these usually reside “below the waterline” of individual or collective consciousness. To address them, leaders must first bring them to awareness – name them – and then explore their roots. For example, fear of losing power and control is common when leaders used to command-and-control are asked to collaborate. However, that fear may stem from personal ego needs, concern for loss of professional rewards, or a belief that loss of control will create an inability to execute. With awareness of their roots, leaders can identify the vital behaviours, crucial conversations, and iconic organisational moves that will most powerfully advance their collaborative vision.

OXFORD LEADERSHIP™
Iceberg Principle

Winds
What is Visible and Explicit
Vision, Goals, Strategy, Plans, Policies, Espoused Values

Currents
What is Unspoken and Implicit
Fears, Beliefs, Prejudices, Organisational Norms, Habits, Patterns, Cultural Taboos
COMMON BARRIERS AND POTENTIAL WAYS TO ADDRESS THEM

**Personal**
- Fear of losing power and control
- Cynicism about the value of collaboration
- Fear that decision making will become ineffective
- Counter-productive habits, such as the tendency to pontificate
- Belief that one is always right or has the answers
- Inability or unwillingness to learn new behaviours

**Team / Interpersonal**
- Lack of communication
- Mistrust or lack of respect
- Over-control of team agendas or conversations
- Hidden agendas
- Groupthink

**Organisational**
- Messenger killers
- Organisational politics
- Territoriality and silo thinking
- Compensation and systems that reward individual achievement
- Corporate cultures that reward a self-centered view rather than whole-centered view

---

**Personal reflection; individual coaching; conscious commitment to stretch oneself; a willingness to suspend judgments; openness to learning.**

**Team reflection; team coaching; commitment to agreed-upon principles and practices; openness to feedback; use of “devil’s advocate” to challenge assumptions.**

**Visionary leadership; re-design of reward systems; shift in cultural norms to foster openness and inclusivity; iconic moves to change leadership behaviours.**
WHERE DO WE START?

How do we begin to develop leaders with the collaborative capacity to transform business for good?

Senior leaders can champion collaboration and model it in how they work. They must identify and remove barriers to collaboration, which might include renewing core values and re-aligning incentive and reward structures to encourage collective achievement. Senior HR executives can be catalysts for a new vision of collaborative leadership development and help build the business case for it.

Iconic moves like Deco Paints’ “Ignite the Spirit” learning journeys – which eventually will include all 21,000 employees – send a powerful signal about the company’s vision and its willingness to invest in people. Consider what iconic moves or leadership development programs could significantly impact the consciousness and behaviour of leaders and managers at all levels of the company.

Train and coach laterally as well as vertically to help leaders develop the new skill set. Encourage leaders to become active in industry and social contexts where they’ll have to develop collaborative skills to be effective.

Look for places in the organisation where collaborative leadership is already occurring. Share success stories and encourage communities of practice that identify what’s working and build on it.

CONCLUSION

No single leadership style is appropriate for all situations. In most companies, both collaborative leadership and command-and-control will likely be needed to grow sustainable businesses. However, developing leaders with the character and competencies to lead collaboratively will be an increasingly important priority as organisations seek to unleash the collective intelligence of all stakeholders in growing successful businesses that contribute to a sustainable world.

Thomas J. Hurley is President of Oxford Leadership™ USA and serves on its International Faculty Board. He can be reached at tom.hurley@oxfordleadership.com

Oxford Leadership is a global consulting firm and leadership training institute whose purpose is to develop leaders who will transform business for good. We work with global businesses, governments, and large international agencies. Services include leadership consulting, leadership development, executive coaching, design and facilitation of high-engagement leadership events – all intended to help companies align people and culture with strategy.
Acknowledgments

We gratefully acknowledge the contributions of the following people, all of whom participated in the inaugural Oxford Leadership Café on 14 May 2011 at the AkzoNobel offices in Amsterdam. The theme for the Café was “Collaborative Leadership in an Interconnected World.”

Contributors List:

Johan Amborg, HR Director, Volvo Buses
Stephanie Bauer, HR Director, HanseNet
Dr. Friedhelm Boschert, CEO, Volksbank International
Mark Conoley, Director, Mark Conoley Coaching and Consulting
Britta Flindt, Vice President HR, Unity Media
Toby Foggo, Head of Executive Development, Telefónica Europe
Heiko Hutmacher, Senior Vice President HR, AkzoNobel
Catherine Jones, Learning and Development Consultant, Telefónica
Mary Plunkett, Head of People and Organization Development, Heineken
Tony Russell, Director of Senior Executive Development, L’Oréal
Kirsti Tagge, Senior HR Business Partner, Logica
Agnieszka Tomczak, HR Director, AkzoNobel Industrial Coatings
Nicola Tyler, CEO, Business Results Group
Ralph Wildeman, HR Director, AkzoNobel Industrial Chemicals
Brian Bacon, Chairman, Oxford Leadership
Cyril Legrand, CEO, Oxford Leadership
Tom Hurley, President OLA USA, Oxford Leadership
Erika Kleestorfer, Senior Fellow, Oxford Leadership
Miguel Gowland, Managing Director OLA Spain, Oxford Leadership
Juan Carlos Murillo, President OLA Mexico, Oxford Leadership
Ken O’Donnell, Regional Vice Chair Latin America, Oxford Leadership
Juan Rovira, Regional Vice Chair Iberia, Oxford Leadership
Lasse Wrenmark, Head of Training and Development, Oxford Leadership
About Oxford Leadership™
Oxford Leadership™ is a global leadership consultancy that aligns people, purpose & strategy - driving socially responsible transformation in global organisations. Our international network includes 215 partners, consultants, and coaches in 24 countries throughout Europe, North America, Latin America, Asia, and Africa. We transform leaders, align teams and create fierce resolve and passion to win. Typical interventions are to accelerate performance, execute strategy and embed capability and change. Our programmes are part of the core curriculum in many of our client’s corporate universities, and our leadership development programmes have over 300,000 executive alumni. Methodologies are based on more than 100 corporate turnarounds and performance acceleration assignments in FTSE 100 and Fortune 500 companies.

Austria, Belgium, Brazil, Canada, China, Colombia, Denmark, Finland, France, Germany, Italy, Mexico, Norway, Poland, Portugal, Russia, Serbia, South Africa, Spain, Sweden, The Netherlands, UK, Uruguay, and the USA.

For more information about Oxford Leadership or to get in touch, visit us at: www.oxfordleadership.com