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Bridging Organizational Silos

Abstract
{Excerpt} A silo is a tall, self-contained cylindrical structure that isused to store commodities such as grain after a harvest. It is also a figure of speech for organizational entities—and their management teams—that lack the desire or motivation to coordinate (at worst, even communicate) with other entities in the same organization. Wide recognition of the metaphor intimates that structural barriers in sizable organizations often cause units to work against one another: silos, politics, and turf wars are often mentioned in the same breath.

An organization is a social arrangement to pursue a collective intent. Coordination, and the requisite communication it implies, is fundamental to organizational performance toward that. Yet, many organizations grapple with the challenge of connecting the subsystems they have devised to enhance specific contributing functions. Here and there, organizational, spatial, and social boundaries impede—when they do not block—the flows of knowledge needed to make full use of capabilities. High costs are borne from duplication of effort, inconsistencies, and inefficiencies. Everywhere, large organizations must move from managing silos to managing systems.

Keywords
Asian Development Bank, ADB, poverty, economic growth, sustainability, development

Comments
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Knowledge Solutions

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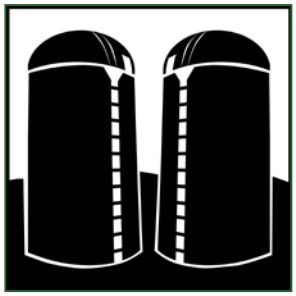
Bridging Organizational Silos

By Olivier Serrat

To develop and deliver products and services, large organizations rely on teams. Yet, the defining characteristics of these often hamper collaboration among different parts of the organization. The root cause is conflict: it must be accepted then actively managed. Promoting effective cross-functional teams demands that an enabling environment be built for that.

What's in a Word?



A silo is a tall, self-contained cylindrical structure that is used to store commodities such as grain after a harvest. It is also a figure of speech for organizational entities—and their management teams—that lack the desire or motivation to coordinate (at worst, even communicate) with other entities in the same organization. Wide recognition of the metaphor intimates that structural barriers in sizable organizations often cause units to work against one another:[1] silos, politics, and turf wars are often mentioned in the same breath.

An organization is a social arrangement to pursue a collective intent.[2] Coordination, and the requisite communication it implies, is fundamental to organizational performance toward that. Yet, many organizations grapple with the challenge of connecting the subsystems they have devised to enhance specific contributing functions. Here and there, organizational, spatial, and social boundaries impede—when they do not block—the flows of knowledge needed to make full use of capabilities. High

[1] Specifically, three types of boundaries can be distinguished: (i) organizational, e.g., business units, functional memberships; (ii) spatial, e.g., office locations, inter-office distances; and (iii) social, e.g., gender, tenure (pay grades, job ranks). Of the three, the most widespread are termed product silos—that is, business units defined by product or service offering—and country silos, meaning, geographic silos demarcated by, say, country or region. In 2006, a study of a large structurally, functionally, geographically, and strategically diverse company that analysed more than 100 million electronic mail messages and over 60 million electronic calendar entries for a sample of more than 30,000 employees over a 3-month period revealed surprisingly little interaction across the three boundaries. Communication patterns were extremely hierarchical: in short, most people tended to communicate with others in their group or with peers. (Women were the exception: they played key "boundary spanning" roles.) See Adam Kleinbaum, Toby Stuart, and Michael Tushman. 2008. Communication (and Coordination?) in a Modern, Complex Organization. Harvard Business School. *Working Paper* No. 009-004. Available: www.hbs.edu/research/pdf/09-004.pdf

[2] It helps to think of organizations as systems. A system is a group of interacting, interrelated, or interdependent elements that form a complex whole. In an organization, inputs are processed to produce outputs toward outcomes that, in combination, deliver the impact the organization desires. Obviously, rapport among the subsystems, e.g., departments, divisions, offices, teams, programs, etc., involving feedback, insight, and disclosure is essential to ensure they synergize. The processes that link the subsystems are typically defined by corporate values, policies, procedures, and rules.

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costs are borne from duplication of effort, inconsistencies, and inefficiencies. Everywhere, large organizations must move from managing silos to managing systems.

Table 1: A Case of Competition, Not Collaboration

Question	Marketing's Answer
Why don't the marketing teams work together?	We don't have time.
But when you do have time?	Our products are not related.
But you sell to a common set of customers?	We are all structured differently.
So if you were structured in the same way, you would work together?	Well, no, because we all sell through the same sales force, so I need to maximize my share of voice.
So if you win, others lose?	Yes. I'm interested in getting my products sold, even at the expense of others.

Source: Boston Consulting Group. 2003. *A Survivor's Guide to Organization Redesign*. Available: 209.83.147.85/impact_expertise/publications/files/survivors_guide_organization_redesign_jan2003.pdf

Enter the Matrix

For 100 years, (fully or semi-) autonomous organizational arrangements have been designed to manage complexity, keep products and services close to clients, and hold managers accountable. (In the 1970s and 1980s, interest in matrix structures, be they in functional, balanced, or project form, mushroomed.)[3] To this day, multiple command structures are found in most large organizations, even where traditional departmental structures—themselves tall chimneys—hold sway. This is testimony to the perceived effectiveness of such arrangements (even if few organizations track matrix structure performance and fewer still examine the human dimensions of operating and managing in the matrix).[4] Still, silo power misaligns goals, dilutes roles and responsibilities, makes for ambiguous authority, leads to resource misallocation, breeds defensive personnel, and fosters a culture whereby the incentive is to maximize the performance of the silo, not that of the organization. Given frequent emphasis on silo-level metrics, monitoring, and management; the use of independent insights and toolsets across individual silos supporting a product or service; lack of shared understanding of service typologies; and the absence of coherent end-to-end views, silos cannot easily recognize corporate-level opportunities. (Indeed, they may even stand in the way of leveraging success where it occurs.)

In spite of that, the objective should not be to tear down silos by centralizing and standardizing—even though some of that may be part of the solution.[5] In the name of performance improvements, the organizational designs that engender silos are usually the result of earnest attempts to identify the right business issues, pinpoint the right underlying obstacles, adopt the right design characteristics, and implement change the right way. And so, in general, silos do not exist because something was intentionally done: they come about because something was

[3] The matrix is a grid-like, multiple command structure that, in theory, allows organizations to target multiple business goals; leverage large resources while staying small and task-focused; enable quick transfer of inputs; facilitate the management of information through lateral communication channels; develop economies of scale; encourage creativity and innovation; and speed responses to changes in the external environment. In opposition, the matrix violates the principles that authority should equal responsibility and that personnel should report to a single manager; can create ambiguity and conflict; increases management and administrative costs; and raises the likelihood of resistance to change as personnel can associate the matrix with loss of status, authority, and control over their traditional domains. Notwithstanding, organizations continue to adopt the matrix because they believe its strengths outweigh its weaknesses. See Thomas Sy and Laura D'Annunzio. 2005. Challenges and Strategies of Matrix Organizations: Top-Level and Mid-Level Managers' Perspectives. *Human Resource Planning*. Vol. 28, No. 1, pp. 39–48.

[4] Without specific, measurable, achievable, relevant, and time-bound performance indicators, it will not be easy for managers to recognize problems and take necessary remedial actions. Arguably, there probably also is a need for a matrix guardian tasked, for instance, with monitoring and evaluation of matrix performance as well as identification of good practices for dissemination and uptake across an organization.

[5] Gone are the days when simple hierarchical structures could serve the needs of organizations. Complexity thinking must now help deal with complexity and personnel should be equipped for that. From this perspective, operating and managing in the matrix ceases to be a structural constraint to become a frame of mind.

left undone, that is, the provision of compelling motives, means, and opportunities for personnel to come together. The idea, then, should be to replace competition with collaboration. Successful matrix (but also traditional) organizations take care to communicate a clear, consistent corporate vision and to define expectations; work to expand individual perspectives to co-opt ambitions, energies, and skills into the broader organizational agenda;[6] increase congruence with corporate values through training that reinforces desired attitudes and behaviors; evaluate personnel for work across functions; and help build relationships. (More and more, communities and networks of practice are empowered to accomplish the latter end.)

> *It's not enough that we win; everyone else must lose.*
> —Larry Ellison

Lights to Go: From Red to Green

Collaboration begins with individuals (although organizations can do much to foster it).[7] It is born of an intentional attitude that James Tamm and Ronald Luyet[8] have described as being in the Green Zone.[9] Green Zone environments are marled by high trust, dialogue, excitement, honesty, friendship, laughter, mutual support, sincerity, optimism, cooperation, friendly competition, shared vision, flexibility, risk taking, a tendency to learn from mistakes, the ability to face difficult truths, the taking of broad perspectives, openness to feedback, a sense of contribution, the experience of work as pleasure, internal motivation, and ethical behavior.[10]

The outer and inner selves of individuals in the Green Zone are congruent. They seek connection according to deeply held values and character, rather than tactical or strategic thinking. Therefore, they convey an authentic, nondefensive presence. Their actions in a relationship are not driven by fearful motives, nor are they determined by an unconscious competitive spirit. When conflict arises, they seek to understand and to grow because they desire mutual gains rather than victory. They can do so because they have tools, methods, and approaches to cope in less reactive ways.

The Green Zone is a catalyst for creativity and innovation and for high levels of problem solving. It allows individuals to focus their ambitions, energies, and skills. In an atmosphere that is free of intrigue, mistrust, and betrayal, they have greater opportunities to realize the potential of their circumstances. They dream, believe, dare, and do. Until individuals operate in the Green Zone, organizations will not be able to tap the excitement, aliveness, and productive power of collaborative relationships.

On the contrary, silos are Red Zone environments ruled by fear and defensiveness. (A parallel can be drawn to the notion of the passive-aggressive organization that Booz Allen Hamilton diagnose with inability to execute, ineffective decision making, information disconnect, and inconsistent or conflicting motivators.) Developing four introspective skills can help staff and management there cultivate mindsets and enhance organizational cultures to conduce and sustain high-performing, long-term collaborative relationships. The skills are (i) collaborative intention, (ii) truthfulness. (ii) self-accountability, and (iv) self-awareness and awareness of others.[11]

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6 After all, it stands to reason that the interaction of a broad range of types of jobs—and people—is required to make the whole greater than the sum of its parts.

7 Attitudes are impacted by biological and cultural factors, as well as personal history. But overcoming defensiveness to build successful relationships, both personal and professional, is still a choice that individuals make.

8 James Tamm and Ronald Luyet. 2005. *Radical Collaboration: Five Essential Skills to Overcome Defensiveness and Build Successful Relationships*. HarperCollins Publishers.

9 FIRO, the theory of fundamental interpersonal relations orientation, lies at the heart of the book. William Schutz (1925–2002), an American psychologist, is credited with its development. The theory explains human interaction by means of three primary dimensions: (i) inclusion, (ii) control, and (iii) affection. (The dimensions can be used to assess group dynamics.)

10 In opposition, Red Zone environments are marled by low trust, high blame, alienation, undertones of threats and fear, anxiety, guardedness, hyper rivalry, hostility, withholding, denial, hostile arguments, risk avoidance, cheating, greed, an attitude of entitlement, deadness, cynicism, suspicion, sarcasm, a tendency for people to hide mistakes, work experienced as painful, and dependence on external motivation. For individuals, the consequences of Red Zone behavior include loneliness, depression, anxiety, emptiness, self-centeredness, lack of intimacy, codependency, aggression, and the absence of enjoyment.

11 Fortunately, modern organizations now also offer learning and development to promote emotional intelligence in the workplace. Importantly, many recognize too the need to identify and recruit personnel for collaborative intent. (The use of psychometric tests to that effect is growing.)

Table 2: From Red Zone to Green Zone: Five Essential Skills

Skill	Attribute
Collaborative Intention	Individuals stay in the Green Zone, maintain an authentic, nondefensive presence, and make a personal commitment to mutual success in their relationships.
Truthfulness	Individuals commit to both telling the truth and listening to the truth. They also create a climate of openness that allows people in the relationship to feel safe enough to discuss concerns, solve problems, and deal directly with difficult issues.
Self-Accountability	Individuals take responsibility for the circumstances of their lives. The choices they make either through action or failing to act, and the intended or unforeseen consequences of their actions. They would rather find a solution than find someone to blame.
Self-Awareness and Awareness of Others	Individuals commit to knowing themselves deeply and are willing to explore difficult interpersonal issues. They seek to understand the concerns, intentions, and motivations of others, as well as the culture and context of their circumstances.
Problem-Solving and Negotiating	Individuals use problem-solving methods that promote a cooperative atmosphere. They avoid fostering subtle or unconscious competition.

Source: Compiled from James Tamm and Ronald Luyet. 2005. *Radical Collaboration: Five Essential Skills to Overcome Defensiveness and Build Successful Relationships*. HarperCollins Publishers.

From Silos to Systems

> *We have met the enemy and he is us.*
> —Pogo

It follows that bridging organizational silos calls for collaboration, coordination, capability, and connection. This is easier said than done: practically, how can one aim at silo-driven problems? Usefully, Patrick Lencioni[12] has proposed a model for combating silos, against which actions to build collaboration, coordination, capability, and connection can be framed. His is, of course, reminiscent of the logic models used to design and monitor projects or programs; the breakthrough lies in the proposed application at the corporate level of a system to overcome the barriers that turn colleagues into competitors. The model comprises four components:

- **Establish a Thematic Goal.** A thematic goal is a single, qualitative, and time-bound focus that is shared by the entire organization irrespective of area of interest, expertise, gender, or title. It is a rallying cry for personnel to work together for the common good. It is not a long-term vision or a measurable objective.
- **Articulate Defining Objectives for the Thematic Goal.** The defining objectives provide actionable context so that personnel knows what must be done to accomplish the thematic goal. They too must be qualitative, time-bound, and shared.
- **Specify a Set of Ongoing Standard Operating Objectives.** The thematic goal and defining objectives only exist for a specified period of time. Standard operating objectives never change, no matter what the short-term focus is. They may include client satisfaction, productivity, market share, quality, etc. Of course, they must be consistent with the thematic goal.
- **Select Metrics.** Metrics are selected after the thematic goal has been established, the defining objectives for the goal have been articulated, and the standard operating objectives have been specified. They are necessary to manage and monitor the accomplishment of the thematic goal and defining objectives. Color schemes can be used to represent progress, e.g., Green = Made progress, Yellow = Progress beginning to stall or regress, and Red = Progress stalled or regressed.

[12] Patrick Lencioni. 2006. *Silos, Politics and Turf Wars: A Leadership Fable About Destroying the Barriers That Turn Colleagues Into Competitors*. Jossey-Bass.

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For further information

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