





EXECUTE WORK **EFFICIENTLY** 

# Building an Agile Organization through Network Practices

#### CASE CONTEXT

A regional director creates a culture of openness and collaboration through hiring decisions and team practices. He avoids hierarchy and takes a light touch on internal processes to enable fast, innovative product development and execution.



**MALE** 

Level: MANAGER OF **MANAGERS** 

Industry: TECHNOLOGY

## HIGH-PERFORMING LEADERS LEVERAGE **NETWORKS TO DO** 5 THINGS

Based on 20 years of research in more than 300 organizations, we know that the quality of your professional relationship play a significant role in your success. We have extended this research to describe the way highperforming leaders leverage their networks to: Innovate, Execute, Scale, Thrive and Adapt.









## Dan's been in software for 15 years, first as a developer in a startup, right out of college, where he grew along with the

company. He held positions of leadership, including vice president of engineering. He always kept his hand in coding and stayed connected to colleagues who worked in the field through various booms and busts. He heard about his current company from a friend and, shortly after, joined to set up a new office. A few years later, he is director of the operation of 150 people serving customers in Western Europe and the U.K.

Dan has come to see a culture of collaboration as core to innovation and growth. "Enabling collaboration is so unbelievably critical. You can't put a value on it." Dan and his colleagues have established an open, limitedhierarchy organization, with a drive to keep processes simple and remain nimble. "Our processes need to be light. They need to allow for rapid change, so if somebody sees something that needs to be different, we can change it ... We shouldn't rely on process for everything. I don't want people to feel like they are in a cage, that it's not part of the process, don't do it that way." He brings all levels and expertise together to make specific coding decisions, as well as to talk through priorities and processes. "I never use my title or pull rank. I expect new hires, straight out of college, to challenge my ideas." Dan insists that a good idea can come from anywhere, often from a voice you don't expect—and as the company has grown, it is this energy and ownership that has kept the company adapting.

The first step to having a collaborative culture is bringing the right people in. "We are careful about who we hire. We look for extremely passionate people who are creative and open to new ideas. It fosters collaboration from the very beginning." Initial screenings and resume reviews simply weed out poor candidates. Interviews help identify people who are good at problem solving, are creative, can explain things clearly and don't foster an us versus them mindset. Dan personally meets top candidates, wanting to hear their story and read their body language. He'll say, Walk me through your day-to-day. "That's the best deep-dive interview question ... It gets to what they are doing and why they do it that way ... That tells me a lot about how they would collaborate and contribute here." Another favorite question is around a scenario: The product is late. The option to run overtime for three months is on the table. What do you do? "Usually, they lean back because they are going to say something negative and they don't want to! One guy I hired right away leaned forward, looked me in the eye and said, You just can't do that to people. Things like that are powerful clues to how they collaborate and will fit the culture here."



Individual behavior is continually reinforced by mechanisms for innovation and collaboration.

Regularly scheduled meetings of ten- or 12- person teams are designed to call out what is working and what doesn't make sense. "Every two weeks, we ask, How can we get better? What can we change?"

Again, from the newest employee to the most-tenured or senior leader, everyone is involved. Each quarter, all the teams get together to decide what changes to scale across the company.

Another tack for fueling collaboration and innovation is a focus on Objectives and Key Results (OKR), rather than narrow metrics or through-put. "OKR is a bigger approach. A team sets it every quarter and it's something not attainable, a stretch goal, but it pushes the limits and bonds the team." OKRs could be technical, operational or cultural. Creating fun was an OKR for one team, leading to activities including: tossing a ball at meetings to add levity and force everyone to pay attention; a business book club with people taking turns to give a chapter synopsis using themes or characters from a favorite movie; and pizza lunches where people present on a project they don't work on.

With all the collaboration and deep involvement, Dan is aware that people can become overloaded or struggle to find their focus. He finds it to be a particular challenge for employees 4-6 years into their career. They are seen as valuable, so they are pulled into many projects and meetings—but haven't learned how to step back or say no. "You have the heroes who want to be included and the project leaders who want their favorites in the room ... I tell them both, There is more than one person who will know the answer to the question ... I tell managers, No, you can't take everyone for three hours, and I tell employees, You have to manage your calendar. It's important that they understand every minute that they have is critical. You have to ask, What is the highest value I can offer the business for my time?"

By creating—and reinforcing—a culture of collaboration, innovation and holding lightly to the status quo, Dan's operation is developing both the talent and the products to make it one of the most successful and fast-growing business units. Dan expects this to continue as he builds out leadership with people who "believe in culture the way I do but are strong in something I'm not."

### **Network Insights**

- Lead in ways that value risk-taking and experimentation.
   Celebrate good ideas no matter where they come from,
   keep status or hierarchy out of all interactions and create
   processes that ensure innovation and engagement.
- Build recruiting processes based on culture. For Dan, that means looking for new hires that are collaborative, curious, proactive and passionate about the field. "I can teach them how to code, but I can't teach them how to think."
- Embed practices to question the status quo. Bring teams
  together every two weeks for a stop, start and continue
  conversation. Experiment with new ways of working and
  share successes at quarterly briefings with a larger group.
  These efforts prevent teams becoming too process-oriented.
- Focus on employees' needs and growth opportunities—not the task list—in regular 1:1 meetings. This deepens the engagement and trust needed to retain talent and remain an effective, agile company.

## How to Fight the Process Mindset that Kills Innovation & Employee Engagement

Dan pushes back against a mindset of compliance and excessive process orientation that easily befalls companies in efforts to be productive or hit goals.

"I could say, we need you to code faster. But, why? We could be going faster in the wrong direction ... It is more important for people to be free to think about the right thing to deliver." Here are a few ways Dan fights the process-compliance mindset that kills innovation and engagement:

- Every two weeks, all teams engage in a meeting to discuss how they are working and things they should stop, start and continue.
- Each team selects no more than two items to work on or adapt from this discussion. They experiment with new ways of working over the course of the next two weeks.
- 3. Peers encourage risk taking, failing fast and testing new ideas so no one gets locked into a process mindset.
- Ideas that pan out are shared across the teams in a quarterly review cycle.
- Teams set extreme stretch goals, creating a motivating context to consider lofty ideas and multiple possibilities.
   If positive, results can be touted in individual performance evaluations; if negative, they don't count.

#### ABOUT THE RESEARCH & ROB CROSS

Building on 20 years of research with more than 300 organizations, the Network Leader Research Project seeks to understand the approach and strategies that enable certain leaders to consistently achieve peak performance. The research includes 160 in-depth interviews conducted by Rob Cross, a Professor of Management at University of Virginia's McIntire School of Commerce. The Connected Commons is currently focusing its research on leadership effectiveness, talent optimization and organizational alignment and change—three areas where network insights can clearly drive performance. For more information visit <a href="https://www.connectedcommons.com">www.connectedcommons.com</a> or email Rob at <a href="https://great.nih.gov/research/