



AMA Offers Advice on “Living with Silos”

AMA held a full-day current issues briefing “Living with Silos: How to Collaborate When Nobody Wants to”, at the AMA Executive Management conference Center in New York City, January 24, 2003. More than 40 AMA members and customers in attendance were presented with organizational and individual answers to what an AMA survey had shown to be a pervasive problem. Of the nearly 500 respondents to the Summer 2002 survey, 83 percent acknowledged the existence of silos within their organizations. Of these individuals, more than 90 percent considered them to have a negative effect. Seven percent considered them destructive.

Keynote speaker Karl Albrecht called silos a symptom, not the cause of a dysfunctional organization.

Characteristics associated with “silos” ranged from turf wars to lack of cooperation to lack of participation in cross-functional teams to lack of commitment to corporate goals.

Silos: A Symptom of Deeper Problems

Keynote speaker for the event was Karl Albrecht, a recognized authority on organizational and individual effectiveness and author of numerous best-selling books, including **The Power of Minds at Work**. Albrecht pointed out how silos are symptomatic of organizational dysfunction. “Every interdepartmental feud and every instance of mal-organization increases the level of entropy,” said Albrecht, borrowing the term “entropy” from physics to describe the loss of energy in an organization.

“Many organizations and their teams seem to regard entropy and its associated costs as a necessary evil beyond their influence—something to be lived with,” he continued. “But, by viewing it as a self-imposed tax, perhaps we can do more about it than we can do to reduce the other costs imposed by the business environment.”

Teamwork Builds Shareholder Value

Dr. Michael A. Warech, a consultant at Watson Wyatt Worldwide, Inc., shared results of a study that demonstrated cause and effect between human resource practices and return to the shareholders. One of the factors that study found that raised shareholder value was the encouragement of a company culture that supported teamwork and cooperation. Further, the study showed that avoidance of titles, parking spaces and office space that implied status and authority was tied to higher shareholder value, thereby demonstrating the worth of collegial workplaces.

Other factors found contributed to shareholder value according to the study, were:

- High percentage of company stock owned by senior managers and employees
- Pay linked to company strategy
- Most competent employees promoted
- High percentage of employees participating in incentive plans
- Employee impact on hiring decisions
- Reputation as being a desirable place to work
- Professional and hourly employees well-equipped to perform their jobs

“Yes, and...” Is Way to Respond

Frank McNulty, from The Second City’s management training division, demonstrated some one-on-one skills to facilitate collaboration and cooperation. In a “lively audience participation” session, McNulty demonstrated positive language (“Yes and....” rather than “Yes but....,” for instance) can defuse organizational squabbles and results in more open and productive communication across an organization.



Many Ways of Exchanging Information

Bryn Tindal, CEO and founding partner for PEER360 and the Horizon Marketing Group, looked at technology now available to facilitate communication across divisional and organizational boundaries. Tindal explored how intranets and extranets, webinars and other technological tools can be used to exchange information, critical to tearing down silo mentalities.

Online Cross-Functional Teams

BRYN TINDALL, CEO of Peer360 reviewed the many new collaboration tools now available online and through intranets.

Applying the idea of technology to facilitate communication, Erick Thompson, chief knowledge officer for the St. Paul Companies, described his company's intranet-based knowledge management program. St. Paul Companies has 80-plus communities of cross-functional and department-centered groups on its intranet that wires members of each group together, thereby supporting each group's goals. Unlike the other speakers who described organizational techniques to make holes in silos, the St Paul Companies setup, said Thomspon, supports it because the silos have a purpose and often involve participants from many units.

The Key: A Collaborative Culture

The informative program concluded with a presentation by Angela Drummond, president and CEO of SiloSmashers, an organization that teaches organizations how to change or adapt to improve their ability to collaborate. As Drummond observed, collaboration is critical to corporate success, but for it to occur, collaboration must be the number one core value, with rewards for supportive behavior and penalties for behaviors that diminish it.

Collaboration, said Drummond, is "bringing together disparate people, thoughts, ideas and experiences, blending them together to create something of value." Behaviors that are critical include an openness to others' ideas and opinions, bonding with others with common needs and otherwise building work relationships, demonstration of respect for others, and—most important—the active seeking out of others for input. The heads of organizations themselves must not only advocate collaboration but also make it a part of the corporate culture by taking an active stand in its favor. The end-result is more informed decisions and increased performance.

Collaborating Themselves

Drummond offered this checklist of questions for attendees to ask themselves to get them started in smashing silos and building collaborative cultures:

- Does your organization structure promote collaboration or do silos exist?
- Do you have collaboration in your culture and as part of your value system?
- Do you have the IT infrastructure for effective collaboration?
- Do you believe in collaboration? Do you model that belief?
- Do you have the reward system for collaboration?