

Jomer & Co

Use of collective intelligence through knowledge integration for closing the strategy-to-execution gap

Knowledge is something all people have, but it only represents value when it is used. This statement is a key leadership challenge as the nature of work changes.

The changing nature of work

Digital is the contemporary way of working. It makes work more individual and it simplifies, accelerates and clarifies. With an increasing level of digitization, organizations are becoming more information-rich in their quest for competitive advantage. Work is being decentralized and transformed to knowledge work. People at all levels are striving to combine specialized skills with the ability to master relationships with colleagues, customers and partners.

Working relationships are changing and the nature of work has increasingly become non-bounded and tied to neither place nor time. Working hours are more fluid and work environments more flexible. Planning and executing work cannot be strictly separated any more. People manage their own tasks and commitments, they self-supervise and organize work between themselves and others with digital technology. Work is being reorganized and re-planned when situations and needs change. Brainwork, interactions, communications and decision-making have increased, as have different forms of learning and knowledge tied to new ways of working.

Digitization enables organizations to easily and flexibly combine and align knowledge and resources in new dynamic ways. It raises intellectual performance by allowing individuals and organizations to overcome intellectual limitations, and it opens up for new ways of getting work done, faster and with better quality.

Work, as we know it, is becoming more socially, technically and content demanding and accentuates the need for advanced ways to collaborate within and across organizations. Now when people are connected online, information and intelligence float whenever and wherever necessary to solve problems and seek new opportunities.

Perspectives on knowledge

Knowledge is said to be the awareness or understanding of something or someone. It may be facts, information, descriptions or skills, which have been acquired through learning, involving complex cognitive processes of perception, communication, and reasoning.

Knowledge often means different things to different people depending on the social context, filtered through experiences, references and values to interpret a situation. Hence, knowledge may be viewed as something subjective. What knowledge is to one person may merely be a theory or belief to someone else. Furthermore, new knowledge

is sometimes difficult to digest, since people tend to evaluate new knowledge based on old knowledge. It then becomes emotionally challenging to justify previous choices and actions if the new knowledge also changes the situational understanding.

Knowledge, both explicit and tacit, is important for success. Explicit, structured or codified knowledge is rather easy to share, but sharing tacit and unstructured knowledge, which involves deep and intuitive understanding, is harder. Tacit knowledge is not something that can be isolated from the situational context or earlier achievements. It represents great value for any organization.

To what extent is knowledge spread inside or outside the organization? Efforts to estimate the total value of leveraging knowledge have led organizations for more than a decade to try to measure the return on knowledge management investments. They have often failed, due to challenges in spotting value-adding connections between disparate areas of expertise, which reside inside and sometimes outside the organization. Few organizations think explicitly about what knowledge they possess in different areas, how to integrate it and how to use it. This is worrying, since innovation and competitive advantage are increasingly coming from hard-to-duplicate combinations of particular know-how in different disciplines.

Knowledge integration

As knowledge becomes more complex and distributed, it becomes more specialized and thus in need of coordination. Knowledge integration is a process, which deals with this and focuses on synthesizing the understanding of a given subject from different perspectives. It is a learning process of reflection, exchange of thoughts and exploration of perspectives in order to achieve intelligent and coordinated actions.

Conceptually, integrating individual knowledge into organizational knowledge is performed through interactions between human thoughts and the organizational social context in which they arise. Particularly, during the process of organizational knowledge creation, integrating individual knowledge to team level and other organizational levels is the logic for orchestrating knowledge integration.

Integrating knowledge is often a challenge, since there are various obstacles for leveraging knowledge successfully. Organizational silos and conflicting objectives could obstruct collaboration. Differences in perspectives could cause differences in situational understanding if not discussed openly, thus hampering problem definition. Differences in taxonomy could create communication barriers. Lack of frankness on “how things work”, due to fear of being criticized and challenged, could hinder people from sharing their honest thoughts. Hence, one could deduce that knowledge integration has less to do with the individual knowledge and experiences and more with the degree of interpersonal relations and interactions. Research¹ has shown that when people are working together, they prioritize not getting embarrassed or feeling vulnerable or incompetent. They seldom want to lose their point of view or status. As a consequence, they unconsciously try to gain control over the situation and the people involved.

¹ Argyris & Schön.

Leverage the collective intelligence

The purpose of most organizations is basically to integrate knowledge and turn it into intelligent actions to serve customers. Since strategy, organization, processes, work procedures and targets seldom are perfect, people are the ones who at the end of the day make the difference between good and bad performance. It is their supportive attitudes, behaviors and actions that really make the difference. Their understanding of the strategic direction, the current and wanted positions, the what to do and how to do it, is essential for aligning supportive behaviors and constructive feedback when things do not turn out as planned.

Collective intelligence can be viewed as an organization's capability of seeking information, and exploring perspectives and interpretations through the wisdom of the people engaged in the company. Without a shared understanding of the situation, solutions seldom become effective. Leveraging knowledge through dialogues to formulate and solve problems does this.

To develop the collective intelligence, as well as the capability to integrate knowledge, organizations need to develop unified situational understanding and common mental pictures by exploring different perspectives. They need to enhance the degree of reflective thinking and increase the trust between people. By reflective thinking we mean challenging the basic assumptions for situational understanding and find alternative solutions for solving problems. Unified situational understanding and mental pictures are built through high quality dialogues, which involve several people. To gain deeper insight and find better solutions, perspectives need to be open for discussion and fixed assumptions need to be disclosed.

An organization's level of collective intelligence is determined by the utilization of the knowledge residing inside and outside the organization, and the ability to perceive reality, reflect, relate and integrate knowledge. A low level of collective intelligence hinders efficiency and productivity as well as finding new ways to explore opportunities. Perspectives enhance perception of reality, reflection fuels learning, and ability to relate increases trust between people. Furthermore, strategy and knowledge integration techniques fuel awareness, attention and supportive behaviors. Many organizations are complex and difficult to fully understand, and they are challenging to lead and manage. However, when people start to share knowledge and learn from each other, they jointly increase their situational understanding and find ways to better manage such complexity.

Getting the balance right for accelerating collective intelligence

Organizations operate through a combination of structures, processes and supportive behaviors. As threatening as it may be when traditional ways become obsolete, new operating schemes need to continuously be seized and considered. An important part of management is to secure the integration of autonomous but interconnected knowledge of people into the organization.

Organizational hierarchies strive to standardize and optimize operations by eliminating anomalies, but they often fail to cope with new opportunities and significant change.

Organizational networks, on the other hand, help organizations discover and seize opportunities and drive change, but at the cost of standardization. Hence, there is a trade-off for optimized efficiency, which becomes increasingly important in a digitized world. In a command-and-control organization, information and knowledge flows are principally vertical, whereas in lateral empowered structures, information and knowledge primarily flow horizontally along processes through the ecosystem. Here, people focus more on results and communicate independently of rank.

In an increasingly digitized world, organizations function through their connections, formal and emerging ones. Formal connections relate to processes and line organization, while emerging ones are based on the relationships engineered for knowledge and support when formal workflows are blocked, broken or not connected. Tapping in to the many brains increases as the need for collaboration accelerates in a variety of networks, both internally and externally.

Most organizations need to adapt to a digitized environment within and between organizations through new ways of working. Frontier organizations evolve to become more agile, customer focused and resource effective. They do this by balancing legacy hierarchies with a network approach, empowering individuals and teams with purpose, strategic direction, passion, tasks, communication, information flows and ways to share and integrate knowledge. This makes it easier to identify work and move on to new assignments once a task is completed.

Applying a system-based view on leadership means to view the organization as a living human system in motion, where hierarchical managed system levels govern what is meaningful to accomplish and how to progress. The superior system levels define the conditions for the lower system levels. See fig. 1. People are governed by their nearest system level and of the value stream in which they operate. A common denominator for collaboration while executing work on all system levels is the team structure. Leadership teams, customer teams, project teams, etc. operate on vertical and horizontal organizational levels, and as the environment becomes more complex, organizations become increasingly dependent on team performance to get the job done.

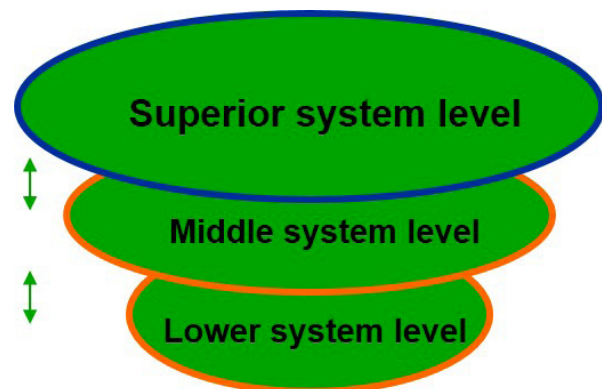


Figure 1. Hierarchical system patterns, where the top team creates the organizational system and the rest of the organization are system users

Boosting team performance

Teamwork has never been easy, and it has become more complex as teams become more virtual, diverse, dispersed and dynamic. In the past, teams typically consisted of a stable set of fairly homogeneous members who worked face-to-face and appeared to have similar skill sets. This is seldom the case today. Team success hinges less on individual characteristics and more on a shared mindset of the strategic direction,

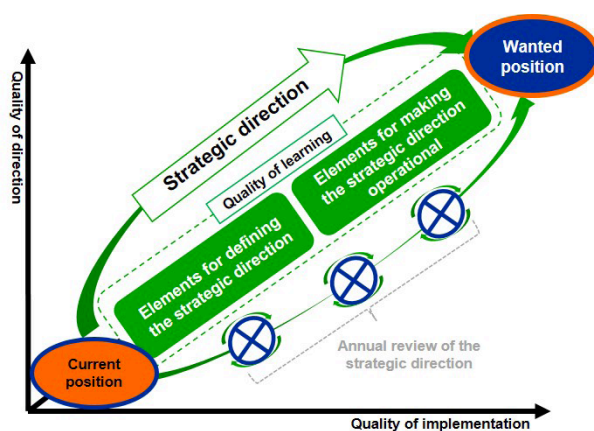
supportive behaviors and ability to collaborate and integrate knowledge. Research² has shown that when it comes to problem solving and decision-making, teams with ordinary collaboration skills do not always exceed the capacity of the team's most capable individual. However, team capacity does always exceed the team's best individual when team collaboration excel.

When hierarchies are balanced with fluid networks, a high degree of self-organizing is important to open up for knowledge sharing, creativity and teamwork. Mutuality arises between organizational and individual purposes when they are aligned and shared values and culture have glued the organization together. Instead of relying on traditional hierarchical models, people need empowerment to take full responsibility, both individually and collectively. Even though lateral structures are managed from the side, they need vertical leadership when it comes to purpose, direction and solving resource constraints with system impact. Ultimately, lateral structures should function as a "wirearchy", which is a dynamic flow of power and authority, based on information, trust and focus on results, and enabled by interconnected people and knowledge.

Teams need to manage two parallel processes, the work task and the relationships associated with the work process. The more mature, open and relaxed the relationships are between the team members, the more time and focus can be spend on understanding the situation and solving problems related to work tasks. Research³ has shown that high performing teams spend twenty times more time on exploring the task compared to lesser performing teams. This enables them to secure a coherent situational understanding to address the right problem. Less effective teams tend to rush in to solution-mode with an obvious risk of solving the wrong problem.

Most of the challenges for increased knowledge integration have to do with human interactions. Organizations are dependent on individuals' engagement to leverage the collective intelligence. People must sense trust to be willing to seek, explore, contribute and use shared knowledge. Hence, in order to open up and be actively engaged, they need to see lasting relationships.

Vehicles for leveraging collective intelligence



The building blocks of a strategic direction include the elements and central forces that propel the business toward its intended objectives. A strategic direction is a combination of its mission, vision, values, wanted position, customer focus, winning proposition, key priorities, operating model and business plans. See fig. 2. Without an integrated and aligned approach to these elements, there will be lack of clarity and specificity. As a consequence, the organization will most

Figure 2. Knowing where, what and how to progress

² Libby, Trotman & Zimmer.

³ Losada & Heaphy.

likely struggle to make strategic decisions, allocate resources effectively, align the efforts of people, execute actions and finally measure performance and progress against targets. The quality of a strategic direction is determined by the quality of direction, quality of learning and quality of implementation. Our experience has taught us that both collective and integrated learning are essential in these three dimensions.

The social operating mechanism for quality of direction

A proven social operating mechanism for developing and enhancing the quality of direction is Unifying Progress Sessions. This format is a powerful steering mechanism for the leadership team, especially when silos must be removed to achieve the objectives.

A Unifying Progress Session is not just another meeting, which focuses on unit results from the last period. It is a format based on the promise that information is transparent to everyone in the leadership team in order to form a common fact-based view of the total picture. When people enhance their skills in working as a true team, they will be able to form a common view of the total picture and establish a foundation for finding the root causes and adjusting their individual priorities, resources, budgets, etc. for the greater good.

Unifying Progress Sessions create positive change and target alignment. It is a form of executive crowdsourcing that, to be successful, demands transparency, humility and an open mind to ideas from other people. It opens up for a free flow of concerns, opportunities, and needed actions, which lead to enhanced execution of the strategic direction, as well as alignment and support from all participants.

A Unifying Progress Session consists of two dimensions of learning. The first one, convergent learning, is about learning from each other to jointly understand the current position, including opportunities, dependencies, problems and barriers. Divergent learning, the second one, is about exploring opportunities and new ways to reach the wanted position. Here, diversity and utilization of the collective intelligence are essential, since learning from experience helps to combine failed execution attempts to form new ways of making execution work.

The social operating mechanism for quality of learning

Learning and knowledge integration occur when people become aware of opposing outlooks and ideas. Recognizing the value of alternative views increases energy, motivation and sparks fresh thinking. A proven way to help people understand the strategic direction is letting them take part in the strategy creation process. The social operating mechanism for developing and enhancing the quality of learning vertically is Strategic Metalog, which utilizes the collective intelligence through an honest dialogue. By doing this openly, the leadership team challenges its own thinking in search of improvement.

A Strategic Metalog is a bulletproof format, where everyone feels secure to tell the truth without being punished. Bad news from the Strategic Metalog should be regarded as good news for the leadership team, since they are then able to take measures and act to

set things right. When this happens, people begin to trust senior management and get committed by being meaningfully involved.

By using the Strategic Metalog format, the leadership team fosters an open dialogue and listens actively with an open mind. They engage in a dialogue that moves away from linear and deterministic thinking to boost the odds of gaining new insights. To do this, they welcome diversity of opinions. However, they are also clear on how and when to align divergent opinions by articulating assumptions and explaining the logic behind the strategic direction instead of defending conclusions and presenting arguments.

The social operating mechanisms for quality of implementation

Implementing a strategic direction is not easy, since people with different emotions and habits, beliefs and expectations realize it. Hence, they all need to be in sync with the strategic direction, and without a meaningful heartfelt participation, they will not take responsibility for making it happen. We have too often seen progress being held back by habitual ways of thinking and behaving, and by the way people perceive themselves, their role, responsibility and relationship to the strategic direction and its implementation.

A proven social operating mechanism for developing and enhancing the quality of implementation is Strategic Alignment through X-functional Dialogue, SAX Dialogue. By participating in SAX Dialogues, down the line managers improve their understanding of the strategic direction by learning from colleagues' views and experiences. SAX Dialogues need to be structured and forcefully facilitated to strengthen cross-functional collegial collaboration and knowledge integration in terms of sharing unified situational understanding and constructive solutions for implementing the strategic direction and other change initiatives.

Middle managers deal with demanding and complex responsibilities when implementing the strategic direction. They have to concurrently guide their co-workers during execution, while keeping the business running. Being on an arm length distance from the frontline work, but still feeling the pulse of operations, enables them to see the big picture with its opportunities and obstacles. Therefore, middle managers are in a vital position to conceive and suggest practical ways to set the strategic direction in motion.

Leadership evolution

Winning in an increasingly competitive complex and challenging environment requires a bold strategy and an aligned organization, which is committed to execute along the strategic direction. Many of the senior executives and managers that we support in strategy formulation, implementation and organizational development have come to understand the importance of collective intelligence and knowledge integration. They are also aware of the need of striking a balance between hierarchical structures and organizational networks to enable people and teams to connect broadly and fluidly. By realigning roles, responsibilities and accountability behind the strategic direction and turning poor coordination into fluid cross-functional teamwork, they have increased the speed of implementation.

Leading organizations look beyond the lines and boxes to the mechanics of how strategy creation and implementation get done to make sure that everyone has a good idea of the situational context, decisions and actions for which he or she is responsible and accountable. They allow information and knowledge to flow freely across organizational boundaries to oppose silo formations and ensure that people have the information and knowledge they need to understand the bottom-line impact of their day-to-day choices.

These executives have clarified the meaning of collective intelligence in their organizations and deployed strategies and techniques for integrating knowledge. They use social operating mechanisms for securing quality of direction, quality of learning and quality of implementation. In addition, they have managed obstacles for integrating knowledge and constructively dissolved conflicts of interest and conflicts of resources. These leaders have set the tone for the entire organization by promoting a culture of dialogue in which people gather to explore the three quality dimensions. In a culture of dialogue, people contribute jointly and build trustful relationships to enable co-creation of solutions and actions to win.

How can we help?

It is impossible to eliminate risks from strategic thinking. However, we argue that it is possible for organizations to significantly improve their chances of success when it comes to strategy creation and implementation if they leverage the collective intelligence and establish a culture of dialogue using the described three social operating mechanisms.

Jomer & Co has long experience and knowledge of helping leadership teams and executives in creating and implementing strategy. Our support is always bespoke and there are several possible entry points to a successful collaboration, for example:

- Facilitating Unifying Progress Sessions, to improve teamwork and agility, is a proven way to improve the skills of the leadership team to identify opportunities, solve problems and make necessary adjustments to individual priorities.
- Facilitating a Strategic Metalog, to help senior management establish the right conditions for an honest dialogue regarding the strategic direction, is an effective way to actively listen to the organization's honest opinion in a structured way.
- Facilitating SAX Dialogues, to strengthen collegial forms of collaboration by sharing constructive solutions for implementing the strategy and change initiatives, is an efficient way to increase speed and quality of implementation.
- Engaging in Strategic coaching of executives' strategic challenges supports them individually in their ongoing strategy development and implementation work.
- Conducting Strategic Leadership Support for executives and managers is a comprehensive and effective way to individually assist them in their challenges with self-leadership, group leadership and direct leadership.

Jomer & Co

We help clients close the strategy-to-execution gap by creating and implementing winning strategies.

Jomer & Co is a boutique advisory firm, focusing on strategy creation and implementation. Our focus on employing professionals with extensive experience provides us with the executive resources of a larger organization while still being flexible and responsive in the relation to our clients' challenges.

We are devoted to knowledge and situational insight and are aligned to the shift in demand for management consulting services by its way of leveraging knowledge, experience and giving advice. Our experienced Consulting Associates work closely with clients throughout the stages of strategy creation and implementation.

For contact and more information, please email info@jomer.se.