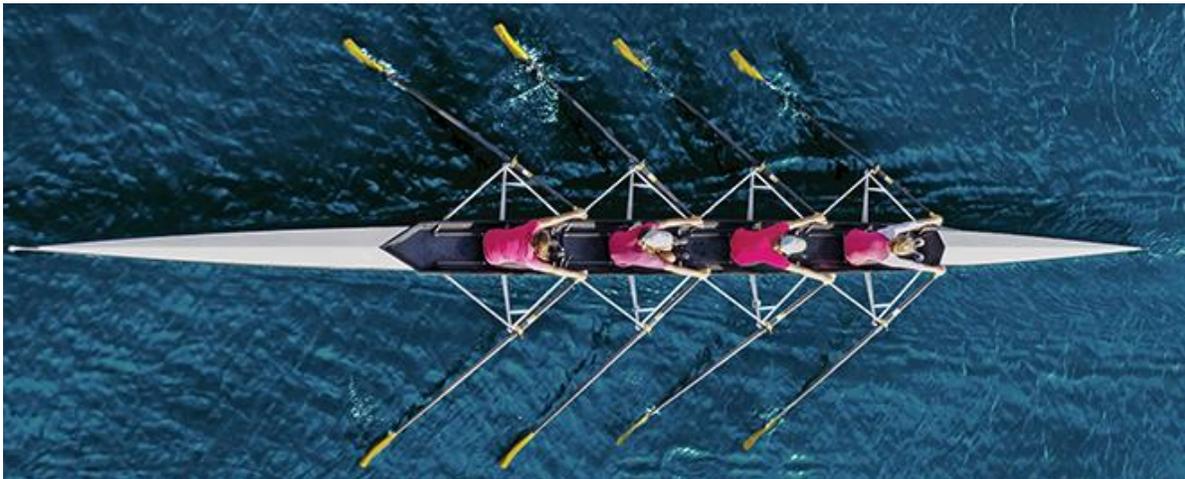


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The Nature of Business Tribes

By Soren Eilersten

Evolutionarily speaking, humans are conditioned to seek affiliation through families and tribes. These groups band together and establish rules to create a sense of safety and belonging, fight a common enemy or accomplish something meaningful.

In business, tribes are often social groups linked by a leader, shared purpose or goal, common culture or organizational boundary.

Belonging to a tribe in business can infuse hope among team members and awaken collaborative instincts. Tribe members frequently identify key competitors and work collectively to defeat them. However, affiliation with a tribe can be strong enough to result in protectiveness of the tribe, which, coupled with competitiveness, can override individual moral integrity. The tribal force can backfire, causing silos to form and halting collaboration.

Businesses can either become victims of this force or leverage tribal instinct for maximum business performance.

To accomplish the latter, having a mature and self-aware leader at the helm is paramount; an egocentric leader can actually drive destructive tribal behavior. Furthermore, the deliberate application of organizational systems can directly and indirectly leverage tribal forces

Relationships and the Subconscious

The typical person has a handful of close relationships and upward of 20 people they may reach out to for support. The average size of a human social group is between 100 and 200 people. These statistics come from research by Robin Dunbar, a British anthropologist and evolutionary psychologist, who also suggested that generally a person is capable of recognizing up to 150 people. Coincidentally, this number happens to be around the same size as a small village, a company in the army and an average church congregation, per Dunbar.

How leaders tell the story of a business has tremendous impact on how individuals create meaning and come together.

Relationships shape our subconscious actions. The iceberg model, popularized by author and systems thinker Michael Goodman, provides a conceptual description of the human mind. Consciously, each individual lives atop an iceberg, blissfully unaware of the mass of subconscious below the waterline that influences their actions. This subconscious contains the models, patterns and assumptions that form the stories used to justify individual behavior and cope with demands of reality and our community.

The subconscious also shapes the stories used to create individual meaning and address challenges. These stories are based on an individual's past, ongoing experiences and stories heard around the tribal fire pit, the family kitchen table or corporate water coolers.

As such, how leaders tell the story of a business has tremendous impact on how individuals create meaning and come together. Leaders have a moral obligation to craft stories that elevate the capacity for human compassion and connectedness.

Tribal Forces in Business

Tribal forces can take five different forms within a business. These forms operate at different altitudes inside the business and are not mutually exclusive. However, a business should determine where to best leverage tribal focus to create meaning for the organization.

First, **small work groups** are formed when close collaboration is required. Groups of experts with separate knowledge areas coalesce to address critical organizational issues in today's complex, technological environment. As with the proverbial blind men who can't identify an elephant since each only touches a part of it, people with different expertise or knowledge must work together to inform a solution.

Second, **organizational/functional units** are the typical building blocks in a hierarchical business organization. In many midsized and larger organizations, the size of a functional area or department may be about 150 people — Dunbar's magic number. It's no wonder, then, that suborganizations often become tribes and are seen as silos inside the larger organization. Whether in sales, operations, finance or human resources, members of the same organizational unit often share a similar educational background and expert mindset, thereby furthering a sense of tribalism. While a simple way to align a group around a common purpose, tribes formed around functional areas are typically the most

destructive to a business because they impair cross-functional collaboration, change and innovation. These problems are widespread, but they are also avoidable.

Next, many business leaders leverage the **competitive nature of the marketplace** to build tribal belonging around defeating the competition. In the book “Tribal Leadership,” Dave Logan and his co-authors describe a type of business competitiveness as a “we are great and they are not” mindset in which individuals collaborate with others toward the goal of winning the game of business. For example, Honda, attempting to secure the top spot in the motorcycle market in the early 1980s, rallied, “Yamaha wo tsubusu!” (Roughly translated: “We will crush, squash and slaughter Yamaha!”)

Organizing around the **business customer** is one of the most powerful tribal focuses since customer success is a leading indicator of business success. Nordstrom, for example, attracts talent with the aim to “deliver the best possible shopping experience” for the customer (according to its website). Organizing around the business customer is also evident in the Lean Startup concept popularized by American entrepreneur Eric Ries. Arising from internet technology product development, “lean business” is focused on continuous innovation to benefit the customer using customer success metrics and feedback.

The fifth type of tribe seeks to impact the world with a **global humanity** perspective. It is likely the most powerful force but it requires the business to have an altruistic purpose. Patagonia has created a tribal community using “business to inspire and implement solutions to the environmental crisis.” Similarly, Toms Shoes’ business model illustrates how business can be a force for social impact. These companies invite people to become part of a living system that evolves purposefully. Unfortunately, this force can also be divisive. Religious and political dogma can create the kind of groupthink that tears society apart, as evidenced by the current “red and blue state” mentality in America.

Overcoming the pitfalls associated with tribalism inside business requires ego-free leadership, an executive group that models collaboration and teamwork, and a shift in the organizational system.

Transcending Ego: Evolving Leadership

Most scholars seem to agree that human development evolves through nested stages that build upon one another. An individual’s worldview and other advanced capacities develop as they move through these stages. Worldviews and associated capacities provide the basis for the individual’s awareness and thinking.

Human development begins with a “me”-focused perspective, develops into an “us/we”-focused tribal-oriented stage and eventually reaches an “all-of-us” global humanity perspective. In the latter stages, the individual transcends the ego, enabling the ability to “hold space” for complexity, collaboration and innovation. Unfortunately, many people don’t progress to the latter stages due to derailment or lack of facilitated growth.

Many business leaders are stuck somewhere in this developmental progression, leaving a leader’s ego to play a central role in how he or she operates in the workplace. This egocentric behavior restricts the ability to collaborate and share openly with others, which, in turn, increases the likelihood for silos to form within an organization.

Today's technology- and knowledge-centered world necessitates a new mindset around human relations. The complex issues we face in business and life require expanding our worldviews to inform our awareness and thinking. Accelerated individual learning and leadership development are more important than ever to avoid silos, the "us vs. them" mentality and groupthink that can occur as side effects of tribes within organizations.

Leadership: Team vs. Committee

Executive leadership groups can function as teams or committees. Members of a committee have little interdependence and meet merely to share information and coordinate resources. Members of a team, by contrast, are highly interdependent and gather around a larger goal that requires them to work and make decisions together. When the functional responsibility of the group's members takes priority, the group is a committee. When alignment around the mission of the organization takes priority, they have the potential to become a team.

Unfortunately, many leaders default to functional leadership and the executive group becomes a committee. Leaders find it difficult to step away from an ego-driven attachment to their functional expertise and sense of authority inside their silo of the organization. This attachment also makes it difficult for the leader to employ businesswide strategic intuition, which requires suspension of the expert mindset and openness to longer-term and broader inquiry in pursuit of creative solutions.

The choice between functional and business leadership also can be viewed through another lens: whether to optimize for functional group success or overall business success. It is not possible to optimize both simultaneously; one must be suboptimized.

By optimizing functional area success, a leader, perhaps unintentionally, suboptimizes overall business success. This reality is an intractable problem with no optimization solution. Fred Kofman, chief philosopher at LinkedIn, conceptualizes this dilemma through the workings of a soccer team. The offensive and defensive squads each have different measures of success: the offense to score goals and the defense to prevent goals being scored. From a defensive perspective, a 1-0 loss is better than a 3-2 win, illustrating that each squad could optimize its own measure of success without the team as a whole capturing a win. Only by coming together and optimizing around a shared goal does the measure of success change.

The essence of teamwork is sharing a mission and goal, which combats the silo pitfall of engaging tribes around organizational or functional areas.

Finding the Best Fit

There is no perfect, one-size-fits-all organizational system. Organizations generally employ one of the following four types: hierarchical, matrix, network or self-managed teams.

The top-down hierarchical control model with its single managerial focus does not serve the needs of modern organizations or newer generations of workers. In matrix organizations, managers typically report to two or more leaders to ensure focus on multiple areas, such as functional, geographic and/or product areas.

Network organizational systems have a management-driven hierarchy in concert with a "strategy network" where people voluntarily guide coalitions to work on strategic organizational issues. John P.

Kotter, leadership and change expert, makes a case for this dual operating system in the Harvard Business Review article, "Accelerate!" In addition to traditional hierarchy, Kotter proposes a second operating system where people inside the organization come together as volunteers in coalitions around design and strategy implementation. Since people are asked to volunteer based on their interest and passion for the topic, this network structure complements the existing hierarchy and accelerates strategic change. However, both the matrix and network systems suffer from some of the optimizing issues described earlier.

Self-managing teams, by contrast, operate without the need for hierarchy. Organizational members are invited to work and participate actively in discussion about the future of the business. In this model, everyone is expected to assume leadership.

Hierarchical organizations and those closely related are often described using metaphors such as "machine" and "family." New metaphors for business such as "living organism" or "living system" describe the self-managed model. Frederic Laloux, in the book "Reinventing Organizations," describes how self-managed organizations see three benefits to their model: wholeness (people bring their whole selves to work), self-management (eliminating the need for formal authority structures) and an evolutionary purpose (in which employees participate in shaping). Being part of shaping the "living system" of a self-managed organization could be the ultimate tribal force.

The Self-Aware Servant Leader

To be an effective leader in a 21st century organization requires an understanding of human development to navigate the different worldviews and belief systems that people inside the organization hold. Leaders must be able to make space for crucial conversations and embrace dichotomy on many dimensions. Organizations must be structured to develop their people, which, in turn, also benefits the company. The future generations of workers (millennials and Generation Z) are ready for new organizational models that offer meaning and purpose.

For these organizational shifts to take place, it is important for leaders to be self-aware, have their ego in check and be willing to operate from a posture of service to a greater altruistic cause. Servant leadership, as coined by Robert Greenleaf, is serving an organization's purpose and continually working to remove obstacles facing that purpose. This type of leadership leverages the best tribal forces and builds the kind of community that becomes the ultimate testament to business success.

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