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Fear Can Stifle Collaboration, or Jumpstart It

During organisational change, play the radicals against the moderates to foster collaboration.

Many firms that emerge or grow by making technological breakthroughs owe a lot – maybe everything – to their engineers, and in return give them benefits both formal (organisational power) and informal (status and gratitude). These days, however, innovations are metabolised quickly. As their technology's wow factor fades, firms tend to shift their emphasis from engineering derring-do to improving market performance. Engineers don't know how to do that; the marketing department does. So can firms really divert authority and prestige away from the source of their success and into a new path to success? Often the answer is no, as seen in firms applying technological innovations that ignored marketing challenges – such as Sony's continued development of disc-based music players after flash media enabled firms to make compact players like the iPod.

But there are also successful cases, and **a forthcoming article in *Administrative Science Quarterly*** by Emily Truelove and Katherine Kellogg (of MIT Sloan School of Management) explains one mechanism. The authors followed an unnamed car-sharing company that made a strategic shift to marketing following a period of strong engineering success based on disruptive innovation. This was a classic case of a firm with a dominant engineering department that had proven track record of success and professional norms that were completely different from the rising stars in marketing. They had every opportunity to resist, which they did – until they suddenly started making compromises. What happened?

Change mavens vs. die-hards

The firm had engineers who were either radical or moderate in their views on the role (and power) that engineering should have and the type of engineering that was needed. The radicals had been with the company since the early days and insisted that the best way forward was to continue to invest in cool technology, specifically by overhauling the dated back-end system and introducing fresh offerings "to promote social good". Junior and mid-level engineers, having not taken part in constructing the original tech infrastructure on which the company's success was founded, were less invested in the department's past glories and thus more amenable to the new strategic direction.

The company also had radical and moderate marketing professionals, but unlike the engineers, there was an inverse relationship between length of employment with the company and level of militancy. It was the new crop of marketers who pushed most aggressively to dislodge resistance from the engineering department, while the marketing vets were more willing to see themselves as company employees first, marketers second.

For months, acrimony between the two departments reigned unchecked, with engineers in some cases simply stonewalling on project requests from marketing. That all changed when revenue projections took a nosedive, prompting withering news headlines and hand-wringing among the senior leadership. The radical marketing faction saw their moment and seized it. The engineers saw the writing on the wall when the CEO appeared shoulder-to-shoulder with a radical marketer during a company-wide webcast. The gauntlet had been thrown down as publicly as possible. As one hard-core marketer put it, "I'm here to get the job done, not to make people like me."

From conflict to compromise

As power shifted within the organisation, the differences between radical and moderate marketers started to emerge more sharply. The conciliatory stance of the moderates was evident in how they refrained from slipping into marketing jargon during meetings with engineers, as well as their more jovial, even satiric tone when discussing marketing initiatives. Compared to the radicals, they appeared much more willing to subordinate their specialist identity to the greater good of the company.

These distinctions made an impression on engineers who were themselves more moderate and open to change. The moderates in both camps began to find common cause, hinging on their shared veteran status at the company. Their commonalities were based on organisational values ("keep [the company] quirky, not corporate"), knowledge (such as how to be a "jack of all trades"), and authority relations (drawing on the egalitarian culture of employee clubs to navigate delicate collaborations) that predated the company's IPO.

The firm was then reconfigured from an engineering versus marketing battle to a moderate-moderate collaboration with radicals on from both departments out of the loop, in both power and product/market development. Not surprisingly, the moderate coalitions became the company's primary engine of innovative activity, with a project launch rate of 100 percent while moderate-radical and radical-radical pairings failed to launch any projects at all during the period of study.

Fear of extremes

The authors compare the power dynamics here to the Civil Rights Movement in the United States. Moderate whites were initially reluctant to accept Dr. Martin Luther King, Jr.'s call for equality for African-Americans until civil disturbances and the emergence of militant groups such as the Black Panthers threatened their tranquillity. Scholars call this "the radical flank effect"– fear of a radical challenger group can drive members of a dominant group into the arms of moderates.

This model of societal change can also work at moments of organisational change such as when it becomes necessary to "transition from developing radical new technologies to engaging in incremental innovation", the authors say. It's always difficult to persuade a dominant group to participate in a change that they think threatens their status. Managers can use the threat of radical upheaval to tilt the dynamic toward collaboration between moderates.

This is a very nice illustration of how power struggles in organisations may be resolved. It also is a point that harks back to classical organisational theory. Back in the days of Cyert and March, *A Behavioural Theory of the Firm* introduced the concept of a dominant coalition, and suggested that managers could be very astute in forming coalitions. Indeed they can – as Truelove and Kellogg point out, the dominant coalition can shift from a department to a cross-departmental collaboration.

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