

STRONG PROFESSIONAL RELATIONSHIPS DRIVE HIGH PERFORMANCE



CONTENTS

Executive Summary	2
Introduction.....	3
Why Build Strong Professional Relationships?	5
Create High Performing Teams	6
How Do We Build Strong Professional Relationships With Our Colleagues?	7
Open Dialogue and Genuine Conversations.....	11
Social Versus Professional	12
Building Trust	14
To Conflict or Not To Conflict	15
Improve Productivity	16
Consequences of Weak/No Relationships.....	18
Relationship Development	21
Conclusion.....	22
References.....	23
About Leading Teams	24

EXECUTIVE SUMMARY

Every day organisations are looking for ways to improve the bottom line. In this climate, predicting the ebbs and flows of the economy is difficult. However, one thing that can always be improved is employee productivity. So just what can organisations do to improve productivity and how will this impact on profitability?

Focus on creating a culture where workers have strong professional relationships with one another in order to drive organisational efficiency.

With current resource constraints, most companies are focusing on the numbers, or as we call it at Leading Teams, the mechanics. However, it has been proven that focusing attention on the dynamics (e.g., relationships) will have a direct and positive impact on the numbers.

Based on extensive research¹, this white paper explores the benefits to organisations of its employees creating and nurturing strong professional relationships. It will show that having strong relationships in the workplace will:

- **Create high performing teams**
- **Build trust among colleagues and managers**
- **Challenge poor behaviour through genuine conversations**
- **Improve productivity and output**
- **Improve the bottom line.**

Each of these elements will be examined in some detail, describing their benefits to the organisation and providing guidance as to how they can be achieved. By examining these topics, we will uncover simple steps to developing strong professional relationships in your organisation, resulting in high performing teams.

¹ Leading Teams has conducted a literature review of over 15 independent academic studies and articles and drawn lessons from 20 years of consultancy work.

INTRODUCTION

The Harvard Business Review released an article in 2007 titled '***Making Relationships Work***', which is still highly relevant to organisations today. The article's author, John Gottman (a psychologist and executive at the Relationship Research Institute), tells us that it has become normal to praise the value of human relationships in the workplace. He explains that we are all in agreement that managers need to connect deeply with followers to ensure outstanding performance, and we celebrate leaders who have the emotional intelligence to engage and inspire their people by creating bonds that are authentic and reliable. The article states that, "***If companies were more effective in helping executives handle their relationships through difficult times, they would see the company's productivity soar.***" Six years after the article was published, though the corporate market has acknowledged the importance of relationships and their impact on organisational performance, there is still much to be done, and a need for deeper research on relationships in a work environment, as identified by Gottman.

No matter what kind of work you do, you (and your clients or employees) are always in a relationship. Companies operate a range of structures: top-up and top-down reporting, cross-departmental communication, client contact, team interactions, and colleague collaboration³.

"Invest in building and maintaining social relationships throughout your organisation."²

"Relationships are critical within any organisation. Initially, to have trust inside your organisation means ultimately you can provide trust outside your organisation", says Managing Director at Lee Hecht Harrison, Bruce Anderson.

In a 2013 edition of the Harvard Business Review, an article entitled '***Transient Advantage***'⁴ states that building strong relationships is essential, in relation to **customers**. The article makes little reference to staff relationships except to mention remaining on good terms with former employees.

Relationships are foundational, be it in personal or organisational life, according to Colin Beames, the principal at WRDI Institute. The nature and quality of any relationship impacts significantly on the commitment of the parties. For example, a healthy marriage includes such characteristics as trust, fairness, ongoing communication, support, openness, development or growth, and satisfaction of various individual needs. There is now a move towards strong corporate cultures with an emphasis on quality relationships (team, alliances, dedicated supplier and customer arrangements)⁵.

2 Gratton, L. & Erickson, T. (2007). Eight Ways to Build Collaborative Teams, Harvard Business Review.

3 CRR Global, (2011). An Introduction to Relationships Systems Intelligence.

4 Gunther McGrath, R. (2013). Transient Advantage. Harvard Business Review.

5 Beames, C. (2003). Creating 'New Deal' Employment Relationships. WRDI Institute Pty Ltd.

INTRODUCTION

Daniel Goleman, pioneering thought leader on emotional intelligence (also known as EQ), defines EQ as the ability to recognise and regulate emotions in ourselves and others. The theory states four major domains: Self-awareness, Self-management, Social Awareness and Relationship Management⁶.

Emotional intelligence has direct links to performance and it flows throughout an organisation, whether positive or negative.

One of the four components of emotional intelligence is relationship management. This includes the ability to communicate clearly and convincingly, disarm conflict, and build strong personal bonds according to international best-selling author Daniel Goleman and his organisational behaviour specialist co-writers, Richard Boyatzis and Annie McKee⁷.

This white paper will focus on the importance of building strong relationships with colleagues in order to create high performing teams.

⁶ Goleman, D (2001). Emotional Intelligence: Issues in Paradigm Building. In: Goleman, D. and Cherniss, C. (eds.) *The Emotionally Intelligent Workplace*. Chichester: Wiley, pp. 1-13.

⁷ Goleman, D., Boyatzis, R., and McKee, A. (2001). Primal Leadership. *Harvard Business Review*.

WHY BUILD STRONG PROFESSIONAL RELATIONSHIPS?

Investing time and energy in building strong professional relationships is critical to developing levels of mutual trust and respect in a team environment. Once we genuinely trust and respect each other, we then allow ourselves engage in regular, honest dialogue about individual and team performance and increase our capacity to improve.

Generally speaking, we have a much greater willingness to openly share our thoughts, feelings and opinions with those we have strong relationships with. In a professional sense, this serves to eradicate the sense of '*superficial harmony*' (pretending everything is fine when we know otherwise so that we can avoid having honest conversations) that we often see existing within teams and ensures issues are addressed in a much more timely and productive manner.

Once we become absolutely trusting of one another, we immediately become more efficient, and thus reduce costs. We stop micromanaging for fear of relinquishing control because someone might "*get it wrong*". We stop adapting the "*if you want it done right you have to do it yourself*" approach as a substitute for having the conversation and we no longer perceive constructive feedback as a personal attack, but more "*this person cares enough to want to help me/us get better*".

The reality is we won't be '*best friends*' with everyone we work with, however if we have strong enough professional relationships, based on trust and respect, we give ourselves a far greater chance of achieving our guiding vision and mission.

"You must scope out the culture of the group you are joining in sufficient depth to understand what it takes to negotiate relationships there and to establish your position as a valued member." ⁸

Strengthening professional networks inside the workplace is just as important as networks developed outside the workplace. Building good professional relationships requires a demonstration of sound business ethics and principles, and courtesies expected of a consummate employee⁹.

Fryer believes that since your employees are the ones that create relationships with clients, clients are only going to be satisfied when they have good relationships too. Similar to this view is that of Beames¹¹, who says that quality relationships with business partners and customers cannot be sustained if the core relationships between employers and workers are distressed.

However, relationship building is now making a shift from being a '*soft skill*'¹⁰ to being a '*hard skill*'. Building relationships allows you to begin to create your organisation's values and behaviours, and, ultimately, your culture. In organisations where people don't have strong, open, professional relationships, they're much more reluctant to challenge poor behaviour. When you create an empowered environment you often see a rapid change in attitude from, "*This is just the job I do*" to "*This is what I'm responsible for*." When people have that deeper sense of responsibility they are prepared to go further to drive the culture.

It is disappointing to see so many people and culture, marketing, sales, customer service and operations departments continue to operate in isolation from each other, following Gottman's research study in 2007.

⁸ Fryer, B. (2008). When Your Colleague Is a Saboteur. Harvard Business Review.

⁹ Mayhew, 2013, How to Build Good Professional Relationships. Chron.com.

¹⁰ Loveday, A. (2013). Don't Underestimate the ROI of Trust in Your Business. HC Online TV.

¹¹ Beames, C. (2003). Creating 'New Deal' Employment Relationships. WRDI Institute Pty Ltd.

CREATE HIGH PERFORMING TEAMS

Leading Teams believes that professional relationships enable individuals to exceed potential and drive high performance. In an environment where employees are looking to continually improve, if we don't have relationships where people seek opportunities to help others, there is no way the organisation can go forward.

When you create and manage strong professional relationships within your teams, the natural link to high-level performance is having more open dialogue around behaviour and performance so that issues can be raised and addressed, and no avoidance occurs. In contrast, teams that don't have any relationships with one another tend to let issues go, a blind eye is turned, or issues are raised with third parties.

The stronger the professional relationship, the more staff are enabled to have the conversations that need to be had in order to underpin performance, particularly high-level performance. The stronger the relationship, particularly under pressure in challenging situations, the better teams can work through issues and come out the other side better, stronger, and more unified.

Purpose is important here – we don't want to build professional relationships for no particular reason. Ultimately, relationships are built so that team members can talk with any member of the team about the business of the team. It's also important to give people the opportunity to learn the skills that will enable them to have those conversations. People should feel comfortable saying to their boss, "*We need you to back off and let us have control of some aspects of the business. You need to trust us.*"

"The group acknowledged that we were not functioning across the boundaries and that there were problems in some relationships. The team jumped when we saw the power of having stronger professional relationships, and being able to have genuine conversations with one another."

Tom Dery, Worldwide Chairman, M&C Saatchi

If we're able to build relationships with people we work with, it is easier to get things done. At Leading Teams, we believe that if "work's work and personal is personal", it's hard to sustain. What you're doing outside, at some point, has an impact on what you're doing at work. When you have the relationship, you're better placed to support each other.

So how do we go about building relationships with our colleagues?

HOW DO WE BUILD RELATIONSHIPS WITH OUR COLLEAGUES?

Ancona¹² provide some advice from their extensive research on how to build relationships with colleagues (see below). They describe the difference between advocating and inquiring and its effect on relationships. Advocating means, '*explaining one's point of view*', whereas inquiring is, '*listening with the intention of genuinely understanding the thoughts and feelings of the speaker*'. Balancing advocacy with inquiry, and cultivating networks of supportive confidantes is key to building trusting relationships. The research of the authors showed countless relationships undermined because people disproportionately emphasised advocating over inquiring. It was found that often a manager's true focus is on winning the argument rather than strengthening the connection.

HOW TO BUILD RELATIONSHIPS

- 1. Spend time trying to understand others' perspectives, listening with an open mind and without judgement.**
- 2. Encourage others to voice their opinions. What do they care about? How do they interpret what's going on? Why?**
- 3. Before expressing your ideas, try to anticipate how others will react to them and how you might best explain them.**
- 4. When expressing your ideas, don't just give a bottom line, explain your reasoning process.**
- 5. Assess the strengths of your current connections: How well do you relate to others when receiving advice? When giving advice? When thinking through difficult problems? When asking for help?**

¹² Ancona, D., Malone, T., Orlikowski, W., and Senge, P. (2007). In Praise of the Incomplete Leader. Harvard Business Review.

THE LEADING TEAMS GUIDE TO BUILDING RELATIONSHIPS

While there are no golden rules to developing relationships as each individual is slightly different, there are a few things that we can keep front of mind:

- Take a genuine interest in the individual (both personally and professionally). We can appreciate that everyone is busy, but the five minutes at the start of the day to say "*Hi Paul, how was your weekend?*" can often go a long way.
- Follow through on your word... If you say you are going to do it, do it! If there's one thing we know about trust, it's that it is hard earned and easily lost.
- Understanding does not always have to equal agreement – we are simply not going to agree with every word that comes out of our colleague's mouth, particularly when caught in robust conversation about organisational issues. It is, however, important that we seek to understand, and remain respectful of their opinion (otherwise they may be reluctant to offer it next time).
- Put the team's/organisation's needs ahead of your own – acting with the collective purpose in mind ensures people are: a) on the same page; and b) their intent is pure. If we know that people are acting with the best interest of the team in mind, we are almost always more likely to be forgiving of mistakes and also become less likely to question whether they may have a hidden agenda of some kind.
- Organisations can create an environment in which people are more likely to make connections and build social networks, for example, open-plan kitchens and offices that make it more likely to establish connections and build social networks. Sitting in an open-plan area and having lunch together will result in people talking. For example, when Royal Bank of Scotland's CEO invested 350 million pounds to open a new headquarters in 2005 – it was built around an indoor atrium to allow more than 3000 people from the firm to rub shoulders daily – one of his goals was to foster productive collaboration among employees. Google has many micro-kitchens in their offices for employees to bump into one another.
- Have an intent to build a relationship – you have to make time and effort and genuinely care about your colleagues and want them to improve their performance. If it is reciprocal, the more that you are prepared to give, the more that you will get back.

There can be a training element to building relationships. That can be quite flexible, but people need to be able to have conversations with one another to get more depth into their relationships. It does not have to be workshop style, but the leader could set a task, such as all agreeing to have a coffee with one another by the next team meeting, to discuss what you think are the most important issues in the workplace.

The other part is the social element, just giving people time to get together. There are lots of ways to achieve this, but if you're building strong professional relationships, '*team building*' days are not necessarily the way to do it. Unless there is a clear outcome, for example, "*we're doing this to build our relationships to improve team performance*" then a typical team building activity, such as abseiling, can stand in isolation.

Many of our clients see the purpose of what Leading Teams call '*the trademark*', as a way to genuinely build relationships with people. A trademark is a values statement that states clear supporting behaviours. Buying into the environment around behaviour and what the team/organisation stands for enables you to be more engaged. This promotes having conversations with one another around behaviour and performance and that can be a method for building relationships. The trademark has an impact on people relating with one another.

THE LEADING TEAMS GUIDE TO BUILDING RELATIONSHIPS

Without relating, people work in isolation, or, worse, strive toward different aims. Former Southwest Airlines CEO, Herb Kelleher, excels at building trusting relationships. He remarked in the journal *Leader to Leader* that, "*We are not afraid to talk to our people with emotion.*" He reinforces those emotional bonds with equitable compensation and profit sharing.

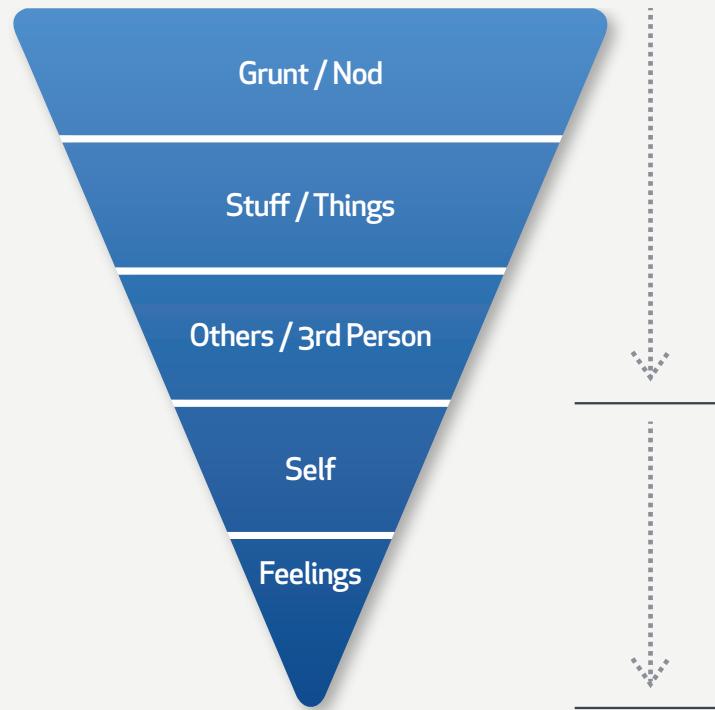
Signs of weak relating¹³:

- You blame others for failed projects.
- You feel others are constantly letting you down or failing to live up to your expectations.
- You find that many of your interactions at work are unpleasant, frustrating, or argumentative.
- You find many of the people you work with untrustworthy.

Some organisations are reluctant to develop strong professional relationships because they are unsure how to go about it. They typically allow relationships to evolve, without taking an active role in managing the relationship development process. Organisations often do not provide the right environment, tools and training to create, build and nurture strong professional relationships. In any team environment, this might mean relationships do not evolve, evolve in a more destructive way, or only evolve in a superficial way that enables everyone to get by.

¹³ Ancona, D., Malone, T., Orlikowski, W., and Senge, P. (2007). In Praise of the Incomplete Leader. Harvard Business Review.

RELATIONSHIP PYRAMID



At Leading Teams, we use the **Relationship Pyramid** model to show the various levels that a relationship can reach in a team setting. Often, people are stuck in the '*grunt*' stage where they do little more than nod their heads at each other as they pass during the day. We start by trying to move them on to the '*stuff*' stage, where they might build a relationship with someone to the point they can talk about the weather, for example. Then we guide them to the '*others*' stage where they might talk about workmates in the other part of the business, with exchanges such as, "*How's Bill going with that job over there?*" Then there's the '*self*' stage where they feel comfortable disclosing information about themselves. The final stage is where they've built a professional relationship that is strong enough to enable them to talk about how they feel about work-related issues. We're not talking about '*touchy-feely*' stuff, we mean being able to say directly and respectfully to a colleague, "*I feel disappointed that the quality of the project you delivered was well below your best*"; "*I believe the way you dealt with that client does not match our agreed behaviours.*"

At Leading Teams, we try to accelerate the development of relationships as shown in the pyramid. We have a list of questions that we get people to ask one another. Questions include:

- **What is your proudest moment?**
- **What has been the most significant turning point in your life? What were the consequences of it?**
- **What was your happiest day?**

Using these questions, we test how comfortable people are when asked to offer up information about themselves. Unless colleagues can talk to one another about this stuff, it really isn't likely that they'll be able to say to a workmate, "*Hey, listen, that's not good enough for the way we do things around here.*"

OPEN DIALOGUE AND GENUINE CONVERSATIONS

Bob Anderson, an innovator and visionary in leadership development for over 30 years, echoes the Leading Teams thoughts that the power to recreate culture lies in authenticity¹⁴. Culture can be transformed when we "**drop the pretence and speak from the heart around issues which everyone is ducking**". He says that the choice between manipulation and authenticity in our daily dialogue at work determines the culture. "*Authentic dialogue is a lifelong work that begins with the choice to open ourselves up to our own life and experience and to stop hiding who we really are from ourselves and others....it's learning to speak truthfully even when afraid. Authentic dialogue, therefore, brings us face to face with the choice to move through life either in a manipulative or authentic posture.*"

He makes the distinction between discussion and dialogue¹⁵. "*Dialogue means seeking first to understand, then to be understood. To engage in dialogue requires us to believe that we may have something to learn. In contrast, discussion can mean throwing our ideas at one another hoping to score points – this is normative political process in most organisations*¹⁶".

At Leading Teams, we talk about relationships being strong enough to withstand genuine conversations, both in the positive (where you reinforce and reward the behaviour you want) but also when you need to challenge performance and/or behaviours that you see as being unproductive. Open dialogue across all sections of the business must exist in high performing teams.

The link between strong professional relationships and high performance enables teams or individuals within teams to be able to engage in professional conversations around performance. In such conversations, the information that is received, is received in a way that the individual believes that the person giving the feedback first and foremost cares about them and that they're trying to help them improve their performance.

Genuine conversations are both in the positive, where you reinforce and reward the behaviour you want, and also about challenging performance and/or behaviours that you see are not being productive or helping the team. If you want to be a high performing team, then there should be open dialogue across all sections of the business. Often, we see silos where departments function independently, where there is no real relationship and so there's duplication. There are also issues around delivery across each section and so if relationships aren't strong then there are not conversations about how performance can get better.

14 Anderson, B. Mastering Leadership. The Leadership Circle.

15 Covey, S. (1989). The 7 Habits of Highly Effective People: Powerful Lesson in Personal Change. The Free Press.

16 Senge, P. (1990). The Fifth Discipline: The Art and Practice of the Learning Organisation. Doubleday.

SOCIAL VERSUS PROFESSIONAL

"There were things a lot of us didn't want to hear. But it gave us all a chance to work on what our teammates saw as our weaknesses. If you don't know your weaknesses, then you can't fix them."

Jeff Rigby, former General Manager, GWM Water

International organisational psychology company, Gallup¹⁷, surveyed 15 million people and found that those that have a best friend at work are seven times more likely to be engaged. Social relationships at work have also been shown to boost employee retention, safety, and quality of work. In contrast, people who did not have a best friend in the workplace have just a 1 in 12 chance of being engaged. Employees who are lonely are less productive than those who are not.

We have worked with teams that thought that they had a high level of performance until they developed genuinely strong professional relationships – they then realised what had previously been missing. Too often teams believe that they have strong professional relationships so they will not challenge when they really need to. They will base it more on "we get along", "we work really hard together", but when they need to challenge behaviour, they are unable to.

We have worked with a team that had really strong social relationships: they got on really well, had a high level of banter, hung out together outside of work...but they realised that they avoided having professional conversations with one another and it was actually having an impact on their performance as a team. They were still a pretty good team but where the boss wanted them to go was to that next level – the elite level. Their inability to give each other feedback about performance was holding them back. They were more focused on liking each other and having a beer with each other in the pub on Fridays and they didn't want to jeopardise that. As a consequence, it impacted greatly on their ability to perform at a high level as a team.

When we looked at complex collaborate teams that were performing in a productive and innovative manner, we found that in every case the company's top executives had invested significantly in building and maintaining relationships throughout the organisation.

¹⁷ Rath, T. & Harter, J. (2010). *Wellbeing: The Five Essential Elements*. Gallup Press.

SOCIAL VERSUS PROFESSIONAL

A research study¹⁸ into team behaviour at 15 multinational companies revealed that although teams that are large, virtual, diverse and composed of highly educated specialists are crucial with challenging projects, those same characteristics make it hard for teams to get things done. The researchers – a professor in management practice and author of a book, and president of the Concours Institute – found that four of the eight factors that lead to success involved relationships.

- 1. Investing in signature relationship practice.**
- 2. Building on heritage relationships: when too many team members are strangers, people may be reluctant to share knowledge. The best practice is to put at least a few people who know one another on the team.**
- 3. Supporting a strong sense of community.**
- 4. Assigning relationship-oriented team leaders, as well as task-oriented ones.**

In this research, PricewaterhouseCoopers (PwC) emerged as having one of the strongest capabilities in productive collaboration. With responsibility for developing 140,000 employees in almost 150 countries, PwC's training includes modules that address teamwork, emotional intelligence, networking, holding difficult conversations and how to build healthy partnerships.

Some people have suggested that relationship-oriented leadership is most appropriate in complex teams, since people are more likely to share knowledge in an environment of trust and goodwill. However, at Leading Teams we would suggest that relationship-oriented leadership is the most appropriate form of leadership for any organisation, regardless of size or market segment.

It is about getting the balance right – it is not just about being friends with your work colleagues. Strong professional relationships can have a social element but are not limited by this element. As we have learnt, the social aspect can mask the reality of where the team is at and can limit what the team is capable of.

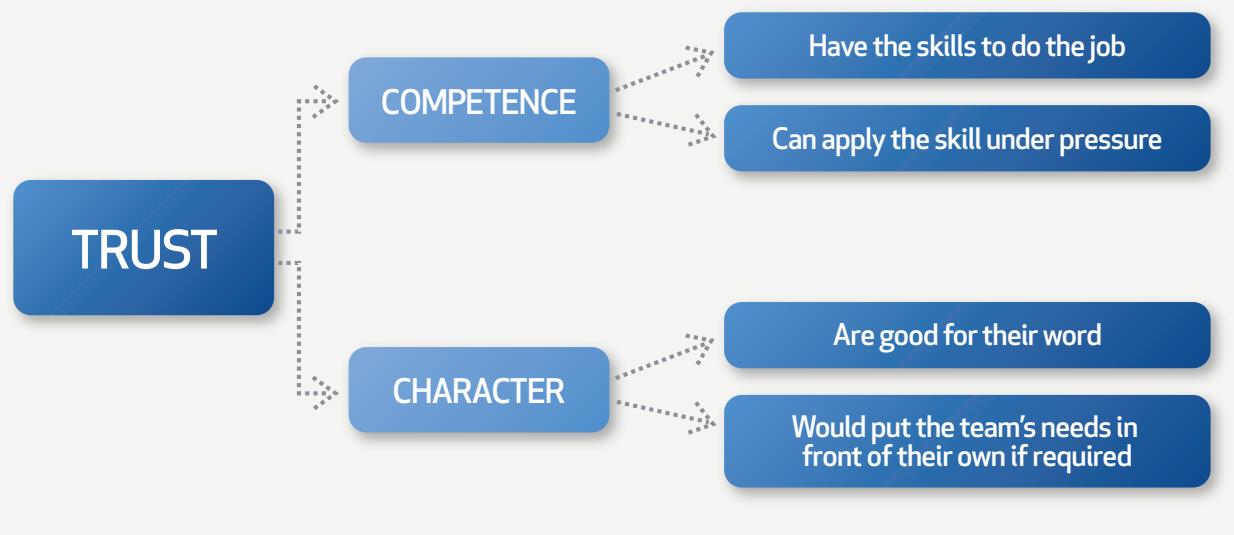
¹⁸ Gratton, L. & Erickson, T. (2007). Eight Ways to Build Collaborate Teams. Harvard Business Review.

BUILDING TRUST

Trust between managers and employees is the primary defining characteristic of the very best workplaces¹⁹. “*Trust is one of the strongest drivers in engagement*”, according to General Manager of HR at Randstad, Adrianna Loveday. At Leading Teams, when we talk about trust, we are referring to both character and competence (see The Trust Model, below). It is possible to have someone who is very competent at their job, but is not considered a trustworthy person. Conversely, a person may be described as having a sound character, but is unable to do the job they are required to do. Low levels of trust can mean an inability to maximise the strengths of individuals within the group, therefore leading to inefficiencies of productivity.

If there is a lack of trust or a lack of interest in others, then that lends itself to silos. When you are under pressure or being challenged, you focus more on your own task, even though your task may impact on others and the success of others. By not having a good relationship or a strong relationship with colleagues, it isolates people, particularly in a team-based environment. “*Once the word trust is there, it’s really easy to make the link between trust and strong professional relationships*”, says Leading Teams founder, Ray McLean.

The Trust Model



¹⁹ Great Place to Work Institute (2010). Trust: The Key to Enhanced Performance and Accelerated Recovery.

TO CONFLICT OR NOT TO CONFLICT

In a Harvard Business Review article by Kathleen Eisenhardt²⁰, professor of strategy and organisation at Stanford University, twelve companies were observed closely in relation to how they dealt with conflict. In four of the companies, there was little or no disagreement over major issues, therefore little conflict. The other eight organisations in the study experienced considerable conflict.

Four out of these eight had top management teams that handled this conflict in a way that avoided interpersonal hostility. Executives in these companies described their colleagues as “smart” and “best in the business”. The executives said that they debated issues robustly but they wasted little time on politics, “*hitting the issues straight on the head*”.

In the four companies which were less successful at avoiding interpersonal conflict, their top teams were plagued by extreme hostility. Executives often failed to cooperate, rarely talking with one another, tending to fragment into cliques, and openly displaying their frustration and anger. They described their colleagues as “*manipulative*” and “*secretive*”.

The study found that the teams with minimal interpersonal conflict were able to differentiate between personality issues and work issues. These companies had six tactics for managing interpersonal conflict:

- 1. They shared commonly agreed-upon goals**
- 2. They resolved issues without forcing consensus**
- 3. They maintained a balanced power structure**
- 4. They worked with more information and debated on the basis of fact**
- 5. They injected humour into the decision process**
- 6. They developed multiple alternatives to enrich the level of debate**

It was found that these tactics accelerated decisions being made. This study demonstrates that it is possible to have conflict, and when handled correctly, it can be positive.

Bob Anderson says that avoiding conflict will prohibit the organisation moving forward²¹. The real issues must be addressed if conversations around performance are to occur, followed by increased levels of performance. Avoiding conflict blocks substantial organisational and personal growth from taking place.

20 Eisenhardt, K., Kahwajy, J. and Bourgeois, L.J. (1997). How Management Teams Can Have a Good Fight.

21 Anderson, B. Mastering Leadership. The Leadership Circle.

IMPROVE PRODUCTIVITY

Corporate psychologist, Beames²², tells us that other consequences of employment relationship distress are a reduced capacity for innovation, and the disengagement, or “outering” of some workers from their organisation. Whilst these workers may still be committed to their jobs (i.e., working hard and long), their job satisfaction and effectiveness may have declined, with higher levels of workplace stress experienced.

Often, we see departments functioning independently, with no real relationships and therefore duplication of work. There are issues around delivery across each section and so if the relationships aren't strong then there is not a conversation happening about how it could get better.

The Leading Teams case study on Nillumbik Shire demonstrates how productivity can arise from the development of strong professional relationships.

Nillumbik Shire, on the north-eastern outskirts of Melbourne, is a good example of how our work helps people build important relationships. At the time, the HR manager, Suzie, was new to the field. We met with Suzie, and Bill, the newly appointed CEO, and they decided to engage Leading Teams to work with the shire's senior managers.

In the previous year, Suzie had been running monthly sessions in an attempt to get the managers to engage with one another, and to genuinely discuss the problems they were facing. When she introduced Kraig Grime, Leading Teams facilitator to the group, she said *“Could you please describe to Kraig what we've been doing for the last year?”* As each member took their turn, Kraig heard expressions such as “waste of time”. They were completely disrespectful to Suzie and there was no clarity as to what they were doing. At Leading Teams, we insist people be clear and concise about what they think, but be respectful as well.

After each member of the group had had their turn, Kraig asked one person what word he had used and he said “unproductive”. Kraig asked him how long he'd known the exercise was unproductive. “Oh mate, I reckon in the second or third session,” was his response. Kraig asked more members of the group and they said similar things.

Bill and Suzie drove the program and as it moved along, Nillumbik's group of twenty managers developed a trademark [see page 7, ‘How Do We Build Relationships With Our Colleagues?’], which had a message about building trust in people by strengthening relationships.

When Kraig studied the behavioural preferences of the managers, it was clear that they were not assertive when it came to driving performance from their staff. Instead, they operated in an environment that was very structured and detailed. It was important to work with them on discussing poor performance with staff. The trademark they had developed assisted in this process. It had the group focused on the need to strengthen their relationships so they could have genuine conversations about performance, not just behaviour. Once these conversations start happening, they throw up many questions. *“If we're going to trust someone to do their job, what if this person is not trustworthy? What if the person can't do their job? What do we do then?”*

Continued over...

22 Beames, C. (2003). Creating ‘New Deal’ Employment Relationships. WRDI Institute.

IMPROVE PRODUCTIVITY

Because the managers tended to go around problems rather than tackle them directly, we first had to deal with this individual behaviour. In the end, the group developed extremely genuine, strong and honest relationships with each other. These relationships were tested to extraordinary lengths during the catastrophic Black Saturday bushfires in February 2009, which burned thousands of hectares within the shire and also resulted in the death of a number of local residents. Afterwards, Bill said that, in his view, it was the strength of the relationships among the managers who had gone through the program that held them together during the disaster. He also said he had noticed the vast difference in the behaviours and attitude of the managers on the next level down. The people that had not done the program were not as supporting and nurturing. They were working hard, but in their own silo. In contrast, the Leading Teams-trained managers were crossing over all sorts of boundaries and barriers to help people and were truly trusting colleagues to do what they said they would do. This led Nillumbik Shire to decide to broaden the roll-out of the program.

The managers who had been right through our program are now in the situation where they're happy to talk about almost anything. They have progressed from the grunting stage [of the Relationship Pyramid - see page 10], to talking about simple stuff, to actually developing genuine social links, so they always know about things that are influencing each other's performance in the workplace. This was especially important for the people at Nillumbik after the bushfires, as they all knew someone who had died. A number of the staff members had actually lost their own houses.

Leading Teams has found that improved relationships not only enhance performance, but lead to a drop in absenteeism and reduced staff turnover, hence an increase in productivity. Leading Teams has evidence of a business in the corporate world reducing its wage bill, not because it sacked people but because strong relationships led to genuine conversations about shift allocations. The Golden City Hotel, Ballarat, recorded a 20% reduction in staffing costs, with the complete support of the staff, after the program.

CONSEQUENCES OF WEAK/NO RELATIONSHIPS

The consequences of weak professional relationships are a reduced capacity for innovation and the disengagement of some employees to their organisation²³

Without having strong relationships in place we can (often unconsciously) become dismissive of feedback, question the individual's motive for providing it, harbour frustration and resentment leading to gossip and most likely, adversely affecting performance. Sometimes we pay the ultimate price and lose good people from the organisation because they do not feel valued or appreciated.

In many cases, we have seen teams go along at an average level for extended periods of time within the '*superficial harmony*' space. The problem here is the fact that all they ever will be is just ok. If you can live with being ok instead of good, or good instead of great, then maybe it is better to '*not rock the boat*'. This is the situation with some of our clients where the majority of staff have great personal relationships – many would go out for a drink on a Friday afternoon, regularly have lunch and/or coffee together, and move in the same social circles, but are unable to separate their personal and professional lives. This does not lend itself to being a high performing team.

A manager or leader's performance can be enhanced by having strong professional relationships throughout the team. However, we have seen managers spend a disproportionate amount of their time managing the relationships between other staff members. This arises because a staff member has a problem with a peer, but chooses not to resolve the problem because their relationship does not have sufficient depth or strength. They then defer to the manager, taking him or her from their focus of developing the staff to manage their own relationships in a proactive manner.

Over time, we see a significant number of these relationships start to fracture, and we would primarily attribute it to an inability to separate their personal and professional relationships. While these individuals come together on the weekend and talk about love, life and everything in between, they are incapable of being 100% honest about how one another perform in a professional sense for fear it will impact on their personal world, so they choose to say nothing. Instead a culture of resentment and complaining behind peoples' back can be born, overall performance plummets and staff turnover sky rockets.

Many of the organisations that we have encountered have not recognised the link between strong professional relationships and high-level performance. We once spoke with a general manager of a manufacturing firm who quite blatantly said that if we were to embark on a program with his business, he did not care if his staff like one another or had strong professional relationships, he just wanted a better bottom line. Interestingly, most of the issues impeding his organisation's performance were about relationships. For example, there was bullying in the workplace, there was back-stabbing, and there was buck-passing when it came to people accepting responsibility for their poor performance.

²³ Beames, C. (2003). Creating 'New Deal' Employment Relationships. WRI Institute.

CONSEQUENCES OF WEAK/NO RELATIONSHIPS

In another case, we worked with a team that contained two members who did not like, nor professionally respect one another, and this was fairly clear for all to see. As a consequence of this issue not being addressed by leadership, and a period of time of all the other staff walking on eggshells, the tension and pressure reached fever pitch and became quite infectious. As it had now been an accepted way of working, a number of the team members became short with one another, dismissive of ideas, and avoided team meetings and activities at all costs. The impact of this was again a significant spike in staff turnover. While there have now been significant improvements across the business, as was the case with our client, your workplace will always be defined by the behaviours you choose to tolerate and accept.

In the HBR study "*How Toxic Colleagues Corrode Performance*"²⁴, several thousand managers and employees from a diverse range of U.S. companies were polled about the effect of incivility and rudeness at work on performance and learned that among those on the receiving end:

- **48% decreased their work effort**
- **47% decreased their time at work**
- **38% decreased their work quality**
- **66% said their performance declined**
- **80% lost work time worrying about the incident**
- **63% lost time avoiding the offender**
- **78% said their commitment to the organisation declined**

The authors suggested that companies can't afford to let a few noxious employees corrode everyone else's performance. Uncivil behaviour should be penalised and repeat offenders cut loose.

Research by the Harvard Business School²⁵ several years ago revealed an interesting insight into the dynamic of workplace relationships. When deciding who to work with on a project, employees considered two criteria: competence and likeability. The researchers combined these two measures in various pairings to produce four personality types:

1. **The competent jerk:** knows a lot but is unpleasant
2. **The incompetent jerk:** is both unpleasant and unknowledgeable
3. **The loveable star:** is both smart and likeable
4. **The loveable fool:** is delightful but doesn't know much

Of course, respondents to the survey said they preferred to work with the loveable star and no one really wanted to work with the incompetent jerk. But, perhaps surprisingly, people preferred to work with the loveable fool over the competent jerk. This means that when selecting their ideal colleague, most people opt for likeability over competence. The researchers concluded, "*We found that if someone is strongly disliked, it's almost irrelevant whether or not he/she is competent, people won't work with him/her anyway. By contrast, if someone is liked, his colleagues will seek out every little bit of competence they have to offer.*"

24 Porath, C. & Pearson, C. (2009). How Toxic Colleagues Corrode Performance. Harvard Business Review.

25 Casciaro, T. & Lobo, M. (2005). Competent Jerks, Loveable Fools, and the Formation of Social Networks. Harvard Business Review.

CONSEQUENCES OF WEAK/NO RELATIONSHIPS

Leading Teams does not see likeability as a high criterion but suggests that there needs to be a level of mutual respect where employees engage each other in conversations about performance. It's not about being liked or disliked; it's about moving towards respect.

Teams that include individuals who will not communicate, talk, nor work with another person in that team, will have a major consequence on the performance of the organisation, and in particular that team. The ripple from that behaviour (or a couple of individuals' behaviour) genuinely impacts those around them and they end up spending more time talking about the issues rather than actually delivering on their role.

If you have really good strong professional relationships, you can see a lot more of the care, support, and encouragement for one another.

However, individualism can be bred if you do not have a good professional relationship and you are struggling – the other person may not care as long as you are doing what you need to do for them. If you have the relationship then there is a natural inclination of wanting to help the other person, which leads to better performance.

We have seen undermining, third party conversations, back-stabbing and avoidance of difficult issues among teams without relationships. Sometimes there's just a block between one person being able to raise the issue with the other person.

As a consequence of that, leaders and managers often get caught spending the bulk of their work time managing other people's relationships. This has a real impact on performance. The leaders that have gone to the trouble of building those relationships and have agreed that there are fixed behaviours in place, find that they can get on with their work because other people are managing their own relationships.

We had a client where employees refused to work with each other – they were on the same team but they told their manager that they would not work together. The worst we saw was an organisation that had legal documents that required each member of the team to be respectful to one another. That was simply because the issues were not managed when they could have been. They got to the point where it was no longer feasible to function as a team.

There are some terrible fall-outs of poor relationships – such as board members going past the CEO and General Managers and talking directly to employees, then employees taking advantage of these opportunities. Members of teams that are going through a rough spot often go into self-survival mode where they are only worried about themselves.

RELATIONSHIP DEVELOPMENT

Leader-member exchange or LMX²⁶ is a variable that represents social exchange relationships with the immediate supervisor. The LMX model proposes that leaders exhibit very different patterns of behaviour toward different members of the work group. These differences lead to the development of two types of relationships (exchanges) between leaders and members. One type, the high quality leader-member exchange, is characterised by mutual trust and support, interpersonal attraction, loyalty, bi-directional influence, and extra-contractual behaviour exchange. Employees involved in high quality leader-member exchange are said to constitute the '*in-group*'. The other type, the low quality leader-member exchange is characterised by unidirectional downward influence based on formal organisational authority and contractual relations. Employees involved in the low quality exchange form the '*out-group*'.

High quality LMX (in-group membership) has been associated with a number of positive outcomes including job performance, satisfaction with supervision, overall satisfaction, commitment, low role conflict, role clarity, member competence and low turnover intentions.

It was found that LMX influenced organisational citizen behaviour (OCB), for example, employees accepting extra duties and doing overtime when required. This suggests that the nature of the day-to-day interactions between the supervisor and the subordinate affects the quality of their relationship, which in turn is an important source of influence on the behaviour and attitudes of the subordinate.

The leader of a team is responsible for creating an environment where team members value relationships and see that relationships are imperative to high performance. Providing an environment where people feel comfortable and safe to go ahead and build relationships is imperative. If the leaders do that, then ultimately the responsibility will be on everyone to build the strong professional relationships. If the leaders do not model the behaviour, drive the strategy, give the time and reward the behaviour, then team members will struggle. A lack of strong professional relationships can lead to cliques.

"The invisible structure of an organisation is built on relationships, which create channels that often differ from those identified by policies and procedures, and that cross functional divisions, managerial levels, and organisational boundaries," say Cullen and Palus²⁷, both holding PhDs in this area.

Every single worker should be making sure that they have got a relationship that is strong and professional with everyone that they need to have a relationship with. So often we ask people, "*Who do you interact with in the business?*" and they are asked to list the five most important people. Then we ask, "*How often do you interact with them and how important is the interaction?*" and they rank that. Understanding their deadlines, their pressures, their process, can all help with high performance.

Building relationships is something everyone must take individual responsibility for because it is a choice. We choose our attitude and we choose our behaviour. If we grow to say things like "*that's just Joe, he's grumpy*" then we give permission for others to replicate this behaviour. More so, we spend far too much time at work to be harbouring anger, hostility and resentment for our colleagues. The workplace will not only be a more productive, but a much happier, place if people have strong relationships.

26 Graen, G. & Scandura, T. (1987). Toward a psychology of dyadic organising. Research in Organisational Behaviour, 9:175-208.

27 Cullen, K., Palus, C., & Appaneal, C. (2013). Developing Network Perspective. Centre for Creative Leadership.

CONCLUSION

- This paper explored the importance of relationships, considering what is possible when they are working well and the impact on an organisation when they are dysfunctional
- It acknowledged that it is normal to praise the value of human relationships in the workplace
- It considered that relationships are critical and foundational. A relationship's nature and quality are significantly impacted by the commitment of the parties involved
- We explored the notion of quality relationships
- We looked at the importance of building strong relationships with colleagues to create high performing teams that achieve significant business success and go to the next level
- We build these relationships to achieve mutual trust and respect, which enables, regular, honest and open dialogue
- They allow us to have professional conversations around performance and ensure no avoidance occurs and issues are addressed
- They provide the ability and platform for conversations that underpin performance
- This must be a deliberate exercise: the management and cultivation of strong professional relationships, viewed as a business system
- Strong relationships are characterised by authenticity and trust (competence, character)
- It is important to note that strong social relationships do not equal strong professional relationships and that superficial or toxic issues need to be addressed up front
- Teams should implement a structure and process to allow relationship-building to happen, and rewards and systems to help it endure
- In the end building and maintaining relationships is an individual responsibility

REFERENCES

- Casciaro, T. & Lobo, M. (2005). Competent Jerks, Loveable Fools, and the Formation of Social Networks. Harvard Business Review.
- CRR Global (2011). An Introduction to Relationships Systems Intelligence.
- Cullen, K., Palus, C., Appaneal, C. (2013). Developing Network Perspective. Centre for Creative Leadership.
- Mayhew, 2013, How to Build Good Professional Relationships. Chron.com.
- Ancona, D., Malone, T., Orlikowski, W., and Senge, P. (2007). In Praise of the Incomplete Leader. Harvard Business Review.
- Anderson, B. Mastering Leadership. The Leadership Circle.
- Beames, C. (2003). Creating 'New Deal' Employment Relationships. WRDI Institute Pty Ltd.
- Covey, S. (1989). The 7 Habits of Highly Effective People: Powerful Lesson in Personal Change. The Free Press.
- Eisenhardt, K., Kahwajy, J. and Bourgeois, L.J. (1997). How Management Teams Can Have a Good Fight. Harvard Business Review.
- Fryer, B. (2008). When Your Colleague Is a Saboteur. Harvard Business Review., November.
- Goleman, D (2001). Emotional Intelligence: Issues in Paradigm Building. In: Goleman, D. and Cherniss, C. (eds.) The Emotionally Intelligent Workplace. Chichester: Wiley, pp. 1-13.
- Goleman, D., Boyatzis, R., and McKee, A. (2001). Primal Leadership. Harvard Business Review. December.
- Gottman, J. (2007). Making Relationships Work. Havard Business Review.
- Graen, G. & Scandura, T. (1987). Toward a psychology of diadic organising. Research in Organisational Behaviour, 9:175-208.
- Gratton, L. and Erickson,T. (2007). Eight Ways to Build Collaborative Teams. Harvard Business Review
- Great Place to Work Institute. (2010). Trust: The Key to Enhanced Business Performance and Accelerated Recovery.
- Gunther McGrath, R. (2013). Transient Advantage. Harvard Business Review.
- Loveday, A. (2013). Don't Underestimate the ROI of Trust. HC Online TV.
- Porath, C. & Pearson, C. (2009). How Toxic Colleagues Corrode Performance. Harvard Business Review.
- Rath, T. & Harter, J. (2010). Wellbeing: The Five Essential Elements. Gallup Press.
- Senge, P. (1990). The Fifth Discipline: The Art and Practice of the Learning Organisation. Doubleday.

ABOUT LEADING TEAMS

Leading Teams is passionate about improving organisational performance by aligning teams and developing leaders.

About Us

Leading Teams has been developing high performing teams and leaders for over 20 years. We are a team of expertly trained facilitators that deliver our Performance Improvement Program to organisations Australia-wide. Collectively, we have over 130 years of experience in the leadership development space.

Leading Teams is passionate about implementing sustainable programs with organisations from a range of industries including in the corporate, elite sport, government and education sectors. We believe that we can help any team to become high performing.

We offer a range of services that are based on our core model and principles:

- Leadership development
- Team alignment
- Culture change
- Coaching and mentoring
- Speaking engagements
- Tailored programs
- Individual professional development

Performance Improvement Program

Our Performance Improvement Program (PIP) is the cornerstone of our work at Leading Teams. It is a values-based approach to leadership, teamwork and culture change. The PIP is generally a long-term sustained program delivered over a number of years for maximum impact.

The PIP typically encompasses an all-of-organisation approach.

It is a behaviour-based decision-making framework for managing the entire lifecycle of any given team, from a member's induction to their eventual retirement from the team.

The program provides a framework that empowers team members to become leaders, be accountable and participate in open and honest reviews of performance.

How is your team going? Contact us now to talk about how we can help.

P +61(0) 3 9654 3744

E office@leadingteams.net.au