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Eliminating Silos in Regionally Distributed Organizations to Encourage Knowledge Sharing

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Abstract

This study explores silos and their effects on knowledge sharing in business. When a business has functional areas working in isolation, knowledge is not shared amongst the entire organization. This study uses secondary analysis research to explore how silos are created in business and how collaborative leadership has the ability to counteract the effects these silos have on knowledge sharing. The findings show the need for leadership to work toward creating a collaborative culture in which team members are empowered. Organizations, which implement a collaborative culture require leaders who are willing to empower other team members. The scope of this study is limited to a specific example from Michigan Office Solutions and further studies and application of collaborative leadership are needed to enhance contributions to the field as a whole.
Introduction

At Michigan Office Solutions (MOS), seven distinct service teams cover the state of Michigan. As a result of this structure, some silos have formed. I doubt these silos have been created consciously by anyone in the organization, but the reality is they are observed by many. An example of how these silos exist can be described by what occurred in a conference call not too long ago. During the conference call, two service managers in a row identified technicians who were struggling when repairing a certain model of equipment. The managers then went on to explain they were going to have the struggling technician work with another technician on their regional team identified as the best at repairing this model of equipment. My immediate thought was, “Why wouldn’t we pair the struggling tech with the best individual technician for that model of equipment in the entire organization?” I know there could be issues with logistics, but if we are really looking to become the highest performing organization we can be, wouldn’t we want to look across the whole organization for the best match?

A regionally distributed organization is defined as one having multiple locations of operations in a relatively large regional area. This distribution often hinders high performance across the organization. There are many hurdles which need to be addressed so the organization can function as a cohesive team. How can eliminating silos in regionally distributed organizations increase knowledge sharing?

The objectives of this study are to identify strategies to improve performance at MOS and share findings with the greater business community. This study is a secondary analysis of corporate culture to uncover how MOS can eliminate silos from many different perspectives and gain a new and integrative solution to the issue. Due to the complexity and interrelated nature of the issue it is important to use a variety of disciplines to find a solution. For instance, when solely looking at the human resources perspective, one could possibly miss the role of management’s influence in the perpetuation of these silos. Through this study, I’ll be exploring leadership influence, how hiring the right people affect silos, and ideas about collaboration within an organization.

Defining Silos

When we talk about silos, we’re really talking about a mentality. Gleeson writes, “The Silo Mentality is a mindset present when certain departments or sectors do not wish to share information with others in the same company. This type of mentality will reduce efficiency in the overall operation, reduce morale, and may contribute to the demise of a productive company culture” (Gleeson 2013). Though typically thought of in a negative way, there are some instances where silos are beneficial. Smith adds, “Silos are necessary in companies. They provide the structure that allows companies to work. Every company is split into divisions, departments, or groups, such as sales, technology, and finance. This structure allows expertise in different areas” (Smith, 2012). One example of this is the limit on financial decisions within a business. There are checks and balances, usually involving a controller or CFO, when certain thresholds are met for the value of the transaction. One may look at these checks and balances as an example of autonomy between functional groups, but this can be interpreted by some as a possible start of negative silo formation, which should be avoided.

When looking at a business and trying to build it into a high performing organization, care must be taken to keep the formation of negative silos to a minimum. Smith states, “Silos occur naturally because
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of the way organizations are structured. Each part of a company reports up to a manager who has responsibility only for that part of the company. But none of the parts are truly independent. Each relies on others to perform its function, and the company performs well only when each of these sometimes many parts or units work closely together (Smith, 2012). Although we sometimes think each part of the organization is independent, the parts of an organization are actually a part of the whole and each component is codependent. As leaders in these organizations, we must continue to be vigilant regarding the possibility for silos to become engrained inside and outside our areas of influence. Leaders need to realize, “when you are a division manager, your priorities naturally and appropriately center on your division. You may not even be thinking about other groups. And when you have to make decisions that may affect other silos, you are conditioned to think about your own silo first” (Smith, 2012). As leaders, if we don’t think about how our decisions affect the whole organization, we’re missing a big part of the leadership puzzle. As we move through our careers, we should consider how each decision might impact the entire company.

Not all silos are detrimental to business, but the possible effects on organizations by negative silos could be harmful. We find, “Problems of silos show up in duplication of cost and effort, working at cross purposes, lack of synergy, little knowledge transfer or economies of scale. The largest problem, however, is a lack of alignment with the overall company strategy” (Six Reasons, 2013). This list of detrimental effects of silos should be very concerning for leaders of organizations. If the organization we’re working for is starting to display any of these symptoms, we had better start making some changes. We must strive for continuous change and improvement in our organizations in order to continue the pursuit of being high performing. Quilici writes, “A big risk [of silos] is not being nimble enough to make decisions and act quickly in an ever-changing business landscape, in order to ensure survival” (Quilici, 2011). If we become complacent and allow silos to form, we run the very likely risk we won’t be able to make appropriate decisions quickly to make the business more competitive. Leadership has an active role in making sure the correct focus is maintained while working to eliminate negative silos in business.

Leadership Roles

Regarding leadership dynamics, Gleeson states, “The silo mindset does not appear accidentally nor is it a coincidence that most organizations struggle with interdepartmental turf wars. When we take a deeper look at the root cause of these issues, we find that more often than not silos are the result of a conflicted leadership team” (Gleeson 2013). Many times, it seems we encourage turf wars and competition between departments or functional teams. Is this practice good for the company or does it encourage silo creation? As we get busier and more responsibilities are placed on us, we find ourselves searching for ways to control what is within our influence. Rieger helps us understand further when he writes: “So how do the leaders of these functions survive in the face of all of those demands and not lose control? They create rules, standards, and policies to bring order to the growing chaos. Rules are, in a sense, walls that provide boundaries within which people must operate. Sometimes, though, the walls get so high that those behind them lose sight of the world outside” (Rieger, 2011). These walls being built are the barriers, which start the formation of silos in an organization. What happens when these leaders fall into
the trap of automatically setting up rules, standards and policies? “When they do, they lose sight of the most important thing: the overall mission or strategy of the organization. To them, everything revolves around what’s important to the department -- their ability to complete their part of the process and check off that one box, regardless of whether or not it supports the larger strategic goals” (Rieger, 2011). Not supporting larger strategic goals is very dangerous for the entire organization. If the department is seen as more important than the whole organization, how successful will the organization be in the long run? For these reasons, it is critical for leadership to be cautious with the approach used to create incentives for performance and also when it sets rules and policies.

We’ve established the influence leadership can have on the formation of silos. Now let’s consider how management can work to combat the influence of negative silo creation on the organization. “To break the organizational silos barrier, the goal is not to destroy silos themselves but to eliminate the problems that silos cause. That is a critical distinction. Managers may be tempted to think that getting rid of silos is the answer. But the structure that silos bring is very important in terms of creating accountability and responsibility within the organization. Silo managers know clearly what they are responsible for. Cooperation, communication, and collaboration are the three keys to working across silos” (Smith, 2012).

Here we find the goal isn’t to completely eliminate silos in our businesses, rather it is more important to eliminate the effects of negative silos on the overall business. When looking at how to minimize these silo effects, leadership must encourage cooperation, communication, and collaboration. Smith adds, “A good process to remove barriers highlights where cooperation is not occurring, and it points out the consequences of those lapses” (Smith, 2012). There has to be a concerted effort to increase the focus on a bigger picture. Further, “The solution is about losing tower vision and being able to look at—and see—things from a different person’s or department’s point of view” (Smith, 2012). When we’re looking from a different point of view, it helps us to work on our cooperation with other functions within the organization. This cooperation is a great step toward making our organizations perform at a higher level. Undoubtedly, as we go through the ebbs and flows of business, we’re bound to see a change of priorities. At these times, it’s often easy to fall back into our protective silo mentality, however work still needs to be done to break through these thought patterns. Smith gives us more advice with, “Breaking this barrier is also not about proving who is ‘wrong’ and who is ‘right.’…When decisions to reprioritize do get made, it is because collaboration or communication has allowed a shift in perspective” (Smith, 2012). Not having to prove who has the correct solution is built not only by cooperation, but also by improved communication and collaboration efforts.

Collaboration has a huge impact on how silos are minimized in business. If leaders want to facilitate and encourage collaboration, what type of leadership helps accomplish this task? “Put simply, collaborative leadership is the type of leadership required to get effective and efficient results across internal or external organizational boundaries. A collaborative leader invests time to
build relationships, handles conflicts in a constructive manner, and shares control. In contrast, traditional leadership is more autocratic where the leader takes absolute control over his team and takes decisions without consulting his team members” (Collaborative Management Leadership Styles, n.d.).

As leaders, we must work on transitioning from the traditional, top down style of management and shift to a flatter, more collaborative style of management. Trends show, “The traditional leadership style of top down management is slowly evolving into a collaborative approach that empowers employees and blurs the lines between boss and worker” (8 Differences, 2013). This approach to leadership leads to empowerment of all team members. Are we as leaders ready to give up some of our power to facilitate this change? If we really want to make a difference in the way our team members and functional areas collaborate, we must start thinking about power in different ways. Collaborative leaders “take a more open approach in the workplace. Team building and power sharing are replacing the traditional forms of corporate hierarchy. The role of leadership is evolving into a broad based team building approach that encourages creative thought in the workplace” (8 Differences, 2013). Giving up power isn’t something we typically consider as we climb the ranks of leadership, but clearly, this is something we need to consider if we really want to help our organization perform at a higher level. This shift in leadership approach can be accomplished over time.

How do we accomplish this change in approach? Goman writes, “Build your collaboration strategy around the human element… collaboration is more than the technology that supports it, and even more than a business strategy aimed at optimizing an organization’s experience and expertise. Collaboration is, first and foremost, a change in attitude and behavior of people throughout an organization. Successful collaboration is a human issue.” (Goman, 2014) When working to increase collaboration, it is clear the key in this approach is to work with the people involved in the organization. This focus on team members is a powerful tool leaders can use to change the organization. Goman stresses the need to “Use collaboration as an organizational change strategy…Regardless of how creative, smart and savvy a leader may be, he or she can’t transform an organization, a department or a team without the brain power and commitment of others…success dictates that the individuals impacted by change be involved in the change from the very beginning” (Goman, 2014). To truly change an organization, all team members need to have the opportunity to have input in these changes. By soliciting input from all team members, leadership can leverage all creativity in the organizations. We should “Encourage people to share ideas. Make sure employees know their suggestions will be taken seriously by peers and superiors” (Donston-Miller, 2012). By getting more perspectives on organizational issues, the diversity will lend itself to more creativity. This creativity of a larger portion of the team can aid in setting the overall vision and mission of the organization. Leaders need to “Make visioning a team sport. Today’s most successful leaders guide their organizations not through command and control, but through a shared purpose and vision. These leaders adopt and communicate a vision of the future that impels people beyond the boundaries and limits of the past…The power of a vision comes truly into play only when the employees themselves have had some part in its creation” (Goman, 2014). If we take a
look at the type of organization we’d like to be involved in, wouldn’t this be a model for that organization? Going beyond the boundaries of the past and powering into the future is powerful motivation to improve the performance of an organization. With this in mind, how does leadership make sure we have the right people in place to accomplish these changes?

**Recruitment**

Recruitment and team building are integral parts of how to create a more collaborative culture in the workplace. How are we able to accomplish finding people who may fit into this different culture and who have the ability to enhance this culture? Personality assessment is one tool that can be utilized. Why would we want to use this assessment? Stettner answers, “Personality tests appeal to entrepreneurs who want to streamline the hiring process” (Stettner, n.d.). Are we simply trying to streamline our process by using these assessments or are we trying to find something deeper? We have to take a step back and clarify what our priorities are. We must be able to see the candidate as a whole, not just as an assessment. Stettner cautions, “If you grow too attached to administering assessments, it’s tempting to reduce a candidate to a series of test scores rather than a fully dimensional human being” (Stettner, n.d.). Though we want to use some type of assessment as a measure of fit in a larger recruitment effort, we can’t get a complete picture of a candidate simply using a personality test. Stettner notes, “These assessments can serve as a key element in the larger process of getting acquainted with individuals’ behaviors and competencies as they relate to the job opening” (Stettner, n.d.). Assessments are just one tool in the recruitment toolbox and must be used in conjunction with other tools.

So, the biggest question surrounding these assessments is: do they really help us identify those candidates who fit the collaborative culture, or do we need to change our process to identify the best candidates? Martin proposes, “If your hiring process relies primarily on interviews, reference checks, and personality tests, you are choosing to use a process that is significantly less effective than it could be if more effective measures were incorporated” (Martin, 2014). Is our hiring process doing the best it can to identify quality candidates in the collaborative culture? We may have to make some adjustments to this process. “Generally speaking, 4-Q tools consist of a list of adjectives from which respondents select words that are most/least like them, and are designed to measure ‘style,’ or tendencies and preferences. While they can seem highly insightful…they have some severe shortcomings when used in high stakes applications such as hiring” (Martin, 2014). These assessments seem to be able to give us the information we want, but they can be manipulated by the person taking the assessment. Manipulation such as, “For one, they tend to be highly transparent, enabling a test taker to manipulate the results in a way that they feel will be viewed favorably by the administrator…there is a significant chance that the results will change over time as the individual’s context changes” (Martin, 2014). How can we make the most informed decision on hiring if this is the case? We need to come up with a better method to select candidates.

How can we incorporate better measures of candidate fit in our organizations collaborative culture? First, we need to look at what culture is and why it’s important to get a good fit in our candidates. Culture fit is “the glue that holds an organization together” (Bouton, 2015). If we’re determined to change the culture to encourage collaboration, we should have
good processes in place to evaluate candidates during the hiring process. To do this, leadership of the organization must define what this culture is. Bouton continues, “Before the hiring team starts measuring candidates’ culture fit, they need to be able to define and articulate the organization’s culture – its values, goals, and practices — and then weave this understanding into the hiring process” (Bouton, 2015). Next, concerted effort must be invested into defining which characteristics a candidate requires to fit into this culture. Bouton continues, “What’s important is that hiring managers, interviewers, recruiters, and everyone at your company can identify critical characteristics that mesh well with that culture” (Bouton, 2015). If we don’t do this, we’re faced with turnover, which costs the organization much more than if we had done our homework. Bouton states, “The result of poor culture fit due to turnover can cost an organization between 50-60% of the person’s annual salary” (Bouton, 2015). We spend a lot of time and effort during the hiring process. If we don’t do a good job during this process, we risk wasting critical resources on this process.

If an organization wants to avoid this cost, how can more changes be made to the hiring process in a collaborative culture? There are several best practices, which can be implemented to help organizations with this process. A few are:

- “Recruit for skillsets and adaptability” (Gray, 2013). If a candidate is adaptable, they’ll be able to work in a variety of situations. This adaptability gives our organization a great advantage in the future as the candidate assimilates into the culture of the company.
- “Honor diversity in recruiting efforts” (Gray, 2013). If this diversity is embraced, the organization may have a competitive advantage when business solutions tap into the broad creativity brought forth by diversity.
- “Look for lifelong learners and creatives” (Gray, 2013). Creativity and lifelong learning bring competitive advantages that may not always be tangible, but should be sought out in a collaborative culture.

If these ideas are implemented in the hiring process, the quality of candidates coming out of the hiring process are going to be much better than if the work leading up to this process had been skipped.

**Solutions for Michigan Office Solutions**

How do we bring this research to a real-life situation and apply it to an actual organization such as MOS? All the research leading up to this point has been working toward making MOS a higher performing organization. Before going any further, we have to acknowledge there are silos in the organization. Looking specifically at the service side of our organization, the example at the beginning of this study is a symptom of these silos. When silos slow knowledge sharing within the larger organization, they tend to become a problem. There are three areas we can examine to improve our organization as a whole and to eliminate existing negative silos. These areas of focus are: collaborative leadership, recruiting, and use of technology to aid communication and collaboration.

Collaborative leadership is a concept that needs to filter throughout the organization at MOS to make the organization even higher functioning than it already is. Consistent application of these
concepts by leadership is the key factor for maximum impact on the organization. Every team member from supervisor on up should be educated as to what collaborative leadership is and how to execute this theory of leadership into their areas of influence. In this leadership theory the key factor for success is the willingness for leaders to empower their team members. For the most part, MOS does a pretty good job of this, however there is always room for improvement. All leaders within the organization must have the same commitment to follow through on empowerment. Team members must experience ownership of decision-making, validation of their contributions by leadership, and become fully engaged in making MOS a higher performing organization. If our team members aren’t sensing these experiences, we have some work to do as leaders. Leaders need to evaluate what they are doing to enhance cooperation amongst teams and empower and encourage team members to engage in a more collaborative culture.

By empowering our team members, MOS will begin moving to a more collaborative culture. As MOS moves in this direction, dividends should be seen in the retention of high performing team members. We’ve seen a lot of turnover in our service organization in the southeast side of Michigan. We’ve used many resources to train these individuals only to see them leave the organization after a relatively short amount of time. We may need to evaluate two different ideas: if we are creating a collaborative culture of empowering our team members and if we are hiring the correct team members.

When looking at recruiting efforts, I was convinced we could use personality assessments to find quality candidates to add to our team. After this secondary research analysis, I found this isn’t going to be the most important option to find these candidates who fit into collaborative culture. The assessments are a piece of the big picture of what a quality candidate is, but it’s not the only thing we can utilize during the process. Recruiting for a collaborative culture may take more time, but it may also bring larger dividends to the organization as we move forward. To accomplish this, the first task to tackle is documenting our organizational culture, mission and values. If this documentation process doesn’t show us a collaborative culture, we must set a road map to move the organization toward collaboration. Once documented, we can re-evaluate what our requirements are for different positions based upon a move to a collaborative culture. Taking a deep dive into what we really need to look for in a candidate will benefit the organization in the long run by not only identifying much better candidates for these positions, but also retaining them.

Another aspect of the recruitment process we could improve is digging more in depth into how a candidate would fit in culturally during the interview process. We could ask some pointed questions surrounding collaboration. These questions could probe into how the candidate feels about a collaborative culture, what values the candidate has and is drawn to, what culture they’ve been able to see from contacts within the business, examples of past cultural fits for them, and quite simply why they want to work at MOS. These questions will help us determine if a candidate would be a good fit into the culture and be a collaborator. We currently have a final interview process where we try to determine cultural fit, but this type of pointed questioning should help solidify the process even more. Once we have team members in place who fit into the collaborative culture, we must also work on our methods of knowledge sharing.
One way we could enhance knowledge sharing is through setting up an intranet that could be a repository of best practice documentation available to all technicians. Recently, there was a service team meeting in our Grand Rapids office. One of the activities presented during this meeting was a complete service walkthrough for a few different machines. An expert technician who is very familiar with the machine went through this entire process. We should reap the benefits of this knowledge by having a video of this presentation in a location where any technician working on a similar machine could review. We all carry iPhones, and it wouldn’t be terribly difficult to record the presentation. We should evaluate what other knowledge is out there to be shared with the rest of the organization.

Another idea for knowledge sharing is to set up email distribution lists for technicians who are trained to work on similar machines. Technicians who are trained on a machine family can immediately be added to the email distribution list for the family and have the opportunity to use the collective knowledge of the entire organization to assist them if they run into trouble on a service call.

A final change to the way we communicate is to give more opportunities for technicians working on similar machines to collaborate. Maybe this would include a quarterly face-to-face meeting in a strategic and centralized location. Having technicians build personal relationships with other technicians working on similar machines will allow them to make better connections and encourage knowledge sharing across the entire service organization. This should encourage more of a “the team” attitude rather than a “my team” attitude. In addition to these face-to-face meetings, we should leverage Skype, FaceTime, and other collaboration tools to enhance communication with technicians.

Conclusion

Though MOS is a high performing organization, there will always be room for improvement. Through this study, there are areas identified where improvement can be made. How can eliminating silos in regionally distributed organizations increase knowledge sharing? The first piece of the puzzle is to engage in collaborative leadership throughout the entire organization. The second piece is recruiting based on this collaborative leadership model of leadership. The final piece of the puzzle is enhancing communication in our service organization. As leaders, when we can empower team members, recruit candidates who fit this culture, and enhance our communication processes, we’ve moved the ball forward toward the goal of making MOS a higher performance organization, able to produce greater dividends for all stakeholders.

Works Cited


