

Feature

Being Open is the New Way to Lead **ASSOCIATIONS NOW, July 2010**

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With social technologies that spread knowledge and collaboration with ease, today's new leaders are embracing a strategy of openness. But letting go of control doesn't have to be as scary as it sounds. Here are three open leadership methods you can adopt at your association, from the author of the new book *Open Leadership*.

At one time, rulers, generals, and chief executive officers believed the only effective way to organize and manage was through a system of command and control. The king/general/boss gave the orders; everyone below did what they were told.

This system contained hidden assumptions: First, the boss knew more than anyone else. Second, workers could be trained—or threatened—to follow orders unquestioningly. Third, any other system was inefficient and slow to react to threats and change.

In truth, bosses never had as much control as they thought—or wished. Employees talked around the water cooler, and customers gossiped over the back fence. Enlightened bosses realized that not all good ideas originated in the executive suite, and they installed suggestion boxes or took other measures to be more open.

Today, probably thousands—millions—of rulers, generals, and executives still believe that command and control is the only way to run things. Meanwhile, social networks on the internet are rapidly undermining that approach to management. Leaders are seeing the ordered world they understand crumbling as citizens, customers, employees, and partners are empowered by new tools that were almost unimaginable 15 years ago.

The shift has come about because more people are online, actively using social media sites such as Facebook, MySpace, YouTube, Twitter, LinkedIn, Flickr, Ning, and hundreds more. They are sharing what they know, think, and believe—a trend that will only grow.

Social media has given employees new ways to collaborate with each other—a good thing—and new opportunities to grumble publicly about their jobs—a not-so-good thing. Problems that once were resolved through private channels like phone calls and emails are now publicly exposed.

Many association leaders are terrified by the power of social technologies, but they are also intrigued and excited about the opportunities. Many like the idea of being able to hear what members are saying about them. They'd like to obtain new ideas from members and employees. But while some organizations have taken steps to embrace social technologies and are doing well, others have failed. My research shows the biggest indicator of success has been an open mind—the ability of leaders to let go of control at the right time, in the right place, and in the right amount.

The first step is recognizing that you are not in control; your members, employees, and partners are. Then, the key is to think of letting go as a relationship issue. After all, leadership is a relationship between those who aspire to lead and those who choose to follow. At a time when employees are redefining how they make and maintain relationships with social technologies, it's time that leaders rethink the foundations of organizational relationships.

Align Your Level of Openness With Your Strategy

How open do you need to be? The question can't be answered in a vacuum. Many organizations are trapped in the strategic equivalent of a Gordian knot; they can't find the problem's beginning, so they can't begin to solve it. Often missing is a coherent open strategy, something I call "open-driven objectives." With an open strategy, the decision shifts from *if you should be open* to *how open you need to be* to accomplish your strategic goals.

I have found four underlying objectives integrated into almost every successful strategic plan:

- Learn;
- Dialog;
- Support;
- Innovate.

The objectives are both internal and external and apply to leading both employees and members.

Before they can do anything else, organizations must learn from employees, members, and partners. Look at the first objective—learn—through the lens of the new relationship you are trying to form with empowered employees and members. How well do you understand them? The new culture of sharing creates an additional, timelier way to listen and, more importantly, opens it up to anyone in the organization who is willing to learn.

For example, basic monitoring tools like Google Blog Search or Twitter search—as well as more advanced tools available from vendors—make it easy to track when people discuss your organization. The benefits of using social technologies to learn include speed (real time, fast), scale (lots of points of input, not just 20 people in a focus group or 400 people in a survey), lower costs (as cheap as simply monitoring to gain insights) and distribution (people outside of market research can access it). Fast, relatively cheap market research—what could be better?

Communications must shift from transactional, short-term, and impersonal relationships to ones that are more long term, personal, and intimate. Organizations need to earn the right to have a conversation with today's empowered members and employees and, then, only at the right time.

The third objective—support—is often thought of as customer support, but you should think of it also as supporting employee needs. Where could open, integrated support improve a critical process or strengthen the natural relationships you have in the organization?

The question that runs through all of these objectives is, again, how open do you need to be? Whatever you decide should be in the context of your goals. If you don't have concrete goals for activities like having a blog or being on Twitter, then don't start.

To prioritize where and how to be open:

Identify which strategic goal to address first. Which organizational goals are behind or having a hard time gaining traction? Wherever the pain point is greatest, that's a sweet spot for your first openness initiative, because executive attention will be highly focused on achieving that goal.

Put learning systems in place to support that goal. I've found that most strategic goals get derailed early on because of lack of knowledge and information. So, establish the appropriate learning systems.

Determine which open-driven objective can help the most. Besides learning, determine which of the other objectives most closely supports the goal you want to pursue. For an employee-morale goal, for example, you may want to have some elements of dialog to start but morph quickly into a support objective, in which executives and employees can connect and support each other.

Gauge your need to be open. This is often driven by external factors, such as the willingness of the audience to engage with you.

Gauge your ability to be open. If your open-driven objective is going to be dialog, how ready are you to have the dialog? Look at the applicable open elements—for example, sharing conversational information. Does your organization have the appropriate policies and structures in place to support openness?

Measure Benefits Without a Tangible ROI

Now that you have an idea of what your goals will be, it's important to understand the value of those goals and to install measurements to ensure you are on track to realizing those benefits. When I talk to senior executives about the value of an open organization, they inevitably want to know the return on investment. But this is like asking the value of a deeper, closer relationship.

For example, what's the ROI of a handshake? Or the ROI of an internal business lunch where you invest time and money to develop a deeper relationship with a direct report? This illustrates a fundamental problem of being open and of business in general: Some things in a relationship can be measured and managed; many cannot. Associations invest money in relationships, everything from public and media relations to the coffee pot in the lunch room. What's the ROI?

The difficulty with today's new social technologies is that they appear to lack clear, direct benefits compared to more established relationship channels. Actually, the activities taking place on those sites are inherently highly measurable, but we have not yet established the value of these activities versus their costs and risks. I've found, however, some common benefits created by open-driven objectives:

- Removing communication barriers;
- Scaling efforts;
- Enabling fast response;
- Gaining commitment.

Associations can sometimes quantify the money saved through more efficient ways of learning about members and employees. But intangible, indirect benefits such as real-time, better, and deeper insights provide greater value to the organization in the long run despite being much harder to quantify.

To come up with your own measurements, these five steps should help:

Define your objectives. You can't measure something if you don't know what it is.

Identify the most important key performance indicators. This is the hardest step, as you're making a jump from the abstract objectives to the operational KPIs you'll be measured against.

Identify open activities that support your KPIs.

Establish a baseline for your objectives and KPIs. The best metrics acknowledge it's the change over time that best reflects the benefit.

Optimize and adjust your KPIs and priorities. With new data and experience in hand, make adjustments as needed.

Guidelines, Policies, and Procedures for Being Open

Even when you understand the benefits, openness feels risky and dangerous. I am regularly asked how to deal with that sense of being out of control. While outlining the benefits helps, I urge establishing the policies, processes, and procedures that will help you manage openness. Put another way, you have to plan how to, in effect, control openness.

Some organizations don't feel they can trust employees to use social media at all in the workplace. This is the wrong approach, especially with access to these sites now nearly ubiquitous on mobile devices. Such outright bans are just an excuse for managers to not deal with social media in the workplace.

People occasionally say to me that to be open you just have to trust: "Put your faith in people and let them do what they think is right." The problem is, what happens if what they think is right doesn't align with the organization's goals? Chaos ensues. Openness needs structure and prioritization. You have to determine what you will and will not be open about and what you will and will not permit. There must be limits.

Open leadership requires that you create structure, process, and discipline around openness when there is none, so that people know what to expect and how to behave in a new, open environment and so that trust can develop over time. Don't be shy; make the rules and involve your

employees in writing what I call the “sandbox covenant” to govern how you enter into these new relationships.

A sandbox has clearly defined boundaries within which it’s safe to play. On the other hand, the sandbox still has rules: no throwing sand at other players, no taking someone’s truck without permission.

The first step in creating a sandbox covenant is to define what activities do and do not belong there. Where are you comfortable in terms of what people can and can’t do? Where do you anticipate you will need to be more open, and what limits will you put on it? Every association will have a different size sandbox depending on how open it wants to be.

Don’t be concerned if you construct your sandbox to be fairly small and limited; be realistic about how much openness you and your organization can take on at first. But be prepared to revise the sandbox size over time. As trust builds, everyone will feel more comfortable expanding the sandbox. Note that if you don’t widen the boundaries, employee resentment and rebellion can build.

I use “covenant” because it’s a promise people make with each other, which differs from traditional corporate policies and procedures that *dictate* how things will operate. When leaders open up and give up control, they trust that employees will do what they promise.

A key part of a covenant is accountability, spelling out what happens if either party doesn’t keep its side of the bargain. If employees don’t act responsibly with the new freedom, it will be taken away. And employees can also hold leaders accountable if they haven’t acted in a way they have promised.

Think of it as providing the guardrails within which being open can take place. Unless you clearly define what the limitations are—and every organization has limits to how open they can and want to be—people will not have the trust and confidence to be open in the first place.

In the end, your sandbox covenant describes in detail the kind of relationship you want to have with your employees and members. Without guidelines, employees and their managers will not know what is allowed and what isn’t. And when problems arise, managers should be able to recognize it as a problem (or not) and turn to the guidelines for advice on next steps.

We are in a period of fundamental social change akin to the rise of the automobile or the introduction of television. A generation that has always known the internet—and thinks that openness is as natural as breathing—is coming to work. Tomorrow’s leaders will align their strategies with openness, embrace open technology even without a clear ROI, and establish policies that make explicit how open the association will be. The time to take your first step is now.

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