Learning Dynamics

News to Peruse

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Reduce Silos and Gain a Competitive Advantage

This article will explore briefly (i) the problem with silos at work, (ii) a new awareness of why silos develop and persist, and (iii) some tips on reducing or possibly eliminating silos. This subject is nuanced far beyond the space allotted to this article. As such, you will easily find other reasons why silos exist and other tools to mitigate silos. Nevertheless, the analysis below is sound and may lead to a new understanding that will help you mitigate silos, thus reaping incredible benefits.

Definition

A silo occurs when a group (employees, team, department, employee class such as exempt/nonexempt, location, employees from different pre-merger companies…) operates in an insular manner, separate partially from others in the company. Common characteristics are a lack of awareness of the other group's humanity—an othering—and/or the contributions, needs and pain points of other groups, a disinterest in working together, reduced communication, and possibly disrespect or contempt for other groups.

The Problem with Silos

Most executives underestimate both the extent to which silos exist in their organization and their detrimental impacts. Project Management Institute has estimated silos cost companies on average $11,000 per employee annually!

The list of pernicious effects silos have is extensive and alarming and includes an unhealthy company culture, hostility and distrust across groups, lower employee morale and engagement, higher employee turnover of your better employees, lower customer satisfaction, decreased productivity, decreased innovation, poor project management, missed deadlines, lost business opportunities, increased expense, and decreased revenue and net income.

Reducing or eliminating silos will give your organization a competitive advantage!

Why Do Silos Develop at Work and Why are They Difficult to Eliminate?

Silos are rooted in biology. That's right, biology.

Through millions of years of evolution, animals, including humans, have increased their chance of survival by forming groups. There was safety and survival in the group and death outside the group. Animals and humans simultaneously developed a biological distrust for, and hostility toward, those outside the group. This led to all of us having an In-Group/Out-Group Bias. Even worse, Yuval Noah Harari, historian, observed that humans possess the ability to hate individuals they have never met—a trait not seen in other animals.

Karen Winn, pioneering research professor at the Yale University Infant Cognition Center, in 2013 published the results of her groundbreaking study that established clearly that In-Group/Out-Group Bias is based in biology. Winn's research team showed two puppets to infants aged from 9 months to 14 months old. In front of one puppet, they placed food the infant likes and in front of the other puppet, they placed food the infant dislikes. Of course, the infants favored the puppet with the food the infant likes. What was groundbreaking, is that the infant liked the puppet they favored even more if that puppet punished the other puppet. Read that again! The infants, who could not have possibly been taught to hate, found pleasure in seeing their favored puppet punish their disfavored puppet; the In-Group punish the Out-Group.

One method to measure the extent silos exist in your organization is to have each group assess the quality of work they provide and the quality of work the other groups provide. The greater the disparity between their self-assessment and their assessment of others, the greater the silos are in your organization. Harvard Professor Toby E. Stuart noted in one of his studies on silos that his team were surprised by how little communication occurs across business units, organizational function and geographic location. One finer observation is that women overall were much better communicators across these three natural boundaries.

Tips on Reducing or Eliminating Silos

There are two big-bucket ways to reduce or eliminate silos.

Build Relationships

The first, and surest way is to ensure employees develop healthy relationships across groups. Building relationships is the most important activity we do every day. Studies show the people with the greatest relationships in an organization generally have the greatest influence and greatest upward career path.

Abraham Lincoln said, “I do not like that man. I must get to know him better.” Lincoln got it. Through building relationships, Lincoln was able to find common ground, forge mutual understandings and respect and build teams among the most divisive groups in government, making him one of our greatest presidents.

Mark Twain said, “Travel is fatal to prejudice, bigotry, and narrow-mindedness.” Travel to other groups, departments, physical locations... in your company can likewise eliminate our biological bias against the other groups.

Travel cannot be for travel’s sake. Travel must be with the intent to build relationships with other groups and understand the other groups. Your ability to build relationships depends upon what kind of person you are. In addition to being trustworthy, ethical, competent, responsive, and acting in the best interest of the company rather than an individual or group, you must be sincerely interested in the other person/people and be a great listener. One of the quickest ways you can improve your perception and effectiveness in the company is to become a better listener. People will judge you as being more competent, a better leader, having higher emotional intelligence, more trustworthy, with greater respect and be more willing to give you the benefit of the doubt.

Stepen Covey said, “Most people do not listen with the intent to understand; they listen with the intent to reply.” Alan Alda said, “Real listening is a willingness to let the other person change you.” Deeyah Khan, of Afghan and Pakistani descent, practices extreme listening and has won over white supremacists, neo-Nazis. Deeyah seeks to truly understand them first, which, in turn, has enabled them to be willing to listen to and understand her.

Traveling to the other groups engaging in real listening will build relationships, break down silos and make you, your team, the teams you interface with, and your company more effective.

Expand the Definition of the Group

The second big-bucket way to break down silos is to expand the definition of your In-Group to include the entire company.

Any sporting event proves this to be true. People who support the same sports team have no idea who the other people in the stands are, but because they are wearing the same team jersey, they are in the In-Group and often forgiven for their rude behavior, but people wearing the other team’s jersey are in the Out-Group and are often treated negatively.

Expanding the In-Group to include all employees is more difficult than improving your listening skills. It requires (i) winning the hearts and mind of your employees, and (ii) implementing supportive procedures and culture.

Hearts and Minds

Winning the hearts and minds of employees starts with leadership. The CEO and senior leadership must consistently:

- Promote the notion that all employees are part of one group.
- Promote and explain the company mission, values and vision.
- Ensure employees know/see on a periodic basis who the company helps and why.
- Share the vision of how employees benefit by their being part of one company.

The CEO and senior leaders must walk the talk.

Senior leaders should periodically hold large group or company meetings to share information and actively listen to employees. These should include promoting one company and listening for indications of silos.

The company should provide employees ongoing training that supports the one company notion. This should include specific training and ongoing training such as in leadership, relationship building, teambuilding and communication (especially listening to truly understand).

Culture and Procedures

The company should seek to build a culture and implement procedures that support that the employees should have allegiance to the company over any group, function, or geographic location. These can include:

- Ensure employees see the big picture, including who the company helps and why and how they fit into that reality.

- Establish shared goals that are incorporated into performance reviews and compensation decisions.
- Require each senior and middle manager to periodically meet with other departments with a clear agenda to better understand the needs and pain points of the other departments and actions the visiting manager's team can take to ease those pain points. It may be best to give the managers a script of questions as this will help ensure consistency, that nothing is missed and that they ask the hard questions.
- Periodically have employees work in another department or location for the day. Until employees understand the challenges, stresses and urgencies of the other group(s), they won't have empathy, feel a need to support the other group or understand how their actions have a real impact on the company.
- Reward, recognize and celebrate employees breaking down silos. This can include ongoing management recognition of employees, especially simultaneously recognizing employees across groups. You can also periodically have employee recognize employees from other groups.
- Use internal marketing extensively, which can include having a one-team message appear on every employees' sign-on screen, posters, post-it notes, tchotchkes...
- Ensure new employee orientation includes promoting the one company culture and includes employees meeting and getting to know employees in other departments/groups.

In summary, silos are biological; silos are most likely greater than you think, and silos are pernicious, costing you dearly. You can reduce or eliminate silos by (i) building relationships across natural boundaries, which requires listening to truly understand and (ii) changing the dynamic so employees firstly see themselves part of the company and secondly see themselves part of a department or other group.