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IN THE LEAD

By CAROL HYMOWITZ



Rewarding Competitors Over Collaborators No Longer Makes Sense

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Managers have been raised on the mantra that to advance they must outperform fellow managers. Those who wrest the most productivity from employees and get the best financial results are generally rewarded with raises and promotions.

But that formula is out of date, and adhering to it can undermine corporate goals. In today's global, knowledge-based economy, businesses need managers who share information and talent and work across business units and divisions to create and sell a mix of products and services. The challenge for top executives is persuading ambitious managers that their career success depends on collaboration -- not competition -- with peers.

"The days of the lone-ranger manager who thinks, 'Everyone else is my rival,' are over," says Richard Antoine, **Procter & Gamble's** global human-resource officer. "Individual performance still matters, but you won't perform well in this complex world if you aren't collaborating with and getting help from lots of people."


In that spirit, managers from P&G and its newly acquired Gillette business are working together to cross-promote products. In one promotion, Gillette's Venus razors are coupled with P&G's Always feminine-care products and Olay Total Effects skin-care items. That wouldn't have happened a decade ago, when managers of different brands were encouraged to focus on outselling one another.

P&G chief executive A.G. Lafley encourages teamwork among managers and business units with his own inclusive and inquisitive management style. Before he makes a decision or sets a new strategy, "he always asks managers to give him two different approaches and present the pros and cons of each," says Mr. Antoine. "And at meetings, A.G. says, 'Before you jump in and inject your own point of view, make sure you listen and truly understand the other's point of view,'" Mr. Antoine adds.

Mr. Lafley also stresses collaboration with customers. For decades, P&G developed products in its labs and then marketed them by promoting their best technical features. Now, Mr. Lafley tells employees to observe customers using and shopping for products like laundry detergent and cosmetics and to ask them what they need and want.

But more than simply encouraging teamwork, the consumer-products giant now uses its annual performance reviews to evaluate how well employees collaborate. "Leadership is on the list of the top 10 qualities we look for, but so is the ability to build diverse and collaborative relationships," Mr. Antoine

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says.

Cisco Systems, the leading maker of computer-networking equipment, also assesses the ability of employees and prospective hires to collaborate across departments and functions. It is good for business, says Diane Adams, vice president, human resources, worldwide sales, "dramatically improving productivity and helping us to grow."

Cisco, which has been cutting costs partly by streamlining and combining overlapping business groups, has made "teamwork and collaboration" a factor in its formula for computing management bonuses since 2003. Ms. Adams says the assessment of managers' teamwork efforts "can impact their bonus by as much as 20% annually."

If money isn't enough of a motivator, ambitious managers should recognize that more and more companies are tapping people who know how to work collaboratively for pivotal jobs. **Boeing** chose Mike Bair to head the development team of its new 787 aircraft model, which is due to come into service in 2008. The job involves working with thousands of Boeing employees and nearly 100 global suppliers.

Mr. Bair says his experience as a Boeing salesman to American Airlines in the 1990s helped prepare him for his current job. Then, he had just two direct reports, so rather than order a staff to perform specific duties, "I had to convince people across the company to do things to satisfy the customer," he says.

As head of the 787 team, he has scoured the globe for suppliers to do a variety of design and engineering work Boeing used to do itself. He found some of them in the U.S. and others in Europe, Japan and Korea. Now his challenge is managing this network and making sure these new partners work effectively with Boeing staff.

Last year, to build a unified team, he invited staff members from each project partner to Boeing's Everett, Wash., offices for six months to collaborate on the 787's configuration. Now they are back at their respective companies, but they communicate constantly. There are "council meetings" among all partners every six weeks and staff meetings at all hours of the day and night to accommodate colleagues in different time zones.

"The mix of people and knowledge is turning out to be a powerful tool" that will produce a better aircraft design and more efficient manufacturing, says Mr. Bair, who notes that Boeing's Japanese partners are sticklers for detail while its Italian partner has expertise with composite parts. "In school, teaming is called cheating, but we're encouraging our people to find other people's ideas and then improve on them," he says.

One big challenge: encouraging partners "to be blunt with us when they think we're doing something stupid," Mr. Bair says. "We're their customer, and some are too polite."

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