Flat World, Hard Boundaries — How To Lead Across Them

By Chris Ernst and Donna Chrobot-Mason
AS THOMAS FRIEDMAN so persuasively argued in his book *The World is Flat*, a significant effect of globalization is a leveling of the playing field for many of the competitors in today’s worldwide markets. Technological innovations have revolutionized the workplace, bringing the competitive power of emerging economies’ fast-growth organizations into closer alignment with their developed-world counterparts. Paradoxically, at the same time that these developments have made doing business across borders easier, relational barriers — obstacles to productive human interactions — not only remain largely unchanged but in some cases have deepened.

Consider the hurdles faced by those who lead functionally diverse teams across levels of management — often involving a variety of organizational partners who may be based in different countries. These leaders’ jobs are made easier by the technological advances that help to close gaps...
involving distance and knowledge. But the leaders also are confronted with entrenched boundaries such as residual bitterness between historical enemies, culture clashes, turf battles and generation gaps. Such boundaries invite conflict, impose limitations on performance and stifle innovation.

It is clear that a flat world requires a shift to new and more effective leadership strategies, especially as leaders move from middle- to senior-level management. But provocative questions must first be addressed: Which boundaries create the greatest challenges? What are the implications for those who manage and execute business strategy when boundaries are constantly changing? How do leaders span these boundaries, thereby potentially enabling groups to achieve results together that are well beyond what they could have done on their own?

Seeking answers to these questions, we and our colleagues at the Center for Creative Leadership developed a comprehensive database from some 2,800 survey responses and nearly 300 in-depth interviews with leaders across six global regions. We also surveyed an additional 128 CEOs, senior vice presidents and directors of some of the world’s most recognizable companies. (See “About the Research.”) In this article, we share these findings.

The clear message from those who participated in our research is that in a flat world we need “boundary spanning leadership” — the ability to create direction, alignment and commitment across group boundaries in service of a higher vision or goal. Direction is a shared understanding of common goals and strategy, alignment is the joint coordination of resources and activities, and commitment is a dedication to collective success that is at least as great as the dedication to any one group’s success.

We have identified five types of boundaries that challenge leaders today and six practices that help them span those boundaries. Through these six practices it is possible to transform barriers to progress into new frontiers of opportunity; create, test and execute innovative solutions; and enable organizations to thrive in a flat world.

The Boundaries That Keep Us Apart

Our research revealed that the five most challenging boundaries involve identity and relationships — how we define ourselves and the groups we belong to — and thus are associated with strong emotions such as loyalty, pride, respect and trust.

**Vertical boundaries** are the floors and ceilings that separate groups according to rank and privilege. Common terms within organizations that convey such boundaries may include span of control, hierarchy chart, top-down/bottom-up and exempt/nonexempt staff. Vertical layers — top-, middle- and entry-level — have become the most common means of defining the existing hierarchy, with a number of lower-level subordinates under a higher-level supervisor being the traditional approach for managing the boundaries between levels. Strategy flows down, with production flowing up. Yet today’s flat world is transforming vertical boundaries, enabling greater degrees of interaction up and down. This shifting landscape is redefining the “control” long associated with span of control.

**Horizontal boundaries** are found across organizational functions and units, or when two organizations merge into one. They are the walls that separate groups according to areas of experience and expertise. Terms within organizations that convey horizontal boundaries include division of labor, silos, stovepipes, turf battles, front office/back office and revenue center/cost center. As these words may suggest, the negative costs of horizontal boundaries manifest themselves when one function is favored over another, when the work of one unit or product line threatens another’s viability, or when departments work at cross-purposes. Under such conditions, intergroup conflict rather than collaboration rules the day.

Managing the boundaries between functional groups originates in the need for division of labor, but this requirement is being replaced by the need for integration of labor. Integrating functional groups such as marketing and sales to work toward a common goal is challenging enough, but bringing groups together following an organizational merger or acquisition — to transform competitors into collaborators — requires the integration of technical and operational systems as well.

**Stakeholder boundaries** are the doors and windows of the organization. Organizations are increasingly tied up with a dizzying array of stakeholder groups, including but not limited to shareholders, boards of directors, vendors, networks, customers, advocacy groups, governments...
ABOUT THE RESEARCH

This article is based on the authors’ book, *Boundary Spanning Leadership: Six Practices for Solving Problems, Driving Innovation, and Transforming Organizations* (McGraw-Hill, 2010). The presented information reflects the experiences of actual leaders who participated in two Center for Creative Leadership (CCL) research projects: Leadership Across Differences (LAD), which involved researchers from around the world; and Leadership at the Peak, which collected survey data from senior executives participating in leadership programs.

The database for the LAD project included some 2,800 interview responses, almost 300 interviews and a wide range of secondary data, such as media reports and organizational communications. The goal of the research was to address the following question: What are the leadership processes by which organizations create shared direction, alignment and commitment across groups of people with very different histories, perspectives, values or cultures?

In Stage 1 of the LAD project, the research team collected interview data from 50 individuals located in 11 countries. Interviewees held a variety of occupations in corporations, social service organizations, hospitals and schools, and they were employed at all levels of the organizational hierarchy. In order to examine from a variety of different perspectives the challenges that groups face in managing boundaries, we included people holding formal leadership positions in the organizations as well as those having no formal leadership authority.

In Stage 2 of the LAD project, the research team collected interview data from 239 individuals located in 11 countries, but with several changes in our sampling strategy. We required a minimum of 10 interviewees per organization, and we made a concerted effort to obtain data from individuals who varied on a number of different factors, such as gender, race and level in the organization. We also attempted to maximize cultural variation in our sample to examine whether similar types of events occurred in different cultural contexts.

Participants in the second CCL project, Leadership at the Peak, allowed us to refine the results of the LAD research. These leaders were surveyed on pressing trends and challenges, the role of leadership in spanning boundaries, and the types of boundaries that leaders face in attempting to create direction, alignment and commitment. A total of 128 program participants completed a survey. The majority of respondents (60%) worked at the senior vice president or director level. CEOs or presidents accounted for another 32% of the sample, and the remaining 8% held titles such as vice president or plant manager.

Findings from this study informed our thinking in two primary ways. First, they reinforced our belief that while spanning boundaries is now critical, it remains challenging. Our data showed that 86% of senior executives found it “extremely important” to work effectively across boundaries in their current leadership role. Yet only 7% of these executives believed they were currently “very effective” at doing so — a gap of 79% between the perceived importance of boundary spanning and the ability to achieve it. The other primary finding was the identification of the five types of boundaries — vertical, horizontal, stakeholder, demographic and geographic.

and local and global communities. Common terms within organizations that illustrate stakeholder boundaries include iron curtain, closed door, enclave, corporate-centric, not your business and insider/outsider. Stakeholder boundaries have potential to create divides when organizations seek to serve their individual interests at the exclusion or expense of the interests of their external partners.

Value chains are the primary mechanism for managing the boundaries between an organization and its stakeholders. The traditional view is that each link in the chain defines its own process independently, with little thought given to interdependence with partners elsewhere along the chain. But a flat world requires organizations’ leaders to rethink how value is created between participating enterprises in the chain, their employees and the broader communities they serve. For example, consider the experience of India’s Tata Motors Ltd. with its Nano car. Because of its unique modular design, the Nano is sold in kits that are distributed, assembled and serviced by local entrepreneurs and rural garages throughout India. By knitting together a vast network of human capital inside and outside the company, Tata has created an inexpensive product that is now within the reach of millions of Indian consumers.

**Demographic boundaries** result when workers are defined according to classifiers such as gender, race, education or ideology. Terms that convey such organizational boundaries include glass ceilings, generation gaps, diversity divides, ideological battles and culture clashes.

In recent years, the demographics of the global labor force have been transformed. Consider that of the 45 million jobs created between 2006 and 2007, 57% were located in Asia, 21% in Africa, 10% in Latin America and the Caribbean, and 8% in the Middle East and in central and southeastern Europe (non-European Union). In contrast, only 4% of the jobs created during that period were located in the developed economies. These global growth trends will only intensify. Of today’s 1.2 billion youth, nearly 90% live in developing economies, with eight out of 10 hailing from Africa or Asia. This is the global workforce of the future. If managed effectively, such trends could result in organizational benefits, as a flat world requires the leveraging of different knowledge bases and diverse backgrounds to achieve value-creating
innovation. Poor management, on the other hand, would likely result in great divides.

**Geographic boundaries** are represented by the physical office location, as well as the phone, e-mail and Internet connections used to bridge time zones and distances. Terms that demarcate geographic boundaries may include East/West, native/foreigner, global/local, headquarters/field and mother ship/satellite. In the past, organizations were the product of, and created products for, their local consumer markets. Today’s markets, as well as organizational operations and labor pools, manifest themselves in all corners of the globe. An American sports apparel company, for instance, might obtain its fabric from China, design and market its clothing in the United States, manufacture the products in Bangladesh, and sell them through a chain of stores with locations worldwide. The virtual dismantling of geographic boundaries creates sourcing and scale efficiencies, as well as new markets and sources for capital. Yet determining what processes to integrate across geographies and what to customize for local needs remains a persistent challenge.

The Boundary Spanning Leadership Model

In our research we identified the six types of practices that enable boundary spanning leadership: buffering, reflecting, connecting, mobilizing, weaving and transforming. Each successive pair of practices constitutes one of three interrelated strategies: managing boundaries (buffering and reflecting), forging common ground (connecting and mobilizing), and discovering new frontiers (weaving and transforming). This “boundary spanning model” is essentially an upward spiral that leaders must travel to achieve intergroup collaboration. (See “From the Great Divide to the Nexus Effect.”)

Through execution of the six boundary spanning practices in turn, leaders can enable what we call a “Nexus Effect” — groups working together to create new possibilities and achieve inspired results well beyond what they could do on their own. The Nexus Effect is the ultimate goal of boundary spanning leadership, and it is the countervailing process to what we call the “Great Divide.”

The emotional force that serves both to separate and connect us — identity — is at the heart of the Great Divide. Identity results from the interplay between two basic human needs: the need for differentiation or uniqueness and the need for integration or belonging." We believe that the reason the five boundaries cited above are so difficult to manage is not just that they represent physical or technological differences that separate groups. More importantly, they represent differences in how we define ourselves. Identity is not about what we do or how we do it but rather who we are.

While the Nexus Effect is the most positive outcome that can occur when group boundaries intersect, the Great Divide is considered the most negative. Shown appropriately in “From the Great Divide to the Nexus Effect,” this alienating situation results without the intervention of the six boundary spanning practices. When intergroup boundaries collide and groups feel threatened by their differences, a divide splinters groups into us versus them. The creation of shared direction, alignment and commitment moves further and further out of reach, with constrained and counterproductive results.

The Six Boundary Spanning Practices

By contrast, boundary spanning practices have decidedly positive effects, as they enable leaders to progress up the spiral from managing boundaries to forging common ground to discovering new frontiers at the nexus between groups. Boundary spanning leaders see boundaries not just as problems to solve but as potential opportunities, and they pursue this quest through the six practices, which are discussed in turn below.

**Buffering** Group members cannot collaborate effectively across boundaries unless they first feel protected within their own group. Thus the practice of buffering involves shielding group members from threats or undue outside influences so that they can develop and maintain a clear group identity. The result is that buffering builds intergroup safety — the state of psychological security that arises when boundaries allow each group to define its reason for being.

A boundary spanning leader then helps groups work across, around and through boundaries to engage in productive work with other groups, whether inside or outside the organization. At the same time, the leader must continue to serve in part as a buffer...
— to keep group boundaries strong enough to protect groups and keep them whole. If boundaries become too weak or disappear altogether, a group’s purpose will weaken or disappear as well.

For example, Lisa, a manager at a telecommunications company, was struggling to lead a cross-functional team tasked with rolling out a new smartphone product line. The team had not been making progress because its members were subject to too many external and often-competing demands. Finally, Lisa decided to pull the team together, clarify its mission and determine each member’s area of responsibility. Each person came to know what he or she should and should not be doing. By thus buffering the team and strengthening its boundaries, Lisa facilitated the accomplishment of the team’s mission.

Reflecting As its name implies, this practice enables a group to see both sides of a boundary and allows other groups to do likewise. Much as a mirror’s image is available for all to see, the practice of reflecting involves informing one group about another. By illuminating the differences and similarities between groups and helping each one understand the identities of the other groups — through attending some of their meetings, say, or reading postings on their Intranet site — reflecting involves sensitizing group members to their counterparts’ values, priorities, expertise, roles and needs. With this practice in place, groups can begin to see common ground in goals and objectives, and the way is cleared for intergroup respect and collaboration.

For example, DriveTime, a Phoenix, Arizona, company that owns used-car dealerships, had its employees partner with elementary schools that serve at-risk students. The goal was for the company to better understand its low-income customers, better serve the community, and in turn be better understood by the community. As a result, employees developed greater empathy and awareness of their customers in ways that stood in stark contrast to the common perceptions of the used-car industry as one that preys on a vulnerable population.

Connecting This practice, which seeks to forge relationships by creating person-to-person linkages, occurs when group members temporarily put aside their group identities and step inside a neutral zone where people can interact with one another as individuals. If such connecting is sustained over time and new relationships are built, the boundaries that created rigid borders between groups become more porous and intergroup trust may grow. With this practice in place, groups may create a shared direction, develop common expectations (regarding the coordination of tasks, for example), and maintain the mutual confidence that each group is committed to shared overall interests.

One tactic for achieving connectivity is to create “attractor spaces,” which suspend at a particular time or place the physical boundaries that separate an organization’s groups, functions, levels or divisions from one another. Such boundaries were of course intended to improve productivity by enabling people who share responsibilities to work in close proximity, but the cost is that they impede any one group from collaborating with others. To help balance the resulting tensions, leaders need to create attractor spaces that encourage serendipitous cross-boundary relationships to develop.

Take “the Googleplex” — Google’s headquarters in Mountain View, California. Everything from the entry-level “town square” to the “village library” beckons employees to leave their desks and mingle. Throughout the building, floors are organized into
# Leadership

## Practices vs. Boundaries

Each cell of the matrix is a sample action that a leader may take in employing one of the six practices to span one of the five types of boundaries.

<table>
<thead>
<tr>
<th>VERTICAL BOUNDARIES (Hierarchical levels)</th>
<th>HORIZONTAL BOUNDARIES (Functions, units and disciplines)</th>
<th>STAKEHOLDER BOUNDARIES (Partners, suppliers, customers and communities)</th>
<th>DEMOGRAPHIC BOUNDARIES (Gender, age, culture, ethnicity, education and ideology)</th>
<th>GEOGRAPHIC BOUNDARIES (Locations, regions, languages and markets)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Buffering:</strong> Monitor and protect the flow of information and resources across groups to define boundaries and build intergroup safety.</td>
<td>During times of organizational crisis, remind people of proper communication channels to ensure critical information flows across levels.</td>
<td>Prepare a team “char- ter” of roles and responsibilities. Share it with others in the organization so that they understand the nature and amount of work your group can effectively manage.</td>
<td>Specify “non-negotiables” or “rules of engagement” that specify how your team and an external team will interact during a joint venture.</td>
<td>Sponsor affinity groups within your organization (e.g., women, Hispanics) so that non-dominant groups have an opportunity to network and share experiences with their own group members.</td>
</tr>
<tr>
<td><strong>Reflecting:</strong> Represent distinct perspectives and encourage knowledge exchange across groups to better understand boundaries and foster intergroup respect.</td>
<td>Initiate a meeting with senior management to facilitate the upward movement of ideas generated by employees.</td>
<td>Invite leaders from other units to your team meetings so that they can discuss how their units may help your own, and vice versa, to solve pressing organizational problems.</td>
<td>Arrange “field trips” for your team to client sites or customer markets. Have team members document what they learn, with an eye toward contributing to an organizational initiative or strategy.</td>
<td>When an issue of demographic differences arises, consider making it a “teachable moment.” Give everyone involved a chance to learn about the others’ unique perspectives as well as about the similarities.</td>
</tr>
<tr>
<td><strong>Connecting:</strong> Link people and bridge divided groups to suspend boundaries and build intergroup trust.</td>
<td>Host a picnic lunch to bring people together from different levels of the organization. Ask everyone to “share a blanket” with people they don’t spend time with regularly.</td>
<td>Set up some comfortable chairs and a whiteboard in the connector wing between two departments to encourage informal collaborative conversations across functions.</td>
<td>Rotate meetings with a key vendor between your site and theirs. When visiting their site, request time for “putting names with faces” by having your team walk around and meet people in the organization.</td>
<td>Mix it up outside the office — get people of different generations, races or nationalities together for a sporting event.</td>
</tr>
<tr>
<td><strong>Mobilizing:</strong> Craft common purpose and shared identity across groups to reframe boundaries and develop intergroup community.</td>
<td>Establish “skip level” meetings for your staff to have conversations with your manager about higher-level organizational goals and strategy.</td>
<td>Following an organizational merger, get people together from the corresponding functions in the two organizations. Have them devise a compelling mission for a new business opportunity that everyone can rally behind.</td>
<td>Articulate a goal around which your organization and another organization can partner in order to beat a common competitor in the marketplace.</td>
<td>Identify a core set of organizational values that are inclusive and motivating for all demographic groups.</td>
</tr>
<tr>
<td><strong>Weaving:</strong> Draw out and integrate group differences within a larger whole to interface boundaries and advance intergroup interdependence.</td>
<td>Build on a successful organizational accomplishment by bringing groups together across levels to discuss what factors created the “win” from their unique vantage points.</td>
<td>When divisions are in conflict over an issue, help them articulate the source of their differences and then explore ways to creatively reconcile them for the overall good of the organization.</td>
<td>Integrate the unique strengths of your organization with those of an organization in a different sector (e.g., nonprofit, government agency) to solve a shared problem in your community.</td>
<td>Bring different demographic groups together to discuss market needs and trends within their respective groups and how the organization could create new products to serve them.</td>
</tr>
<tr>
<td><strong>Transforming:</strong> Bring multiple groups together to crosscut boundaries, enable intergroup reinvigoration and establish new directions.</td>
<td>Facilitate a dialogue between members of your network who represent different levels in business and explore an unconventional idea that arises from the conversation.</td>
<td>Host “alternative-future” conversations and invite anyone in the organization to attend. Provide no agenda other than to imagine the ideal, transformed organization five years from now.</td>
<td>Strike a small-scale partnership with your number-one competitor. Explore new frontiers that could be exploited collaboratively.</td>
<td>Create action-learning teams with “maximum diversity” to develop business plans for serving markets that are entirely new to your organization.</td>
</tr>
</tbody>
</table>
flexible neighborhoods and shared community spaces that similarly make it easy for people to meet. For example, employees eat for free in an open cafeteria, which also boasts a giant white board to capture ideas that may emerge from casual lunchtime conversations.

**Mobilizing** This practice seeks to reframe boundaries and craft common purpose. It encourages groups to transcend their smaller group identity and create a new and larger identity that is shared by all. Mobilizing enables groups to look beyond the differences that divide them into factions and to instead form coalitions for working together productively. The result is intergroup community — a state of mutual belonging and ownership that develops when boundaries are reconfigured and collective action taken. When this practice is in place, groups may realize a galvanizing higher purpose — share an inclusive identity, coordinate resources and take collective action — even when outside forces try to pull them apart.

Mobilizing is similar to connecting in that both practices enable the forging of common ground. A distinction, however, is that whereas connecting is about suspending the dividing lines between individual group members, mobilizing redraws the lines to include both groups.

One mobilizing tactic is to narrate stories, which throughout human history have served as a powerful force for expressing common identity. Boundary spanning leaders can likewise draw upon stories to create meaning and transcendent purpose. When the Chinese computer company Lenovo purchased IBM's global personal computer operation in 2005, senior leaders moved quickly to craft a narrative of Lenovo as a “New World company” that synthesizes the best of East and West. This narrative transmits values to guide and instruct behavior. In particular it encourages disparate groups to work together as members of a shared community.

**Weaving** This practice occurs when group boundaries interlace yet remain distinct, much like an accomplished weaver bringing together different threads to create larger patterns. In an organization, each group has a unique role or contribution that is integrated in the pursuit, say, of the next big product or service.

While weaving meets the need for differentiation by respecting varied experience and expertise, it also meets the need for integration by forming new collaborations across groups that utilize their differences to achieve a common purpose. The result is intergroup interdependence — a state of mutual reliance and collective learning. When this practice is in place, the groups involved not only enhance their own effectiveness but also can co-create a single overall direction, work together to realign collective resources as business requirements change, and exploit diverse perspectives to enhance the effectiveness of the larger organization.

Leaders at Child Rights and You, an organization that advocates for underprivileged children, used a weaving tactic to realize a significant change in strategy. Spanning 17 Indian states, CRY reflects vast regional differences — in language, ethnicity, religion and caste — among its members. To take advantage of their varied perspectives and experiences to better serve the organizational mission, a team led by CEO Ingrid Srinath asked people throughout CRY to “bring their differences into the room.” Multiple cross-boundary dialogues were held where people representing diverse regions, as well as functional groups, participated in deep and open conversations about the future direction of the organization. Differences were aired and frankly discussed. Rather than being seen as problems, these differences were embraced, ultimately enabling CRY to consider a broader range of options.

**Transforming** The sixth and final practice is about intergroup reinvention — the state of renewal that develops when groups create new identities, and new possibilities, by reworking the boundaries between them. Essentially, transforming occurs when time and space are provided for group members to open themselves to change.

When multiple groups are brought together in search of reinvention, each of the approaches described for the previous five practices can also be used. Thus, transforming can be thought of as a gestalt — as the integrated totality of the six boundary spanning practices. When transforming is successful, problems that were previously intractable may be resolved, and options that were considered far beyond reach may become not just viable but fully realizable.

Butch Peterman, the president of Abrasive Technology Inc., a globally integrated manufacturer of
The Leadership Advantage

The six boundary spanning practices result in safety, respect, trust, community, interdependence and reinvention — outcomes needed to create a Nexus Effect, when groups achieve inspiring results together that far exceed what they could have achieved on their own. When an organization becomes a place of mutual trust, interdependence and collective action, new avenues for creativity and innovation can come into view. Breakthroughs and inspiring applications may occur, and alternative futures could be realized. And if enough boundary spanning leaders were to emerge in enough organizations, entire economies could be energized.

There is little doubt that organizations wish to marshal creativity and innovation as a critical part of their organizational strategy in these challenging times. Among a list of societal trends, 92% of senior executives in our research described the drive for innovation as the trend having the most important impact on their organizational strategy for the next five years. But innovation is largely dependent on effective boundary spanning, not only internally — across levels, functions and locations — but also between the organization and its stakeholders. In an ever-flattening world, boundary spanning leaders have the advantage, being well positioned to achieve transformative results for their organizations and the broader communities being served.

Chris Ernst is a senior enterprise faculty member at the Center for Creative Leadership in Greensboro, North Carolina. Donna Chrobot-Mason is an associate professor in the Department of Psychology at the University of Cincinnati. Comment on this article at http://sloanreview.mit.edu/x/52306, or contact the authors at smrfeedback@mit.edu.

REFERENCES


Reprint 52306.

Copyright © Massachusetts Institute of Technology, 2011. All rights reserved.
PDFs ■ Permission to Copy ■ Back Issues ■ Reprints

Articles published in MIT Sloan Management Review are copyrighted by the Massachusetts Institute of Technology unless otherwise specified at the end of an article.

MIT Sloan Management Review articles, permissions, and back issues can be purchased on our Web site: www.pubservice.com/msstore or you may order through our Business Service Center (9 a.m.-7 p.m. ET) at the phone numbers listed below. Paper reprints are available in quantities of 250 or more.

To reproduce or transmit one or more MIT Sloan Management Review articles by electronic or mechanical means (including photocopying or archiving in any information storage or retrieval system) requires written permission. To request permission, use our Web site (www.pubservice.com/msstore), call or e-mail:
Toll-free: 800-876-5764 (US and Canada)
International: 818-487-2064
Fax: 818-487-4550
E-mail: MITSMR@pubservice.com

Posting of full-text SMR articles on publicly accessible Internet sites is prohibited. To obtain permission to post articles on secure and/or password-protected intranet sites, e-mail your request to MITSMR@pubservice.com

Customer Service
MIT Sloan Management Review
PO Box 15955
North Hollywood, CA 91615