Building a Collaborative Company

Gary Browning, NED and former CEO of Penna, explains how he created a more agile and collaborative approach to working. **Mary-Anne Baldwin** reports

When **Gary Browning**, NED and former CEO of Penna, joined the company its four divisions were not only working in isolation but at times in competition. He realised that to grow the business he must first break down its siloes and encourage a more collaborative way of working.

What was Penna like when you joined and why did you seek to change it?

I inherited a company that in 2005 was very siloed and almost set up to be internally competitive. It was really difficult to get people to work together across divisions for the benefit of the client.

When I picked up the business we had four divisions, each had four MDs who had strong ownership over their teams. We took a step back and decided that we were only going to have one team, which is Penna. Obviously there are subsets below that but we wanted to get loyalty into the business.

Can you give an example of why the business needed to become less siloed?

A good example is Birmingham City Council, which spent millions of pounds on recruitment with us but with austerity it needed to buy outplacement. We had to persuade our colleagues in recruitment to bridge with our colleagues in outplacement so that the Council would buy the services they needed from us.

For that to happen, the people in recruitment needed to know Penna could provide outplacement and what was involved. They needed to trust that their colleagues would protect

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the client relationship and want the other part of the business to succeed. In short, they needed knowledge, trust and respect – what I believe are the three essential ingredients for organisational collaboration.

How did you implement a more collaborative approach?

We haven't employed the methodology of agile – the scrum, sprint or lean – but what we have done is create a culture of agility.

We dropped the words 'division' and 'department' – they are both the opposite of collaboration – and rebranded everything as being about the group. Language is really important.

We also did a lot of work on redefining the tribe. We had people asking why they should allow their top person to go off and work on something that didn't count towards their own results. It took a couple of years and huge amounts of investment to break down that mindset.

Where did you find the most resistance to change?

Interestingly, we had more resistance the further up the organisation we went. The younger, more junior staff had a real desire to be part of the one tribe but as you went up to middle managers, seniors managers and MDs, they wanted to hang on to ownership of their people, P&L and clients – that's where we had to do most work.

How did you tackle that middle management resistance?

We took the top seventy managers and put them through development programmes on management and collaboration. For two managers to collaborate they need to know what each other does, what's on offer and that they can trust each other.

We embedded a leadership coaching philosophy by putting all 70 managers through a programme. At the same time, we created a culture for sharing and communication.

We also did a lot of work to build trust across teams and to share clients, such as our 'lunch and learn' sessions which every client-facing member of staff was encouraged to attend.

Was there a time when the progress seemed to stall?

When there is an abundance of resource and everyone is doing well they're very happy to share, but when times are tough people get much more parochial and guarded about their resource. We've had good years and bad I think that's human nature. >

When did you add incentives and performance measurements?

We started by putting in processes and measurements but it became obvious that it's not the right starting point; you have to start with the culture, which we had to redefine. It was traumatic, a lot of people who couldn't adapt were changed and it took us several years to achieve.

I'm now a great believer that you've got to start with culture, not with systems, structure and measurements. Once you've embedded a new culture and everyone is talking the game, you then introduce rewards and measurement processes.

What kind of incentives and measurements did you put in place?

Previous management's view was that to achieve collaboration, you should remove all measurements from a local level. They took out local P&L and had just the one measuring a £100 million business with no local KPIs.

That may sound like a solution to breaking down silos, but it caused a huge problem in the business because we completely lost accountability. I put those measurements back in again, but it was into an environment where people already wanted to collaborate.

We became more sophisticated with measurements and started rewarding collaborative behaviour.

We did that a number of ways; we promoted and recruited for behaviours and we put KPIs against them – but we didn't totally crack it; it's incredibly difficult.

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Is something as subjective as collaboration hard to set KPIs against?

Imagine you've got two MDs and one collaborated beautifully with the other to such an extent that the group earned an extra two million pounds in revenue, smashing the corporate target. But the person who collaborated happened to have a bad year and missed their own section target. Do you celebrate them as a hero or fire them?

In a Plc it's particularly difficult because you have to report the performance of the business relevant to how it's structured – segmental reporting. So, shareholders may be happy with the group performance but not with one of its parts; they're not interested if that group was seminal in the overall performance. I was lucky because I'd done the job for ten years and had a level of trust from the shareholders but most don't have that luxury.

What lesson would you share with other leaders looking to improve collaboration?

We created something called Penna Orchard, our development centre, which – with the logo of a pear tree – was pitched as a place to grow. It was a great concept but no one wanted to dedicate resource to it because it was internal.

The lesson was that if you can find the heartbeat of the organisation and its purpose, you can get people collaborating around that much more easily than something abstract.

Most of our cross-functional teams were client-focused and because Penna is incredibly customer-orientated it wasn't as hard to get people to collaborate. ■

Gary Browning
NED and former
CEO of Penna

Gary currently holds non-executive roles at Lee Hecht Harrison, Penna and Cloudcall. He acts as board advisor to a number of other companies in the human capital sector. He was previously Group CEO of Penna, which he sold to Adecco in May 2016. He joined the company in 2002, taking the CEO role in 2005.

Gary led several restructurings and turnarounds at Penna, taking the business off the full market and onto AIM, while raising new capital through a placing. He then led its expansion by completing four acquisitions over six years.

He is a trustee on several charities and sits on the governance board of Career Ready – a charity which supports disadvantaged youths in their early career ambitions.

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