

Center for Creative Leadership (CCL®) Organizational Leadership White Paper Series



# Boundary Spanning Leadership

Mission Critical Perspectives from the Executive Suite

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# executive summary

From 2008 to 2009, the Center for Creative Leadership surveyed 128 senior executives who participated in CCL's Leadership at the Peak program. The executives served at the senior most levels of their organizations, with more than 15 years of management experience and responsibility for at least 500 people. This survey focuses on pressing trends and challenges affecting their organizations, and the role of leadership in spanning vertical, horizontal, stakeholder, demographic, and geographic boundaries.



vertical



horizontal



stakeholder



demographic



geographic

## *The New Business Reality*

The perspectives that we uncovered from senior executives reveal that as today's business challenges span across boundaries, so too must leadership. The ever-increasing complexity and interdependence of today's world calls for a critical transformation in leadership from managing and protecting boundaries to boundary spanning - the capability to create direction, alignment, and commitment across boundaries in service of a higher vision or goal.

The senior executives who took part in the survey recognized that the solutions to today's most pressing business challenges, ranging from the global economic crisis to energy constraints to the drive for innovation, rest at the intersection between vertical, horizontal, stakeholder, demographic, and geographic boundaries.

86% of the senior executives in this study believe it is "extremely important" for them to work effectively across boundaries in their current leadership role. Yet, only 7% of these executives believe they are currently "very effective" at doing so. Closing this gap is both a critical challenge and a transformative opportunity for leaders and organizations to survive and ultimately thrive in today's business environment.



### *Boundary Spanning Leadership*

We define boundary spanning leadership as the capability to establish direction, alignment, and commitment across boundaries in service of a higher vision or goal (Ernst and Yip, 2009). This capability resides within and across individuals, groups and teams, and larger organizations and systems. In this paper, we examine boundary spanning leadership through the perspectives of the executive suite.

## In terms of key findings, here's **what you need to know ...**


1

Boundary spanning is an important capability across all levels of leadership. When asked about the importance of working across boundaries at different levels of the organization, 97% of leaders cited it as important at the senior executive level, 91% at the middle management level, and 43% at the entry level.

2

There is a mission critical gap in the ability of leadership to work across boundaries. When asked to rate managers in their organization, only 53% agreed that their peer group of senior executives were effective in working across boundaries. This percentage dropped to 19% for middle managers and fell to just 8% for entry level managers.

3

Horizontal boundaries  pose the greatest challenge to senior executives. When respondents described their challenge in working across boundaries, horizontal boundaries (of function and expertise) proved the most frequent challenge, followed by geographic, demographic, stakeholder, and vertical boundaries.

## Here's **why these findings matter ...**

4

A bottleneck is created when middle managers fail to make the shift from a bounded, within-group mindset to a boundary spanning, cross-group mindset. 92% of senior executives believe that the ability to collaborate across boundaries became more important as they moved from middle- to senior-level management. Failure to make this shift can be the difference between success and derailment as managers progress in their careers.

5

The **drive for innovation** is described as the top strategic driver for organizations. Among a list of societal trends, 92% of senior executives described the drive for innovation as the trend having the most important impact on their organizational strategy for the next 5 years. This requires leaders to become more effective at spanning multiple boundaries - tapping into diverse expertise and cultural insights - to achieve breakthrough results.

6

When contrasting where their organization is now against where it needs to be, executives are calling for a mission critical transformation toward greater interdependent, boundary spanning capabilities. The largest shifts can be found in movement toward more cross-functional organizations, with expanded global mindsets, and an open networked environment that accelerates cross-generational learning, partnership across levels, and enhanced cross-regional coordination.

Based on these findings, here are suggested *next steps to take ...*

Effective organizational leadership occurs when groups collaborate across boundaries to achieve outcomes that are above and beyond what those groups could achieve on their own. Senior executives recognize the potential for synergistic outcomes at the nexus between groups as noted by the significant personal priority they intend to give to working across all 5 boundary dimensions, with the top 3 priorities being:

collaboration across functions (98%),

empowering employees at all levels (97%), and

developing cross-organizational learning capabilities (91%).

I learned as a mid-level leader how important it is to bridge between senior leaders and entry level leaders across the organization. I took it on as an obligation to teach this skill and emphasize how important it is for mid-level leaders to get comfortable with this role early in their tenure.

– Paul Selva  
Lieutenant General  
US Joint Chiefs of Staff

# background

The image features a network diagram with blue silhouettes of people connected by lines, overlaid on a faint world map. The silhouettes are arranged in a circular pattern, with lines connecting them to form a complex network. The background is a light blue color with a subtle grid pattern.

## How was the research conducted?

Data were collected from 128 CCL participants who attended the *Leadership at the Peak* program between September 2008 and April 2009. *Leadership at the Peak* is designed for senior executives who have more than 15 years of management experience, work in the top three tiers of their organizations and have leadership responsibility for 500 or more people. Admission to the program is by application only. During the program, executives received a brief introduction to the research project and an invitation to complete an electronic survey.

Figure 1

Demographics.....

Gender

Male	75%
Female	25%

Figure 2

Demographics.....

Age

Under 40	3%
41-45	29%
46-50	29%
51-55	26%
56-60	12%
Over 60	1%

Figure 3

Demographics.....

Level in Organization

Chief Executive / President	32%
Senior Executive (Senior Vice President, Director)	60%
Other (Vice President, Plant Manager)	8%

Figure 4

Demographics.....

Country of Residence

North America	91%
Europe	3%
Asia	2%
South America	1%

# why span boundaries?

Consider any pressing challenge that leaders and organizations face today, and one hallmark is certain – it cuts across vertical, horizontal, stakeholder, demographic, and geographic boundaries. Collective problems, by definition, require collaborative solutions.



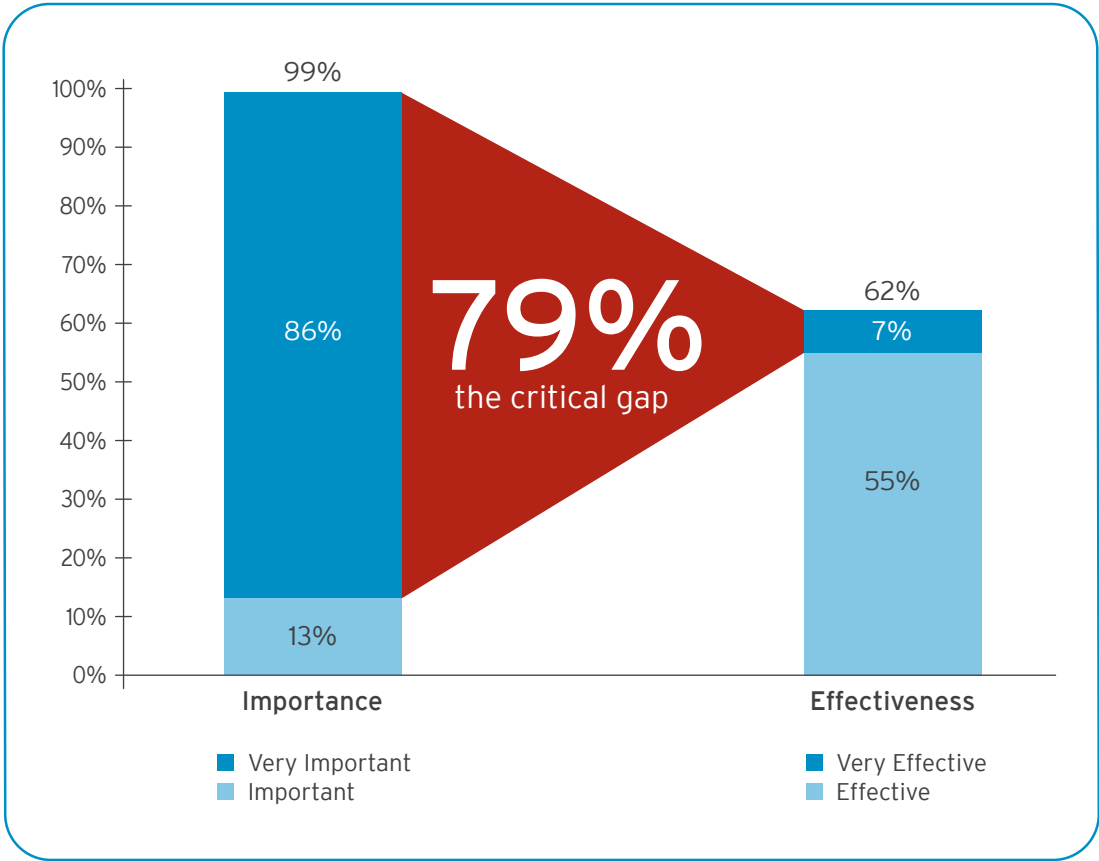
Traditionally, managers learn to manage vertically – to work upward with senior colleagues and downward with direct reports. However, in today's interconnected world, it is also critical for managers to work effectively across functions, locations, and with

external stakeholders. Global competition, changing demographics, and increasing cross-organizational exchanges are radically changing the market dynamics in which leaders operate, requiring leaders to operate beyond the boxes and lines of traditional organizational charts.

As shown in Figure 5 below, when asked about the importance of working across boundaries in their current role, 99% of the senior executives indicated that it was important. 86% described it as “extremely important”. That said, **only 7% described themselves as being “very effective”** at doing so. This highlights a critical gap between the perceived importance and effectiveness of boundary spanning among senior executives.

Figure 5

Importance and effectiveness of boundary spanning leadership. Survey participants were asked to rate the importance of boundary spanning and their own effectiveness in spanning boundaries.



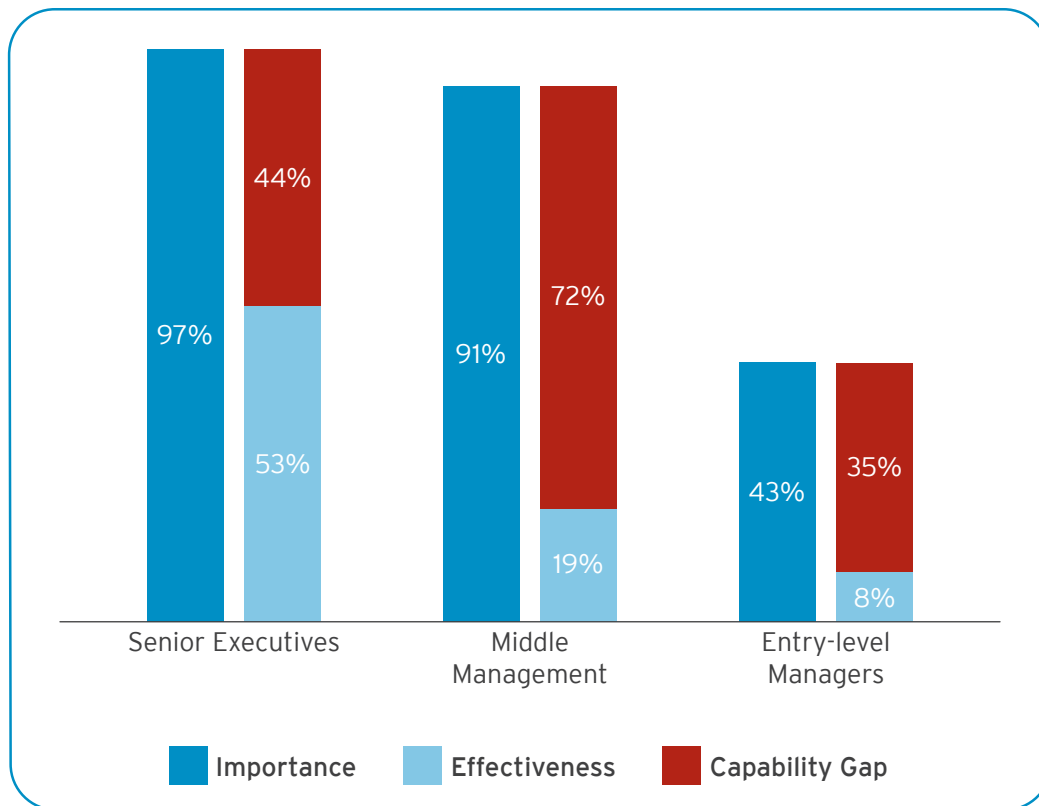
In addition to rating boundary spanning capabilities in their role, we asked the senior executives to assess the importance and effectiveness of boundary spanning for managers at different levels of their organization. The results are strikingly consistent - the gap between perceived importance and effectiveness is apparent at all levels of the organization.

When asked to assess their peers at the senior executive level, 97% rated boundary spanning as an important capability, yet only 53% agreed that senior executives in their organization were effective in this capability - a gap of 44%. This gap is significantly larger in their assessment of middle managers - a gap of 72% between

perceived importance and effectiveness of boundary spanning capability. The gap is narrower for entry-level managers primarily due to lower perceived importance ratings - a gap of 35%. Across all levels, the wide discrepancy between importance and effectiveness of boundary spanning is one that merits vital attention.

Figure 6

Capability gap in boundary spanning across levels. Survey participants were asked to rate the importance of boundary spanning across levels in the organization and to rate the current effectiveness of managers at that level.



The gap percentages from Figure 6 suggest that leaders at all levels have work to do to develop their boundary spanning capabilities. The ability to shift from a bounded, within-group mindset to a boundary

spanning, cross-group mindset is a key challenge and opportunity for leaders as they advance in their careers. With each increase in level, there are more boundaries to span, a greater emphasis on cross-enterprise coordination, and increased focus on bridging the organization with the external environment. Failure to make these shifts can be the difference between success and derailment at higher levels.

The experiences of the senior executives we surveyed align with what leading research practitioners have learned regarding leadership across boundaries: high-performing managers stand out from their peers in the ability to “tap large diversified networks that are rich in experience and span organizational boundaries” (Cross, Davenport, and Cantrell, 2003). Further, the transition from entry to middle to senior level leadership positions requires a transformational shift from holding a team or functional perspective to an approach of perceiving a team or function within the broader aims of the organizational strategy or vision (Charan, Drotter, & Noel, 2000). In the current study, the executives we surveyed experienced the impact of this shift first hand. In fact, 92% acknowledged that the capability to work across boundaries became more important as they transitioned from middle to senior-level leadership roles.

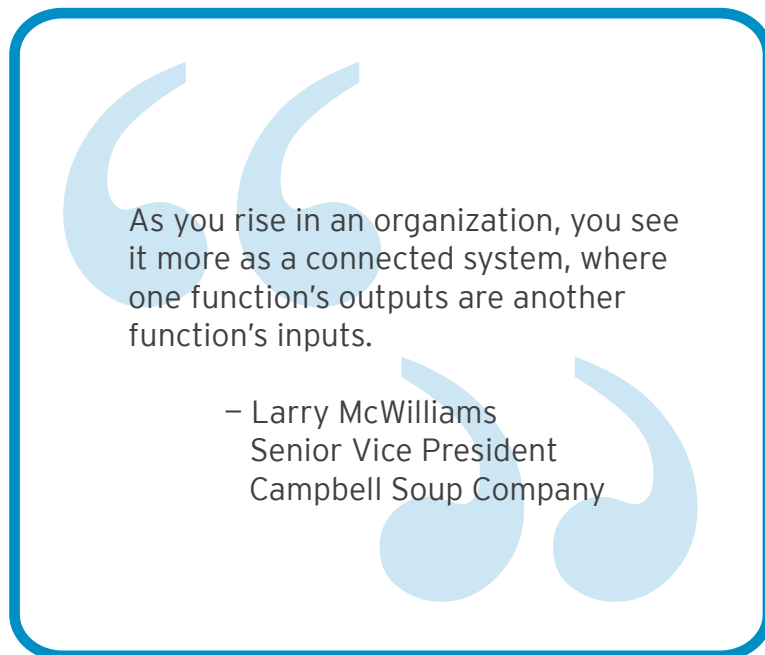
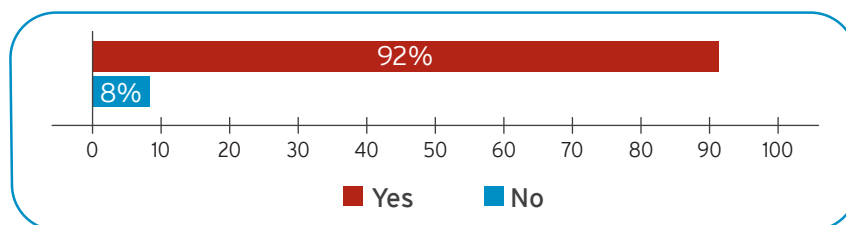


Figure 7

Importance of boundary spanning for senior executives. Survey participants were asked “if the capability to work across boundaries became more important as you transitioned from middle to senior-level leadership?”





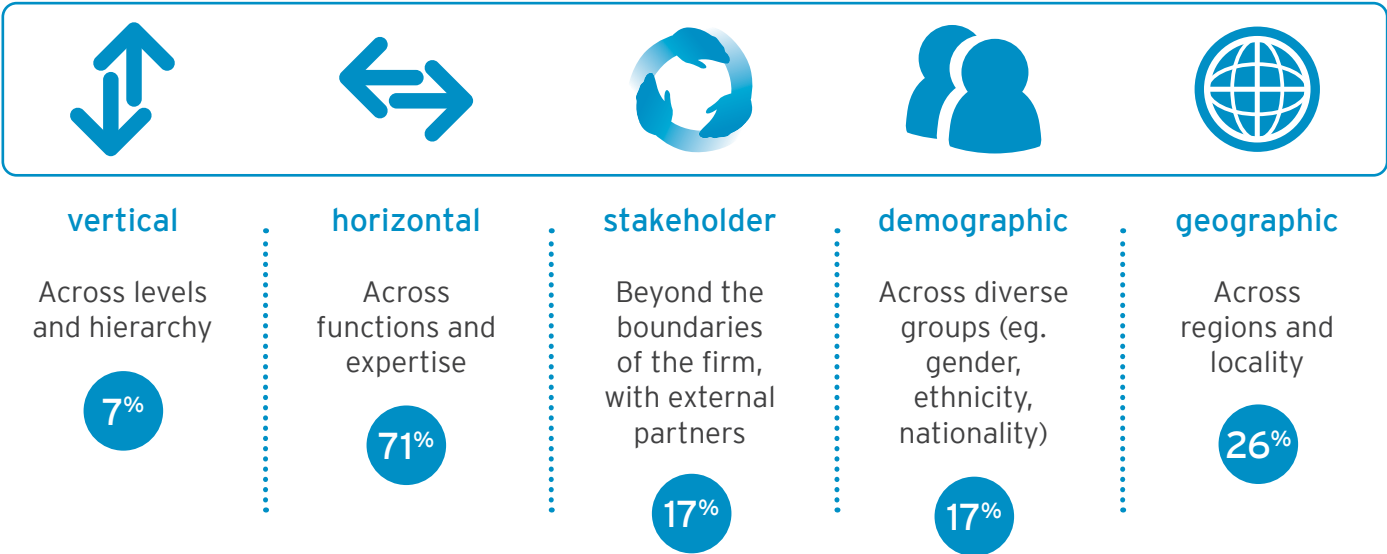
# mission critical boundaries






## A significant shift in today's knowledge economy

is the transformation of organizations from rigid hierarchical structures to networked structures with flows of people, information, and resources across boundaries. Ever-increasing interconnections, facilitated by advances in technology, have led to new forms of organizing such as cross-functional teams, virtual workgroups, and cross-sector partnerships. This shift has given rise to a set of mission critical boundaries that leaders have to work across.

Using an open-ended question format, we asked senior executives to describe the boundaries that they had to collaborate across in their role. A total of 181 examples of boundaries were mentioned across all survey participants. On average, the executives were able to cite a least one type of boundary, while some described up to four types. In analyzing the data, we found examples of five dimensions of boundaries - **vertical**, **horizontal**, **stakeholder**, **demographic**, and **geographic**.

**Figure 8**  
Categories of boundaries cited by senior executives.



When we look across the boundary dimensions cited by the executives, the need to work across horizontal boundaries  was identified the most frequently (71%). Further, the executives mentioned geographic  (26%), demographic  (17%), and stakeholder  (17%) boundaries with relatively similar frequency, followed by vertical boundaries  (7%). Our expectation is that these percentages will dramatically rise in the years ahead. As organizations expand their footprint to all corners of the globe, as they employ an increasingly diverse talent pool, and as they seek new competitive advantage through complex inter-organizational alliances, joint ventures, and partnerships, leadership will increasingly be practiced at the boundary where disparate groups meet.

# boundary spanning trends:



## 10 trends impacting strategy

To further understand the need for developing boundary spanning capabilities, we asked the executives to evaluate how a broad list of societal trends will impact their organizational strategy over the next five years. Figure 9 presents the top 10 trends, ranked by the number of times they were cited as having an impact on the organization's strategy.

Figure 9

Top 10 societal trends impacting organizational strategy. Survey participants rated the impact of various boundary spanning trends on their organization over the next 5 years.

Top 10 Social Trends .....	Impact on Organization
<b>1</b> Drive for innovation	92%
<b>2</b> Joint ventures, partnerships, alliances	79%
<b>3</b> Increasing diverse employment demographics	77%
Emerging markets	72%
Global talent shortage	71%
Corporate social responsibility	70%
Social/collaborative networking	68%
Mergers and acquisitions	67%
Geopolitics, terrorism and security	66%
Climate change	53%

The drive for innovation was singled out by 92% of the senior executives as the top driver impacting organizational strategy. Successful innovation processes demand effective collaboration across all 5 boundary dimensions. The nature of innovation requires intense cross-boundary interaction between the organization and its stakeholders; and across internal boundaries of level, function, demography, and location.

The drive for innovation is related to the other top strategic drivers - partnerships and alliances (79%) and diverse employment demographics (77%). Interactions among organizational partners and across diverse demographic groups can be a catalyst for connecting and leveraging different knowledge bases, beyond what any one leader, group, or organization can achieve alone. The combination of external collaborations and internal diversity can be a potent force for value-creating innovation.

The top strategic drivers singled out by senior executives help to uncover a potentially new and important insight. Typically, leaders fall into the trap of thinking of a boundary as a *barrier* that separates and divides. These findings suggest that another way to think about a boundary is as a *bridge* to innovative and transformative solutions.

Facing the types of societal trends highlighted by the senior executives calls for a new, more creative way of thinking and acting. Where leaders used to compete by erecting barriers to manage the boundaries of the firm, the increasing interconnection of today's business landscape requires leaders to bridge boundaries to tap the innovative outcomes that lie at the intersection of groups working together.



A photograph of a red brick wall. At the top, there are three small, square, brown vent-like openings. In the center, there is a dark, diamond-shaped sign with the word 'NO' in white. To the right of the sign, the words 'PARKING HERE PLEASE' are painted in yellow, spaced-out capital letters across the wall. The bottom of the image is a dark, solid black horizontal bar.

# foresight

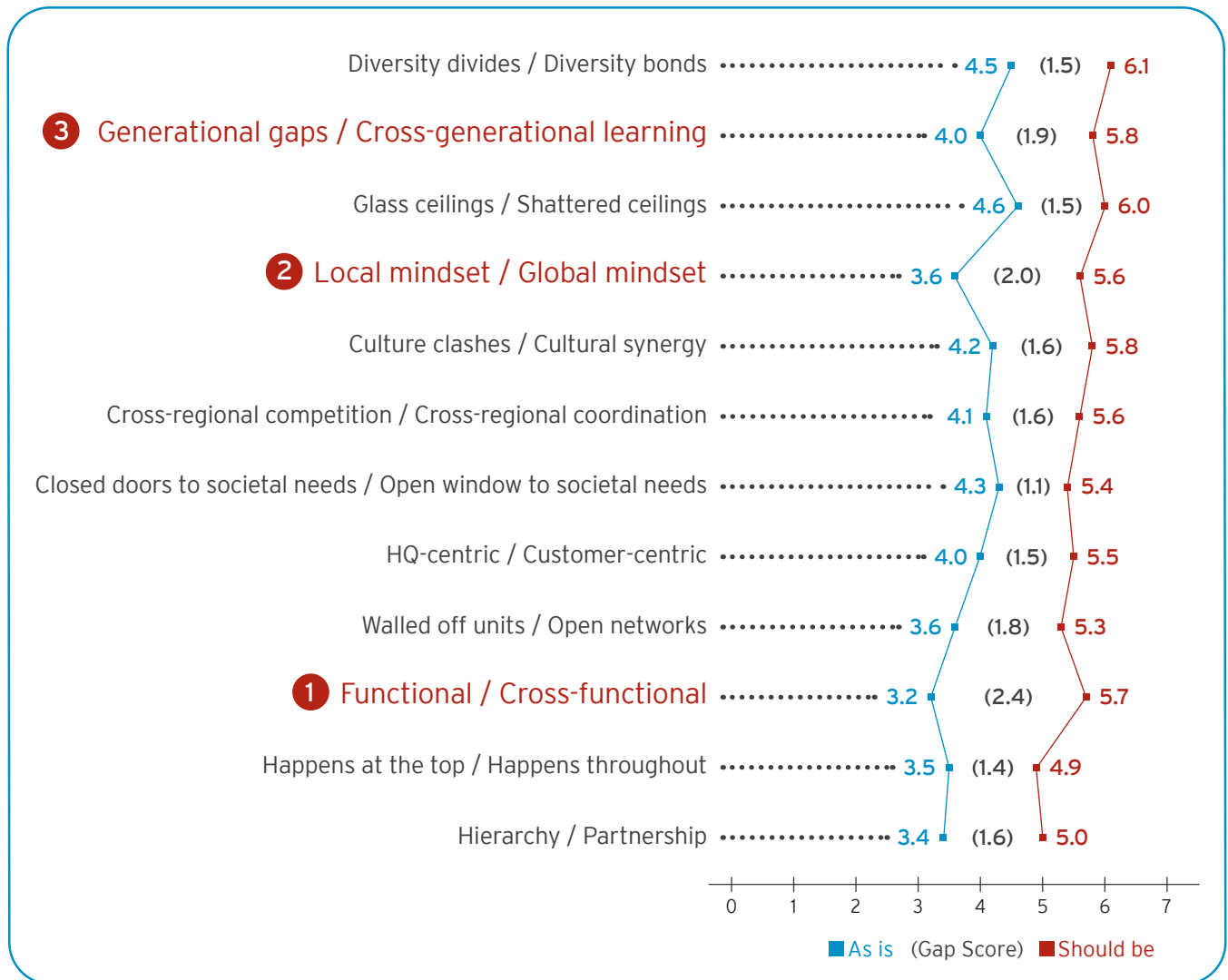
## the change that needs to happen

To create **direction, alignment, and commitment** across boundaries, leaders need to work together across differences that traditionally divide them. Spanning boundaries provides not only a challenge for leaders, but also a significant opportunity for new learning and development. In reaching across boundaries, leaders learn to broaden their perspectives, to practice new collaborative skills and to develop the behaviors needed to foster cross-organizational innovation and transformation.

In Figure 10, we asked senior executives to assess various boundary spanning capabilities both in terms of where their organization is now and where it needs to be for peak effectiveness.

Figure 10

Current and desired state of boundary spanning in organizations. Survey participants were asked to rate both the current state and desired state of various boundary spanning capabilities in their organization.



Across all 12 dimensions, executives are calling for a clear shift toward more interdependent, boundary spanning capabilities. The greatest shift between the current and desired future state can be seen in the movement toward more cross-functional organizations, with expanded global mindsets, and an open networked environment that accelerates cross-generational learning, partnership across levels, and cross-regional coordination.



# the nexus effect

when leaders  
span boundaries

A nexus is a meeting place across boundaries.

















We use the term the Nexus Effect to describe the collaborative, transformational outcomes that can be achieved when leaders span boundaries that are above and beyond what different groups could achieve on their own (Yip, Wong, and Ernst, 2008).

Organizational leadership is more than the sum of its parts; it is more than groups working in independent isolation, within their own boundaries - it is the nexus of groups working collaboratively across boundaries that produces direction, alignment, and commitment.

How are leaders today working towards realizing the outcomes of the Nexus Effect? To address this question, we asked senior executives to prioritize how they intend to focus their time on achieving various types of collaborative outcomes. Figure 11 presents these priorities, ranked by the level of priority the executives expect to give to each over the next 5 years.

Figure 11

Boundary spanning priorities of senior executives. Survey participants were asked to rate the level of priority they would place on various collaborative outcomes over the following 5 years.

Types of Collaborative Outcomes .....	Priority
<b>1</b> Collaboration across functions 	98%
<b>2</b> Empowering employees at all levels 	97%
<b>3</b> Developing cross-organizational learning capabilities 	91%
Creating a diverse and inclusive organization 	89%
Working in partnership with customers (e.g., deeper more open methods of customer interaction) 	86%
Creating higher performing virtual teams 	77%
Breaking down glass ceilings (e.g., women in senior management) 	76%
Facilitating cross-generational collaboration 	76%
Developing an organizational global mindset 	73%
Leveraging cross-cultural perspectives 	70%
Harnessing cross-sector partnerships 	67%
Developing corporate social responsibility (CSR) practices 	65%
Integrating merged or acquired organizations 	64%
Balancing HQ and regional tensions 	59%
Flattening organizational hierarchy 	55%
Capitalizing on open source innovation 	54%

The priorities of senior executives clearly reflect how cross-boundary collaboration matters in leadership. Each outcome was evaluated as being an important priority for the executives at least 50% of the time. Further, the key priorities cut across all five boundary dimensions. In today's business landscape, the traditional role of managing vertical boundaries must be expanded to include leading across horizontal, stakeholder, demographic, and geographic boundaries.



The top three priorities identified by the executives include **collaborating across functions** (98%), **empowering employees at all levels** (97%), and **cross-organizational learning** (91%). If we combine these findings with results from other sections of the survey, we can draw the conclusion that cross-functional collaboration is the single greatest barrier, as well as the most hopeful bridge for accelerating organizational innovation, change, and, ultimately, transformation.

We are a global organization with over 50% of our revenue and employees outside the United States. We are successful when we function as a global team with diverse skills. Managing across boundaries is critical.

– David Spaight  
President  
MDS Pharma Services

The historical challenge for leaders has involved how to operate effectively within the boxes and lines of traditional organizational charts. The mission critical challenge presented by today's interconnected world is how to think and act across boundaries. Achieving the Nexus Effect is not just an ideal but a critical business need realized when leaders span boundaries - vertical, horizontal, stakeholder, demographic, and geographic.

# bridging the gap through organizational leadership:



## how to develop boundary spanning capabilities

CCL's research and client experience has shown that deep and sustained organizational change requires developing both an organization's talent and its culture in ways that are aligned with its strategy. When an organization's strategy calls for building new boundary spanning capabilities, organizations can target three integrated approaches focusing on:

- ① Leadership Talent
- ② Leadership Culture, &
- ③ Leadership Strategy.

1

Talent Development involves an organization's ability to continuously attract, develop, and retain people with the capabilities needed for current and future organizational success. Talent Management can thus be thought of as the work of designing and implementing the strategies, culture, systems, and processes needed for talent sustainability. For more information, read this recent report on "High-Impact Succession Management" by CCL and research firm Bersin & Associates:

<http://www.ccl.org/leadership/pdf/research/HighImpactSuccessionManagement.pdf>

2

Culture Development requires understanding your company's leadership culture, the self-reinforcing web of individual and collective beliefs and practices in organizations for producing the outcomes of direction, alignment, and commitment. For more information, read this CCL white paper on "Transforming Your Organization":

<http://www.ccl.org/leadership/pdf/solutions/TYO.pdf>

3

Strategy Development addresses the fact that even the best and boldest business strategies will fail without effective leadership that can implement changes in the direction or capabilities of an organization. To learn what a leadership strategy is and how to create one, read this CCL white paper on "Developing a Leadership Strategy":

<http://www.ccl.org/leadership/pdf/research/LeadershipStrategy.pdf>

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Finally, Jeffrey Yip would like to thank the Learning Innovations Laboratory at Harvard University for providing a learning environment and community that supported the writing of this paper.



Senior managers need to have the ability to work across boundaries with ease and set an example for more junior managers. Only then can we pull together our overall management team to work toward a common set of goals.

– Julie Marshall  
Executive Vice President  
Life & Specialty Ventures

# About the Authors



Jeffrey Yip is Research Associate with the Center for Creative Leadership and a Research Fellow with the Learning Innovations Laboratory at Harvard University. He is also co-founder and board member with the Halogen Foundation. Jeffrey's research is focused on identifying the mindsets and practices of effective boundary spanning leadership; and the conditions that enable this in organizations. A Fulbright scholar from Singapore, Jeffrey has a Masters in Human Development and Psychology from Harvard University.

Chris Ernst is Senior Enterprise Associate with the Center for Creative Leadership. His work centers on advancing interdependent, boundary spanning leadership capabilities within individuals, organizations, and broader communities. Chris writes and presents frequently on global issues and is author of the books, *Success for the New Global Manager* (Jossey-Bass/Wiley) and *Boundary Spanning Leadership* (published in 2010 by McGraw-Hill Professional). Chris holds a Ph.D. in Industrial and Organizational Psychology from North Carolina State University.

Michael Campbell is a Senior Research Analyst at the Center for Creative Leadership. Michael's work focuses on understanding the behaviors and challenges of senior executive leaders including such topics as selection, sustaining tenure, and talent management. He currently manages CCL's assessment database which contains leadership data on over eighty thousand individual leaders.



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