
Chapter 3

Relationship Intelligence

Definition:

Relationship intelligence is understanding the value of relationships, and having the ability to grow productive relationships whenever you need to.

Workplace relationships, a casualty of the Industrial Revolution

Perhaps the greatest casualty of the Industrial Revolution was the pivotal position relationships held in the work culture.

Before the Industrial Revolution, the goods that people needed were supplied by cottage industries - farming, spinning, weaving, making pottery and tools – all of these depended on families and the skills of several family members. The economic survival of these family industries depended on the ability to **create and sustain productive relationships** both within the family and with suppliers and customers. Cottage industries that flourished did so because family members (men, women and children) cooperated intimately to keep them going.

With the Industrial Revolution came machines that were built to do the work previously done by people at home. People were needed, not to make the goods, but to maintain the machines. Factories were built to house the machines and masses of people migrated from the countryside into the new, industrial cities.

Inconsistency and inefficiency had been the hallmark of cottage industries that operated according to their own rules and were virtually uncontrolled by anyone outside. Machines and the creation of factories in which to house them, meant that owners could herd their workers into one place, control their behavior and their output at work and generally improve the speed, quality, consistency and efficiency of their company’s production.

Competitive advantage and profitability for a company operating from the late 18th Century to the mid 20th Century came from the investment of money into purchasing machines and then resourcing their operations. The more efficient the

machines, the more goods were produced and the richer the factory owner became. Factory owners paid a salary to their workers to keep their machines running and they created a hierarchy of supervisors in order to ensure their obedience. The managers and supervisors would be super-operators, more experienced in operating the machines than anyone else working in the factory. The worker’s sole job was to implement the manager’s orders.

The Industrial Revolution meant that the relationship skills central to the success of the cottage-based businesses, were no longer required. Investing in relationship-building between employees made no more money for factory owners and gave them no competitive advantage. Specialized skills were not a requirement for factory workers and labor was cheap, plentiful and replaceable. This was in stark contrast to the sophisticated mental and social skills, and investment in people that was required in successful cottage industries. In the machine-based

economy, only people’s functioning bodies were required.

21st Century - Workplace relationships driving competitive advantage

In the old industrial economy a competent leader would take on a new challenge by learning all there was to know about it, look at how it was being achieved currently, think up a better way of doing it and break it up into little pieces. He would then dole out the pieces to his workers to put into practice.

In our 21st Century economy, competitive advantage for businesses has now shifted from serving machines, and training workers to be adept at running mechanical processes, to today’s knowledge environment. The challenge for modern business is to create a culture in which these knowledge workers can be most productive. The rate of change in the last 50 years and the explosion of knowledge combined with globalization has made our economy complex. In order

to get ahead and stay competitive, companies must:

- ⊞ continually soak up new information,
- ⊞ select information that has the potential to add to productivity,
- ⊞ enable people to use new information to create new ideas
- ⊞ turn those ideas into products and
- ⊞ get those products to market faster than anyone else

In today’s economy, no single leader can be the central repository for expertise or creative thinking—because there is simply too much information to take into account. A leader who thinks that he/she can perform such a variety of roles to the depth now required robs his/her company of competitive advantage and is simply dooming his/her business to failure. So what does all this have to do with relationships, you may ask? Isn’t that just good business practice? Isn’t that just good strategy and planning? Isn’t that just letting really bright people do their jobs in an organized fashion?

Well, yes, good business practices, good strategy, and effective planning are

components that are absolutely necessary for success, but by themselves they are not sufficient. So what has changed?

Well, the front line knowledge worker is now the content expert. They are the most knowledgeable person when it comes to product and processes. They are constantly scanning the environment looking for new ideas and new ways to get new products to market.

Each front line knowledge worker is now doing what the industrial manager used to do 100 years ago. Ownership of problems and initiatives for solving them has moved outwards and downwards in the company. This dissipation brings benefits in terms of enormous energy and creativity but it also brings problems. If you have 100 front line knowledge workers gathering information, what stops your company from spawning 100 different ideas about where to take the business? How do those 100 pockets of information get shared and synthesized?

This is where the relationship becomes central—from the senior-most leaders to the frontline workers. That is because economic success comes out of not just the gathering of information, but the synthesis of information, the creation of new ideas and the alignment of those ideas for the achievement of a common organizational outcome. You need individual knowledge workers who are curious and creative in order to do this. However, the power of synthesis and the power of creativity goes up dramatically when you have two curious and creative individuals working together to come up with the next profitable idea.

If I take all my information and all my ideas and put them on the table and you take all your information and all your ideas and put them on the same table, then we can mix them up and create a new, bigger, shared body of knowledge and ideas. Each of our knowledge bases gets enriched, and through discussion, we can recognize new patterns in the material. Together, we have a much

higher likelihood of coming up with the next profitable idea.

In today’s rapidly changing economy, the company that relies on the individual to come up with profitable ideas in isolation, is the company who loses. The world has come full circle as relationship skills have again become necessary for economic success.

Relationship Intelligence is the ability to develop creative, problem-solving, profitable relationships, throughout an organization.

High RI relationships

So what do high RI relationships look like? What behaviors are actually observable in a High RI relationship?

Typical manifestations are:

- ⊞ People working together to create a shared solution
- ⊞ Open and honest communication
 - ⊞ free sharing of ideas
 - ⊞ confident sharing of incomplete ideas without fear of judgment
 - ⊞ sharing solutions to challenging problems.
 - ⊞ people bouncing ideas off of each other
 - ⊞ working together to produce richer solutions than an

individual could have created on his/her own

- ⊞ Enjoying the company of colleagues
- ⊞ Infectious positive energy and emotion as people view the results of their shared work with pride
- ⊞ Knock-your-socks-off competitive advantage!

People in the high RI organization are not paid for cooking up good ideas in isolation, but for creating and maintaining a network of relationships out of which are borne creative new ideas and effective problem solving – all directed to the service of delivering on organizational goals and objectives.

The consequences of low RI at work

Unfortunately, high RI relationships are not the norm in the majority of organizations today, which continue to operate some form of control and command management system. In low RI companies, people do communicate but typical manifestations are:

- ⊞ People are sharing the bare minimum information required to complete the task at hand
- ⊞ Extra information is withheld

- ⊞ New ideas are not generated for the success of the whole organization but rather for the success of the individual
- ⊞ A company reward system that acknowledges individual effort and not team achievement of objectives
- ⊞ People do not challenge each other.
- ⊞ Information is held “close to the chest”
- ⊞ Interaction takes place in an emotionally flat manner
- ⊞ Humor and enjoyment is little in evidence
- ⊞ Sometimes, there is open conflict.

In essence, the leadership is saddled with minimal productivity and minimal output. People might actually be accomplishing less than they would if they just worked on their own. There is no competitive advantage here!

If you, as a leader, grow Relationship Intelligence in your organization before your competition, then you will be light years ahead of them.

The building blocks of high RI relationships

So let’s analyze high RI relationships. What is actually going on beneath the surface?

We know that the hallmarks of High RI relationships at work are creative idea production and effective problem-solving. So what makes a high RI work relationship tick? What are the building blocks that ensure creative ideas and effective problem solving?

Actually, the answer to this question is surprisingly simple. The building blocks of a successful, productive work relationship are the same that are found in any successful relationship inside or outside work. Think for a moment of any important, close, meaningful long term relationship that you have outside of work—a romantic partner, a family member, a close friend, a colleague in a community organization. Stop and think about what is common to all these relationships....

You are likely to have responded that you feel close to the other person, trust the other person, give support in times of trouble, are open and honest, have had a great deal of fun together and have shared deeply meaningful experiences.

You might have participated together in something goal oriented and fun such as playing on a sports team. Perhaps you’ve raised children together. You may have focused with others on a project that has made the world a better place for others. In addition to all the above, think about the times when you have felt most positively about yourself, with your abilities, your potential, and your accomplishments. How often has accomplishing something meaningful been within the context of one of your close relationships—or if the accomplishment has been an individual achievement, how often has your first impulse been to run off and tell someone close to you in order to share it?

*“So what does this have to do with work?
You’re talking about my personal life, and I don’t bring that to work.”*

Well, in our personal lives, we naturally gravitate towards safe, close, enjoyable, trusting, and meaningful relationships. We tend to choose our friendships based on these characteristics and we put energy into those relationships. We work at

keeping them active and alive over the years. Here it is: If everyone in your organization did the same thing with their work relationships as they did with their personal relationships, you would have a highly profitable business.

What is an effective, productive working relationship?

We have already established that competitive advantage comes from information sharing and profitable idea creation taking place within the context of effective working relationships. But what is an effective working relationship?

An effective working relationship requires open and honest communication in order to create ideas and solve problems

At all levels of the organization, if you and I are to work effectively and profitably together then I have to share everything on my mind that is relevant to our success. This means:

- ⊞ Sharing what I think will work and what I think won’t work
- ⊞ Being explicit about what I know with confidence and what I don’t know

- ⊞ Sharing half-baked ideas because you might have what’s needed to do the other half of the baking
- ⊞ Being explicit about my knowledge gaps even if I might feel embarrassed about what I don’t know
- ⊞ Challenging each other to get all of our ideas on the table. I have to challenge you when I think you are wrong
- ⊞ Boosting your confidence up when your energy is flagging, or you’re distracted by other events
- ⊞ Pushing you towards best because I care about your success and because I care about the success of the product of our relationship

“HOLD ON THERE! That is starting to sound like an intimate friendship! I already told you that I don’t bring my personal life to work! Can’t you get that through your thick skull?”

Well, it all depends on how successful and profitable you want your organization to be. If, as a leader, you want a bunch of people coming together, working superficially, giving it their minimum, and not really caring about results...well then, by all means, don’t get your people meaningfully connected to each other.

However, if you want a collection of high performing, highly profitable

relationships in your organization, then you need to help your people build the right kind of connections with each other. In the high performing relationship described above, what elements do you think are required in order for it work and flourish?

You’re right. You need trust. You need appreciation. You need attachment. Why? Because if I don’t trust you, if I don’t appreciate you, if I don’t feel some connection and attachment to you, I’m simply not going to be OPEN with you. Most people are only open with others once they have first developed a trusting attachment with them. Very few people will challenge someone else, or allow themselves to be challenged towards best by someone that they don’t know, respect, and trust. The majority of us approach a new relationship with a somewhat defensive wait-and-see-what-happens-stance until proven otherwise. In short, the relationship that I have with people in the work environment will not be highly effective or productive until attachment

and trust somehow develop naturalistically.

The problem is that many in our society are generally Low RI and at work we actually often suppress the use of the RI skills that we do have. Hi RI relationships often don’t develop naturalistically.

“Okay, okay, so I get it. I need to build trust and connection in relationships at work in order for them to be productive. But I can’t be best buddies with everybody I work with. I can’t socialize with everyone I work with.”

You’re right. Although many of us develop some of our closest friendships with people we’ve met through work, a close personal outside-of-work friendship is not a requirement for a Hi RI successful working relationship. However, a close, trusting, caring collaboration is required to create a highly successful working relationship.

Building connection / attachment

In order to develop a connection / attachment with other people you need to develop an appreciation of them and in order to do this, you need to get to know them

This means taking a portion of every work day to learn something interesting about the people you work with. The easiest, non-threatening, non-defensiveness-promoting way to do this is to inquire as to what people are passionate about and proud of, what brings them joy, and what they are successful at. This might be something that they have accomplished recently in their work in your organization, something accomplished in a previous organization--that their baby has just crawled for the first time, or their daughter’s soccer team just won a tournament. They may have just run their first 5km, or took on a new role in a community organization. It may be the joy they just experienced reading a book, or watching a movie, or that their favorite sports team just won a game.

In fact, if you encourage everyone in your organization to start every work interaction with an enquiry about something interesting and positive, then you are explicitly highlighting the importance of connection as a foundation for a successful work interaction.

“FINE! Now you’re back to telling me that I have to make friendships with everyone at work again!”

Hmm... Well, actually you are right. While you don’t have to foster close intimate relationships for everyone in the organization, you do need to promote friendly relationships between people at work—appropriately geared to the level of collaboration that is required between them. Even if the work contact is casual and infrequent, fostering open connections will sustain your organization well and will build a culture of appreciation, support, trust and openness—a winning culture.

It usually takes a minimum of six months and often 12-18 months for Hi RI relationships to develop. Your organization, if like most, is rapidly

undergoing change. People are moving around within the organization and people are coming and going all the time. Can your profitability wait 12-18 months every time a new team is formed? As a leader, you simply can’t bet your business on the slow naturalistic development of successful working relationships. You need to do something to make sure that they happen, now.

So how do you build high RI organization? How do you, as a leader, foster and grow RI in your organization for competitive advantage? Well, you need a simple, understandable, learnable, repeatable, easily communicated model of how relationships work.

Building successful relationships - Three-level pyramid

There are three stages to the development of successful relationships.

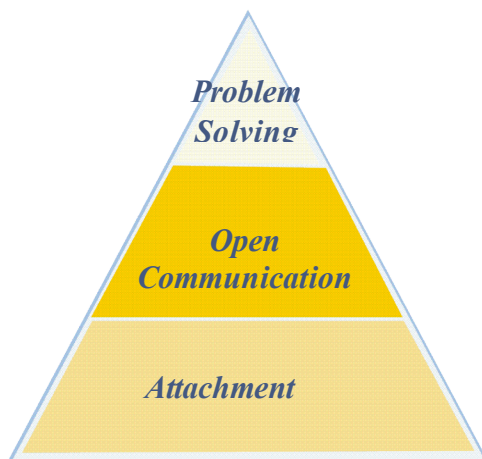
1. *Attachment*
2. *Open Communication*
3. *Problem Solving*

These three levels exist in all successful relationships. The first level must be in place before the others can be added.

Attachment is the foundation for the relationship. It is the connection that allows the development of trust.

Open Communication is added when attachment and trust exist. If I trust you, then I am free to communicate openly and honestly with you. I can share everything that is on my mind.

Problem Solving becomes possible when the first two levels are in place. With the open sharing of information, we can support each other to inspire and develop creative ideas and solve the problems that our organization presents to us.



The organizational reason for the existence of a relationship is to support the apex, which in this case is the creativity and problem solving essential for the achievement of the organization’s objectives.

Now you have it! The model of how to build creative, effective, productive relationship in the work environment!!

Sustaining productive relationships

But there’s one more thing. Once a relationship is built, it has to be actively maintained. Every living thing, every person, every system, every organization and every relationship is constantly growing or declining.

When we successfully build a relationship, we use a set of understandings, assumptions, and skills that are appropriate to the moment. Yet in a rapidly changing world, the set of assumptions on which we built the relationship will quickly become outdated. What I think that I know about

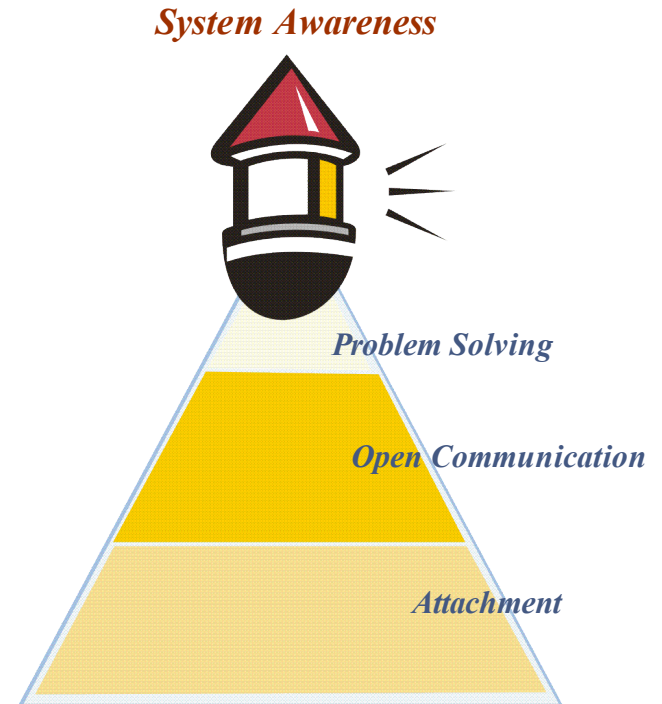
you and how we work best together are constantly changing. That means that I need to constantly adapt in how I interact with you.

In the service of getting the work done, we often drift, we get used to each other and forget to communicate or share critical information. And once we’ve stopped pursuing lively interactive and frank conversations with each other for a little while, we get used to their absence. Like stopping exercise for too long, it gets harder to get back to it, and it can really be uncomfortable when you do!

Observation Tower - System awareness

Think of it as sitting over top the whole of the pyramid, like an eye keeping a watchful oversight of the whole relationship. System Awareness means constantly evaluating work relationships to see if they are working effectively. You need to be ready to intervene to keep your relationships healthy and productive. As a leader, you need to be ready to intervene with others to help them build the System

Awareness necessary to keep their relationships healthy and productive.



“That sounds exhausting! It’s hard enough as it is just to try and meet all the business demands placed on me!”

It’s not as challenging as it sounds. All it means is routinely paying attention to the first 3 levels of the relationship pyramid:

Attachment

Open Communication

Problem Solving

You need to:

- ⊞ Make sure that you are routinely working on attachment by asking co workers curious questions about the things that they are passionate about outside work. You might get together for a lunch, just to share some food and conversation.
- ⊞ Support open communication by creating a habit of having a frank, open, conversation with at least one person every day
- ⊞ Support problem solving by taking a co worker aside to participate in a brainstorming session on the product

System Awareness is about keeping all of your working relationships well oiled and tuned up.

Society has come full circle, from the family, relationship-based cottage industries, through the isolated and sterile work life of the Industrial Age factory worker to the knowledge workers of the modern Information Age, who must develop proficiency in relationship skills in order to bring competitive advantage to their organization.

We are poised on the edge of a new age where those organizations that help their people create healthy, vibrant, creative relationships are those organizations that achieve success above their competitors. The organizational culture that fosters and nurtures relationships is a winning culture. Healthy vibrant relationships have become the core of competitive advantage.