Introduction

It is a pleasure to be in Dubai and I thank you for the honour of addressing your Virtual Executives Club. Your theme is Collaborative Leadership: the Recovery Act and Beyond and I have entitled my contribution Collaborative Leadership and Irrational Exuberance.

As your first speaker this evening after the Chancellor’s gracious welcome it may be useful if I define some terms and sound some warnings. You are experienced executives and know that writing about management and leadership is full of fads and fashions – some of them signifying nothing. Collaborative leadership is a trendy term, but what is it? To those whose image is the leader as hero, it sounds like a contradiction, what we call an oxymoron, when two opposites are juxtaposed.

After exploring collective leadership I shall talk about the dangers of groupthink and irrational exuberance. You know all about groupthink and irrational exuberance in the business sector here so I shall take a different example. You are the Virtual Executives Club, so I shall recall irrational exuberance in the virtual world, the online world which is the home of our host tonight, the Hamdan bin Mohammed eUniversity.

That will lead me to reflect on strategic planning. I will suggest what makes a good plan and how collaborative leadership helps to create one. I shall use universities as my example, but what I have to say will be relevant to your own attempts at collaborative leadership.
Collaborative Leadership

So what is collaborative leadership? I mentioned the oxymoron, a word they teach you in school for contradictory phrases like ‘cruelly kind’ or ‘pleasantly ugly’. Is collaborative leadership an oxymoron? Is it a fig leaf for wishy-washy managers who can’t make up their own minds?

Most formal definitions of collaborative leadership are full of management jargon that would spoil your dinner, so I shall keep it simple.

Our usual image is the heroic leader. Such people persuade us to follow them by their attractive vision of the future. Heroic leaders hope that their followers will work together harmoniously, but that is not what collaborative leadership means. Collaborative leadership means bringing together others’ visions, getting value from differences and trusting partners to deliver.

The invitation that you received for tonight’s event included the phrase, “this event will be a venue for like-minded leaders to exchange their ideas, share knowledge and network”.

Perhaps you are all like-minded leaders, but collaborative leadership does not require you to be. Indeed, the strength of collaborative leadership is that you do not all have to see the world in the same way. What you must do, because you seek by collaboration to achieve a goal that you could not achieve alone, is to learn to share control and to trust your partners to deliver, even if they operate in a different way.

Put another way, the purpose of collaborative leadership is to create value from difference. Effective collaboration requires each party to recognise and respect the different culture of the other. Collaboration requires managers to achieve success through people and resources outside their control, which is difficult because our training does not prepare us for it. Managing voluntary organisations requires more skill than managing within a corporate or public hierarchy because you cannot order volunteers around. They must want to work with you.

Turning this around, you might say that the success of collaborative leaders depends on their ability to sustain productive relationships with people who share a desire for the same outcome but otherwise may have different world views. Sustaining such relationships requires good communication and facilitating structures.

If you do foster productive relationships the differences between the collaborators become strengths, not weaknesses. Remember that when people are too like minded collaboration easily becomes groupthink. Groupthink is what happens when people are so committed to a cohesive in-group that their desire for unanimity prevents any serious appraisal of alternatives to what their leader proposes.

Irrational Exuberance

Many of history’s major disasters arose from groupthink. But disasters also arise from irrational exuberance, which happens when too many people switch off their critical faculties. Let me remind you of the origin of the term irrational exuberance because it’s a good story.
In 1996 Alan Greenspan, chairman of the Federal Reserve Board, was giving a televised speech at a black-tie dinner in Washington on The Challenge of Central Banking in a Democratic Society. Fourteen pages into it he posed a rhetorical question: “But how do we know when irrational exuberance has unduly escalated asset values, which then become subject to unexpected and prolonged contractions as they have in Japan over the past decade?” He added that “We as central bankers need not be concerned if a collapsing financial asset bubble does not threaten to impair the real economy, its production, jobs and price stability”.

Immediately after he said this, the Tokyo stock market, which was then open, fell sharply, and closed down 3%. Hong Kong fell 3%. Markets in Frankfurt and London fell 4%. The stock market in the US fell 2% when trade opened. The term irrational exuberance became famous.

I suspect that you’ve experienced irrational exuberance in your businesses in Dubai, but let me apply it to educational technology. A few years after Greenspan’s speech we had an example of irrational exuberance called the dotcom frenzy. The prophets of the day told us that any educational enterprise that did not immediately go online was condemned to the dustbin of history. Large sums of money were invested and lost before the online education sector emerged sadder and wiser.

Educational technology is particularly subject to irrational exuberance. Each new technology since the blackboard: radio, film, television, computers, the Internet and now mobiles has been hailed as the start of a revolution in education comparable to that of the printing press.

I am a firm believe that technology does contain the seeds of a revolution in education, but we do not advance that revolution by hyping any particular novelty. We shall advance it by good planning that harnesses appropriate technologies for the benefit of our students.

**Strategic Planning**

That’s why I shall conclude by commenting on collaborative leadership in planning as it applies to distance teaching universities like our host institution.

Good universities are challenging organisations to manage because they are composed of intelligent and relatively autonomous knowledge workers. Twenty years ago the heads of commercial enterprises scorned university managers as soft and consensual but today, as all businesses rely more on knowledge workers, business people understand that good universities can be leaders in 21st century management practice.

The task of university leadership is to create a sense of common purpose, which we call a strategy. In a university developing a good strategy means paying attention to both content and process. I find a simple quadrant helpful for illustrating this (Figure).

First, regarding content, you can have good strategies and poor strategies. Second, you need a process that makes those in the university feel they own the strategy.
Your aim is a strategy that fits in the first box: a good strategy that the university community owns. You want to avoid box 4: a poor strategy with low ownership. The most likely danger in a university is to find yourself in boxes 2 or 3.

Box 2 may be a good strategy but the university feels no ownership of it. It is often called a consultant’s strategy – having been conceived outside the institution.

On the other hand, box 3 is a strategy developed within the university. It has high ownership but it is a poor strategy, probably because of too much groupthink. Hard choices were avoided in favour of compromise so no one is inconvenienced.

How do you achieve a strategy in Box 1? In my experience you do it by collaborative leadership that combines bottom-up and top-down planning. From the top you must inspire the university with a vision of its future that fits the fast-changing technological environment. But you must also have a participative planning process that allows the university community to build a structure on the foundation of that vision.

It can be done. We achieved something like this in the UK Open University in the 1990s and the huge success of that institution today, as the world’s leading eUniversity, suggests that those plans were a solid foundation for a new generation of technology.

I would add that this combination of bottom-up and top-down processes is also the only way of creating a culture of quality within a university, because it gives people pride in achieving the goals that they have helped to articulate.

**Conclusion**

Chancellor, Ladies and Gentlemen, I have explored the benefits of collaborative leadership. I have warned of the risk that it can fail because of groupthink or irrational exuberance. New technologies sometimes cause fits of irrational exuberance in higher education. However, collaborative leadership, through planning that combines bottom-up and top-down processes, can harness technological innovation to create universities fit for the 21st century.

I wish the Hamdan bin Mohammed eUniversity success in this adventure and I hope that I have given you all some insights into the potential strengths and the weaknesses of collaborative leadership in your own enterprises.