an excerpt from

*Hot Spots*

*Why Some Teams, Organizations, and Workplaces Buzz with Energy—and Others Don't*

by Lynda Gratton

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Introduction

ELEMENTS FOR CREATING HOT SPOTS

You always know when you are in a Hot Spot. You feel energized and vibrantly alive. Your brain is buzzing with ideas, and the people around you share your joy and excitement. The energy is palpable, bright, shining. These are times when what you and others have always known becomes clearer, when adding value becomes more possible. Times when the ideas and insights from others miraculously combine with your own in a process of synthesis from which spring novelty, new ideas, and innovation. Times when you explore together what previously seemed opaque and distant. We can all remember being in Hot Spots, when working with other people was never more exciting and exhilarating and when you knew deep in your heart that what you were jointly achieving was important and purposeful. On such occasions, time seems to rush by as you and those around you are “in the flow.”¹ Time even seems to stand still. We enjoy being part of a Hot Spot, and we are healthier, happier people as a result.²

When Hot Spots arise in and between companies, they provide energy for exploiting and applying knowledge that is already known and genuinely exploring what was previously unknown. As a consequence, Hot Spots are
Hot Spots

marvelous creators of value for organizations and wonderful, life-enhancing phenomena for each of us.

Yet life is not always about being in a Hot Spot, and organizations are not always about generating Hot Spots. How often have you faced a situation when you knew in your heart you could have achieved more? These are times when your energy has drained, when the Big Freeze takes over. There are many times, in many companies, when Hot Spots fail to emerge.

Over 80 percent of the anticipated value from mergers and acquisitions typically fails to materialize. Three out of four joint ventures fall apart after the honeymoon period. Many executives report that they struggle to deliver products to increasingly discerning consumers. Hoped-for innovation never materializes as the marketing function fights with the sales function about internal costing issues. The Big Freeze also has a human toll. An overly competitive working environment where friendships fail to develop is one of the major sources of stress at work and one of the key reasons why talented employees leave a company.

These are very different problems with very similar underlying reasons. As you will see, at the heart of successful mergers and acquisitions, of well-functioning joint ventures, of the launch of global products and the creation of new products are Hot Spots. These are the occasions when we are willing and able to work skillfully and cooperatively within and across the boundaries of the company, when our energy and excitement are inflamed through an igniting question or a vision of the future, times when positive relationships with work colleagues are a real source of deep satisfaction and a key reason why we decide to stay with a company.

For over a decade, my passion has been discovering Hot Spots. From a theoretical perspective, the phenomenon of Hot Spots is complex. As I describe in Appendix B, an understanding of Hot Spots involves at least six disciplines of scholarship, from psychology to economics. Chapter 1 takes an overview of Hot Spots—the elements that support them and the practices that enhance them.

We begin a deeper investigation in Chapter 2 by tracking Hot Spots as they emerge around the world, from Venezuela to China, Singapore to London. Through the experiences of people like Polly and Carlos at BP, Tim and Nigel at OgilvyOne, Pertti and Huang at Nokia, and Amit at Linux, answers to some of the questions about Hot Spots begin to appear. Why and when do Hot Spots emerge? What is it about these people that supported the emergence of Hot Spots, and what role did the leaders of their company play? Why do some Hot Spots flourish while others fail?
A cooperative mindset, boundary spanning, and igniting purpose have a multiplicative effect on each other. The lack of any one of these three elements significantly reduces the potential energy of a Hot Spot. The capacity of this potential energy to be translated into productive energy—and hence innovation and value creation—is dependent on the productive capacity of the people within the emerging Hot Spot.

Chapter 3 takes a closer look at how a cooperative mindset emerges. I contend that it is the result of a self-fulfilling cycle in which attitudes drive the design of practices and processes that then legitimize some behaviors and delegitimize others. Emergence of a cooperative mindset depends on leaders’ attitudes toward cooperation and competition and their capacity and willingness to craft within the organization a sense of mutuality and collegiality. This first element sets the stage for the emergence of Hot Spots and ensures that the Big Freeze does not take over. However, as the formula shows, the energy of the cooperative mindset has to be channeled across boundaries for the innovative capacity of a Hot Spot to emerge.

Boundary spanning is crucial to the capacity of a Hot Spot to create value through innovation. As you will see, working cooperatively in well-established teams is important for the exchange of knowledge and for understanding what others know. However, the innovation of a Hot Spot arises when new ideas, from people in different groups and communities, are brought together. Crossing boundaries can be tough. There are challenges in working across distances, working with people who are different from us, and working with people who are relative strangers. For Hot Spots to be innovative, this boundary-spanning work is crucial, and Chapter 4 explores how this can be accomplished with ease and elegance.

A mindset of cooperation and the capacity for spanning boundaries creates a deep potential well of latent energy in the organization. People feel a sense of goodwill toward one another, they trust each other, and they are prepared and able to work across boundaries. For this well of latent energy to be released, there has to be a point of ignition. This igniting purpose, as you will see in Chapter 5, can be an igniting vision, question, or task.
Without this flashpoint of ignition, the energy in the potential Hot Spot will dissipate, and its dynamic potential will be lost.

As noted earlier, these three elements have a multiplier effect on each other. Together they are capable of creating energy and excitement. For this energy to be channeled into productive outcomes requires the fourth element, productive capacity. This capacity is the extent to which members within the Hot Spot are capable of working together in a productive manner. As you will see in Chapter 6, this requires skills in meaningful conversation, conflict resolution, and commitment making, together with the capacity of the members of the Hot Spot community to create a rhythm that intersperses periods of pressure with periods of reflection and conversation.

Hot Spots emerge; they cannot be directed or controlled. What then is the role of the leader in Hot Spots? Chapter 7 explores what this role might be. It will be clear from the stories told in Chapter 2 that the leaders of these companies do play a role. However, it is a rather different one from the usual directive and controlling role. It involves supporting conversation, shaping signature practices and processes, and creating networks across which Hot Spots can flourish.

The final chapter takes a closer look at what you can do now in your company to increase the probability of Hot Spots emerging. I suggest five phases of activities, beginning with an examination of the current level of energy within the company and determining where there is potential for Hot Spots to emerge and where the Big Freeze has take over. In Chapter 8, you can begin to build a model of the factors that have resulted in the current situation, together with a deeper understanding of what can be done to change the dynamics of Hot Spots in companies. Appendix A, “Resources for Creating Hot Spots,” describes these ways of thinking about the company in a series of diagnostic and profiling tools that you can use with your colleagues and teams.

Much of your life is spent working. My passion over the past two decades has been to visualize and describe a way of working that resonates with our human potential and creates places where value is created. Our experiences of Hot Spots can be exhilarating. This book is an invitation to make this exhilaration part of our everyday experience of work and central to the mission of leaders.
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