

## **Conversations – Essential Skills for Effective Leadership**

MIT Gordon Engineering Leadership Program – June 2016

Tom Malone, CEO of Milliken, a leading textile manufacturer, once invited Analog Devices's senior leadership team to visit and learn how they had won the Baldrige Award for quality. In his closing remarks, Tom made an observation which has always stuck in my mind:

*The hard stuff is easy,*

*The soft stuff is hard,*

*The soft stuff is more important than the hard stuff.*

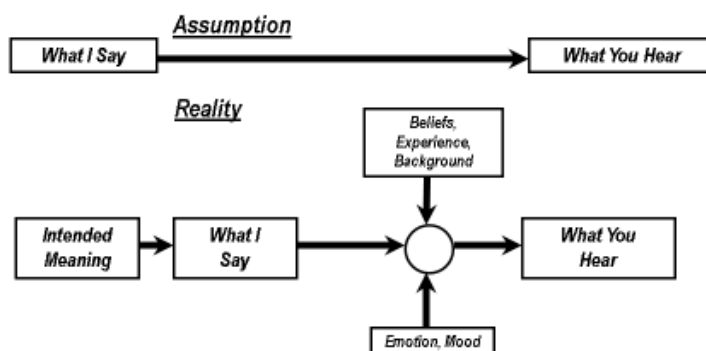
By hard stuff, Tom was referring to management tools and methods that American industry had learned from the Japanese to dramatically improve product quality, time to market and many other aspects of corporate performance. Total Quality Management was based on statistical quality control and quality management which the Japanese had in turn learned from W. Edwards Deming and Joseph M. Juran in the 50's. These methodologies focus on factual data and remove subjective human influence from the problem definition and solution. What Tom was saying is that advanced TQM practitioners like Milliken had reached a point of diminishing returns on further improvements from TQM, the hard stuff. Continued progress depended on improving the soft stuff, the human side of enterprise. That is much harder and unlike TQM where there was a consensus on what tools and methods worked best, there was no consensus on the best way to improve the soft stuff. But there was agreement that there was more opportunity for gains from improving the quality of leadership than from improving quality management.

Like Milliken, Analog Devices and a group of companies in Boston that had learned together at the Center for Quality Management began to look for solutions beyond the hard stuff and to search for the best models to improve the

quality of leadership. As we studied what leaders actually do, we observed that leaders spend a large part of their time in conversations and that the quality of conversation was an important factor in the effectiveness of their leadership. This should not be surprising when you recognize that possibilities are discovered through conversations, visions are created through conversations, alignment is achieved through conversations, coordination is managed through conversations, motivation is inspired through conversations and relationships are built through conversations. You can think of conversations as a process by which leaders do their work. We take conversation skills for granted, but doing what comes naturally often does not work well.

We distinguished conversations from communications. By our definition, communications is a one way broadcast of the speaker's (or writer's) message. Conversations are a two way exchange in real time between individuals, or among individuals in teams, often with emotions or at least mood playing a role. That is all parts of the brain are engaged in conversation. The cortex controls the rational part of conversation, the limbic system controls the emotional part while the reptilian stem of the brain controls the body language which is a very real part of expression.

### Basic Problems in Conversations



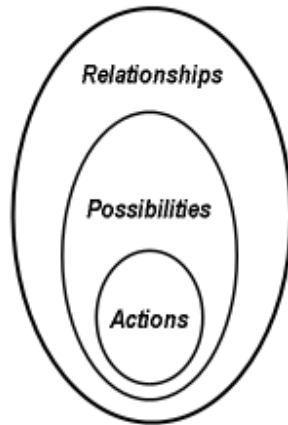
There are basic problems with conversations which are not obvious. I had always assumed that what I said is what you heard. But over time I realized that this was not always the case. I learned from experience and misunderstandings that it is more complicated than that. First, the meaning of what I intended to say was not always accurately represented by the words I uttered. But more importantly, what the listener heard went through a set of filters that were influenced by beliefs, experience, background and also by the mood or frame of mind that the listener was in at that moment of time. If you just heard bad news from your doctor you listen differently than if you learned that you were just promoted. For important conversations I learned to use a simple feedback exercise like “Tell me what you heard me say” or “This is what I heard you say” to close the loop.

As we studied conversations, we learned about the works of Fernando Flores in his book *Understanding Computers and Cognition*, Chris Argyris at the Harvard Business School in his book *Overcoming Organizational Defenses*, Rafael Echeverria, then with the Newfield Group and Umberto Maturana, a Chilean biologist. Borrowing from these works, members of the Center for Quality Management collaborated with Robert Putman, from Action Design<sup>1</sup>, to develop course material to improve the quality of conversations as a way to improve the quality of leadership. Let me share some of the course content since this material is not otherwise available.

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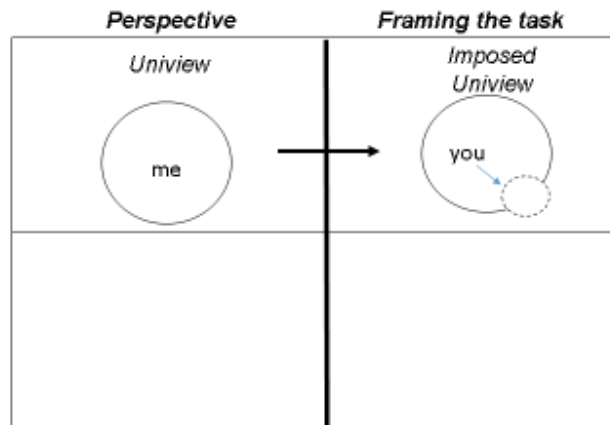
<sup>1</sup> [www.actiondesign.com](http://www.actiondesign.com)

## Some Important Types of Business Conversations



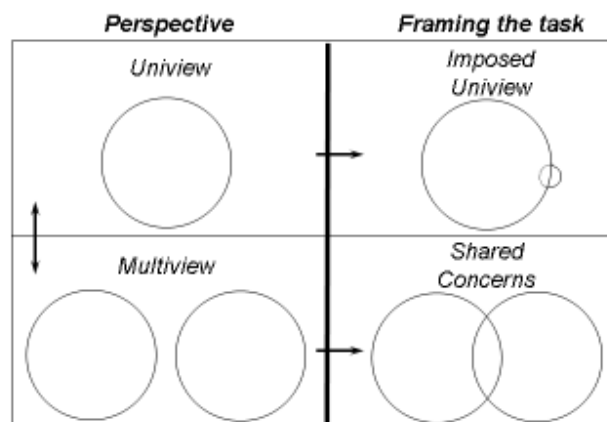
First, we distinguished between different types of conversations depending on what you are trying to accomplish. For example, there are conversations for relationships, conversations for possibilities and conversations for action. When you meet for business purposes, Japanese initially focus more on conversations for relationships, whereas Americans are inclined to move sooner to conversations for action overlooking the value of trustful relationships. Conversations best follow a sequence from relationships to possibilities to action.

## Viewpoints – Conversations for Relationship & Possibilities



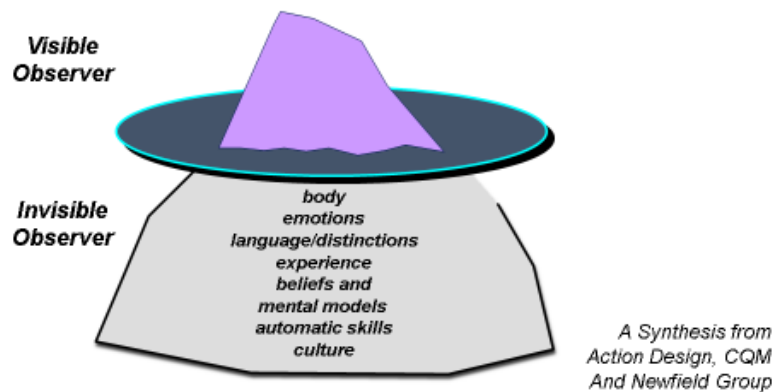
Our instinctive perspective of conversations for relationships and possibilities is a uni-view of the world. This is what I have to say is more important than what you have to say which is to say that I am more important than you. In framing the conversation the goal is to impose my view on you. Young engineers are particularly prone to a uni-view perspective.

## Viewpoints – Uni-view to Multiview to Shared Concerns



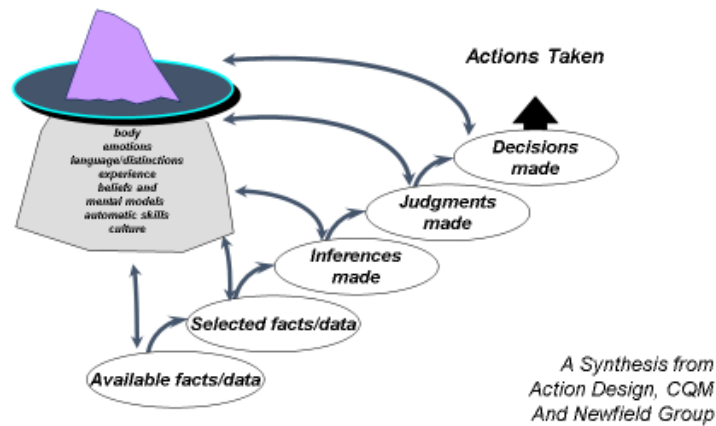
Another perspective is a multi-view. That is you open yourself to the possibility that other views may be important and may provide a broader perspective of possibilities. The frame for multi-view conversation is to discover shared concerns and to understand the reasons for differences.

#### Visible and Invisible Observer-That-One-Is



Going back to the problems with conversations, when we listen, what we hear is going through a set of filters which are a product of our history, experience, beliefs, concerns, culture and emotional mood. Listening is hearing plus interpretation. If we think of ourselves as observers as proposed by Maturana, different observers listen differently because the factors that influence our interpretations are different and many are hidden from our conscious awareness. In fact the invisible observer-that-one-is, like the body of an iceberg submerged below the surface, can have more impact on our interpretation than the visible observer about which we are aware. In that sense, listening just happens to us. The way we listen and see things is more indicative of the kind of observer-that-one-is rather than on the way things are. We see the situation that our interpretation creates.

### Ladder of Inference



To understand this more clearly think about the ladder of inference by which decisions are made. Our selection of facts from all available facts and the inferences and judgment we make are influenced by the observer-that-one-is both what is visible and what is invisible to our consciousness. Judgments are often made quickly and intuitively. People with different histories and experiences may select different facts and draw different conclusions. To align our different views of the world we need a process to ground our judgments.

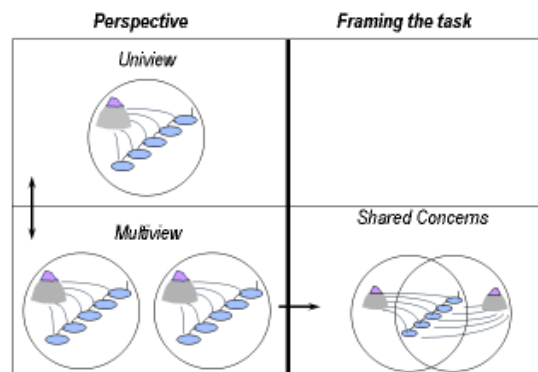
## Grounding Judgments

**The key to grounding judgments is our capacity to observe action.**

- 1) Describe the actions or events (statements of fact) that we see as supporting the judgments  
Ask if others would describe the facts differently or would point to different facts as relevant
- 2) Make explicit the inferences that lead us to believe those facts support those judgments  
Ask if others differ with these inferences
- 3) Seek both to understand and to be better understood. Be ready to alter our judgments based on what we hear
- 4) If differences persist, identify possible actions or events that might resolve the differences going forward
- 5) Name the implications for action that we see, and ask if others would offer modifications

You ground your judgments by being explicit about the facts and inferences which influence your judgments and by inviting different points of view. To be clear here is a process for grounding judgments.

## Tools for Finding Shared Concerns



In a multi-view of the world we can use the ladder of inference and the grounding process as a way to discover shared concerns and take actions which are aligned.



### Balance Advocacy and Inquiry

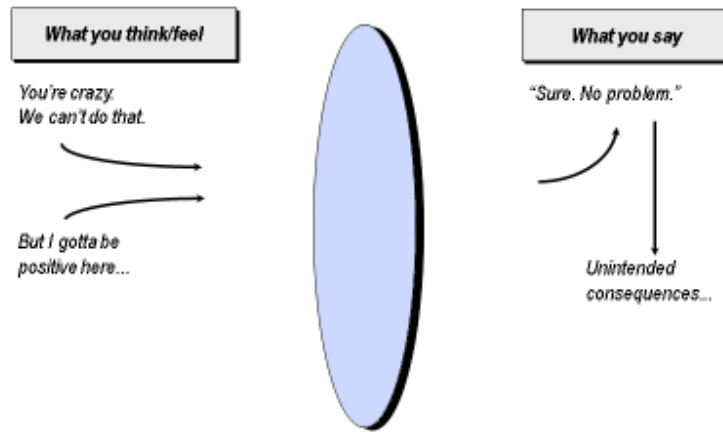
<b>Advocacy</b>	High	<i>Explaining</i> <i>Imposing</i>	<i>Mutual Learning</i> <i>Over Engaging</i>
	Low	<i>Observing</i> <i>Withdrawing</i>	<i>Interviewing</i> <i>Interrogating</i>
		Low	High

***Inquiry***

Another concept to enhance conversations is thoughtful balancing of advocacy and inquiry. There are three modes for constructive conversations; high advocacy, low inquiry which is explaining; low advocacy and high inquiry, which is interviewing; high advocacy and inquiry, which is mutual learning. We need to learn the proper balance of listening and speaking for successful collaboration.

For a uni-view of the world there is a dysfunctional orientation to advocacy and inquiry, that is, imposing and interrogation.

## Private Versus Public Conversations

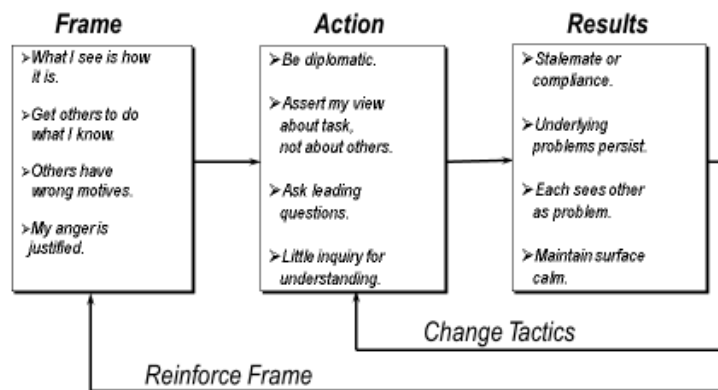


Professor Argyris has pointed out that when you engage in conversations there are in fact two conversations going on. One is a public conversation about what you say but another is a private conversation about what you think and feel, but don't say. To reveal the difference between public and private conversations, Professor Argyris devised the "left-hand column exercise." That is, think back on a particularly contentious conversation and write down the sequence of what you actually said as well as how the listener responded. Then next to what you said in the "left-hand column" write down what you were thinking or feeling but not saying. Professor Argyris conducted this exercise many times in his classes and seminars and found that the content of the left-hand column almost always had a pejorative orientation. Here are examples from these exercises of what was typically in the left-hand column:

- "What a ding-bat!"
- "He just doesn't understand."
- "Here we go again, same old story."
- "He's a control freak."
- "That is totally unrealistic; what can I say."
- "Why is he so defensive?"

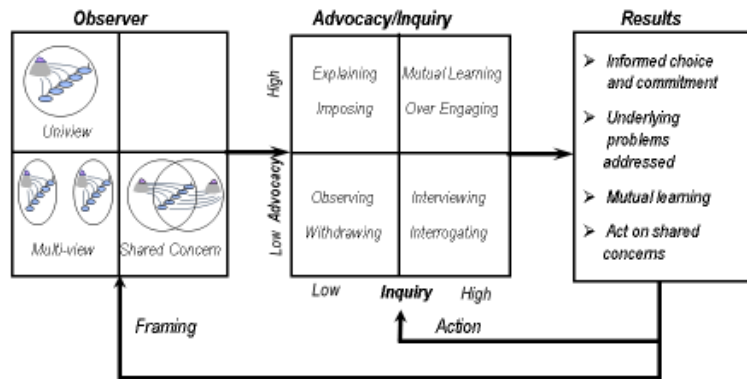
You get the idea, not a very productive attitude. So how do you improve these conversations? One possibility is to just blurt out what is in your left-hand column, but your sensibilities tell you that would only make things worse. Professor Argyris' solution was to change the content of your left-hand column.

## Unilateral Action Design Model Type I Behavior



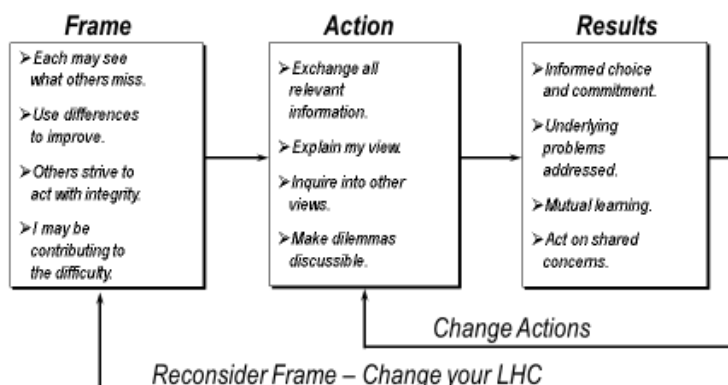
To better explain what he meant, Argyris mapped conversations into what he called an Action Design Model as illustrated here. The unilateral model, what Argyris called Type 1 Behavior, is typical of many conversations. The Frame is a mental model which stems from a uni-view of the world. Like the left-hand column, the Frame reflects a pejorative orientation. Conversations are mostly advocacy, imposing our view of the world or if inquiry, then interrogation with leading questions. The results of this approach to conversations are unresolved problems and conflicts. Feedback only reinforces the Frame and Action is intensified by changing tactics.

## Enhanced Action Design Model



A more constructive approach to conversations is to deploy the tools we introduced earlier. Through a multi-view of the world, sharing your ladder of inference and grounding your judgments, you convert the Frame to a positive orientation and you remain open to feedback for mutual learning. The Actions you take are to rebalance advocacy and inquiry to achieve an even better outcome.

## Enhanced Action Design Model Type II Behavior



This approach to conversations is what Argyris calls Type II Behavior. Your left-hand column is tempered by the belief that others strive with integrity to achieve

solutions to common concerns. Differences in views, when understood and discussed, lead to better results. Sometimes agreements cannot be reached. It is okay to disagree, but not disagreeably. In this case it is important to escalate disagreements that have been thoroughly vetted through grounding to a higher authority for resolution especially when alignment is critical to success.

## Conversations for Action [Basic Atom of Work]



Source: Flores and Winegrad

Conversations for relationships, for possibilities and ultimately for alignment to achieve common goals are prerequisite for success. But most conversations in business are conversations for action. They are transactional or what Flores called the atom of work. They take the form of requests and promises on the one hand or offers and acceptances on the other. Business processes are typically a sequence of atoms of work as the performer at one stage becomes the customer in the next stage in the chain. Since there is the possibility of breakdown at each stage, the probability of a successful outcome is low when there are many stages in the business process, resulting in excessive expediting. When promises are not met, we spend more time than we would like expediting. For important transactions we need to be more rigorous in making promises.

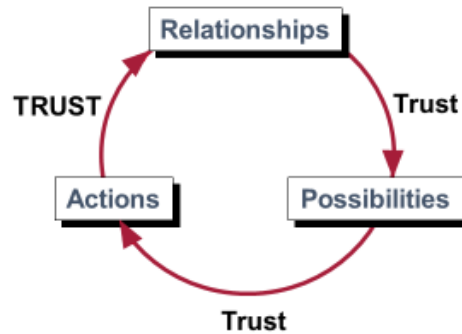
There are many ways for the atom of work to go wrong. First, customers, both external and internal, may not be clear about their expectations, so we have to be

thorough in negotiating the conditions for satisfaction. The conditions of satisfaction should take into account the assumptions on which the promise is based and the background of obviousness that is taken for granted. When assumptions are violated or the level of efforts proves more than expected it is important to declare a breakdown and renegotiate the terms with the customer. Too often, especially for internal customers, we neglect to keep the customer informed leaving it to then expedite broken promises.

I am reminded of a McKinsey study on delivery performance of computer companies. HP was rated very high compared to McKinsey's client, whereas the facts showed clearly that HP performed no better on late deliveries. McKinsey found that the big difference between their client and HP was that HP did a terrific job in keeping their customers informed when they knew they couldn't meet their commitments and exactly what they were doing to minimize the delays. In the end, customers care a lot more about knowing that you take your commitments seriously and that you are responsive when problems arise than they do about you missing your commitments for unforeseen reasons.

It also is important to declare completion and ask the customer to declare satisfaction with the result rather than leaving the transaction open-ended and subject to Interpretation

### Building Trustful Relationships



If you thoroughly understand your customers' needs it is better to make an offer than to respond to a request. Customers are often not aware of solutions that are possible. But getting customers to fully reveal their requirements depends on developing a deep level of trust.

Building trustful relationships is a cornerstone to effective leadership. Trust is built through iterative cycles of experience in which people observe your behavior and assess your performance. Trust is earned by honesty, integrity, sincerity, reliability and competence.

Increasingly work is done in teams, often with members stationed around the globe. Complex products require collaboration across organizations and disciplines. The way we relate and the way we speak and listen has a huge impact on creativity, productivity and the quality of work life. Effective leaders at all levels master conversation skills and teach others by example.