

DevelopingLeaders

Executive Education in Practice



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Callaghan in conversation

Positive Business
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Leadership Journeys
Bob Rosen on Kumar Birla

The Importance of Conversations

Insights from Aston, de Baak, Henley,
Michigan-Ross, Mercer, Tuck, Stanford,
UC Berkeley-Haas and more

The Strategic Importance of Conversations

By Dik Veenman
and David Cannon

Twenty tables covered in crisp linen set out cabaret style. At the front a raised platform backed by a massive screen. AV guys with cool haircuts mike-up the speakers as the top 200 of the company drift noisily in from morning coffee.

Welcome to the “Leadership Event”

One by one the big bosses take their turn to address the group, some holding tight to the lectern, others pacing energetically about the stage. Zapped onto the big screen are beautifully designed slides. The scripted lines tell us what the future will be and how the master plan will get us there, packed with phrases like “the long road ahead”, “heavy lifting to be done”, and the ubiquitous plea for “your help in making this real”.

As usual, a small minority of the audience dominate the Q&A – most sit quietly and watch. Afterwards at the stand-up lunch with designer sandwiches and trendy wraps the big leaders mingle. Moving from pod to pod asking questions, practising the listening skills their coach has worked with them on for months. This is the way it is today – Town Halls, Road Shows, Leader as Presenter.

Later in the privacy of the hotel room, before nodding off there is a mental niggles about how well they did at ‘the event’. Did I come across as credible? Did I engage and convince? Was I funny and witty enough? Some will experience a short bout of imposter syndrome; others will wonder if they are really cut out for this, many will not care – because it’s just another show along the road.

Let’s give leaders a break

Once upon a time it was normal for senior executives to have unplanned and unstructured conversations with business people they hardly knew. It was how business was done. How relationships were built. However, somewhere along the way that capacity seems to have dwindled away. Many of today’s leaders have never really had to develop this skill. These are the men and women who got to where they are by knowing how to re-organise, manage budgets, come up with a killer product. For many of these leaders organizational effectiveness is typically seen as a matter of corporate engineering. Bottom-line prosperity is the result of the daily fine-tuning of the business’s hard mechanics – product, price, supply chain, and sales and service. Add a cog here; improve the transmission speed there; growth and profit will follow.

But one facet of the people side of business is still frequently overlooked at the top of organizations. What the best mechanics and the best moving parts deliver is, in fact, merely organizational potential. What actually drives effectiveness – what ensures the correct calibrations are made at the correct time to allow the company’s potential to be realised – is something much more intangible, internal and invisible. It is the complex web of interactions between people.



Three key factors co-conspire to make simple conversation difficult to do in today's business environment

Businesses, in fact, run on conversations. And really understanding what is going on inside an organization requires leaders to be able to tap into these conversations.

Why simple conversations are difficult to have

Our research shows that three key factors co-conspire to make simple conversation difficult to do in today's business environment:

First – time and place. With every promotion things seem to get busier and busier. As a result workplace conversations are increasingly about informing people, relaying decisions, talking through the 'to do' list of action points. To make matters worse it is difficult to find a place to have a conversation. With fewer private offices, workstations where everyone can overhear and meeting rooms fully booked for client meetings, informal chats are often relegated to the crowded Starbucks round the corner.

Secondly, technology has altered the way we communicate – less face-to-face, more texts, more e-mails. Without noticing we have become conditioned to a tsunami of electronic exchanges, which come ever faster, are ever shorter and ever more task focused.

Lastly – the cult of the entertainer. Being a good communicator is no longer good enough. Bosses at all levels must now have the golden combination of being a rescuing super hero and engaging entertainer. Even professors at top business schools have become slick raconteurs and clever comedians endlessly presenting us with images of the iconic Jobs, the visionary Mandela or the audacious Branson.



So going 'off-piste' and engaging in unscripted conversations is increasingly rare, and for many uncomfortable. Something we are reminded of when touring an overseas office, or having a walk round the manufacturing plant or call centre. How wooden and artificial we were as we tried to have impromptu conversations with 'people on the ground' at their work-stations or in the bleak coffee room. Once again we compare ourselves with people who seem to do this sort of informal conversation effortlessly and we feel inadequate and embarrassed. Here we are, a big boss of an airline and we can't even manage a conversation with the flight crew on the company plane we are travelling on.

The question is does this matter? Should leaders and managers be concerned if they struggle to engage others in relaxed, unscripted conversation? Our research suggests it does and there are compelling reasons why they should.

Conversation as hunting

Nigel Nicholson in his ground breaking book *Managing the Human Animal* points out that for most our history humans have worked together in small bands hunting, gathering, frequently on the move. It is only in the recent sliver of human time that we find ourselves staying put in an office as a member of a modern corporation employing thousands of people. Professor Nicholson draws our attention to the vital social skills humans developed sitting round the campfire, sharing food, telling stories, poking fun at each other, exchanging gossip and sharing bits of information.

Instincts and intuitions

As hunters and gatherers we attempted to read nature by paying attention to various signs – certain plants grow together, particular cloud formations signal coming weather, the behaviour of birds point to the movement of animals in the forest. These incoming signals are hints rather than perfect predictors because as modern day hikers and mountaineers will attest – nature is full of surprises.

Over time we developed the mental capacity to enhance our predictive success when processing the jumble of unreliable inputs supplied by the world around us. These include



our instincts and intuitive thinking. When instinct and intuition work together they suggest which hunches we should pursue first and which hunches we should relegate further down the action list. On TV and in real life police detectives gather a wide-range of information about a crime then pin it up on a board. They stare long and hard at the board trying to make connections and have numerous conversations regarding their various theories. Instinct and intuition along with logic help detectives guess the leads they need to pursue first as well pointing to further data that needs to be gathered.

The hunt for weak signals

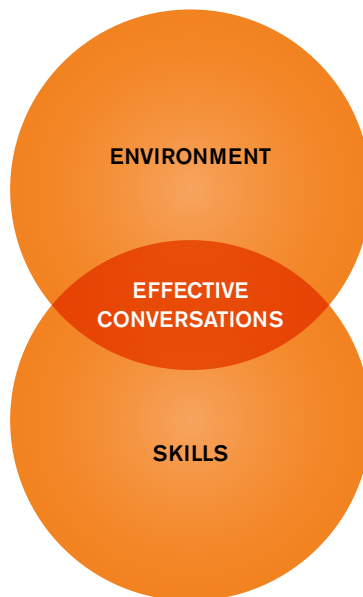
Leaders and aspiring leaders in today's businesses need to hunt – and what they need to hunt for is 'weak signals'. During the Cold War the American military used over-the-horizon radar to detect movements within the former Soviet Union. What bounced back to North America radar dishes was a mass of weak signals, some distorted, many misleading. Like the team of police detectives, a team of technical analysts were assigned the task of making sense of this jumble of weak signals in order to develop educated guesses. Their speculation helped build a reasonable scenario of what was going on in a distant country.

Conversations act as radar dishes for picking up weak signals – signals of trouble ahead, signals of coming opportunity. Informal chats do not demand air tight cases but can meander off topic, accommodate wild speculation and be a bit playful, allowing unconscious and unexpected thoughts to pop out. In addition, conversation allows for the gentle voicing of concerns and disagreement without triggering overly defensive reactions.

Reducing error through a diverse network of conversations

The pioneering work of Daniel Kahneman and the late Amos Tversky reveal a multitude of misleading biases in human thinking. These cognitive biases are prevalent in conversations with like-minded colleagues and friends and can result in every one charging off in exactly the wrong direction.

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Multiple mind-sets from different personalities, with different backgrounds, mental frameworks and sets of cognitive biases help to average out the dangerous errors of 'group think'.

On TV crime shows such as NCIS the team of investigators are always made up of clearly different characters. This makes the story more interesting but also reveals how different perspectives can reduce error, stimulate innovation and speed up the process of finding the hot lead.

The power of conversations as radar for weak signals is amplified and the probability of error reduced when a business leader has a broad and diverse network of people to talk with. In addition, informal talking is a type of messy collaboration relieving a leader from the delusional role of lone rescuing hero. It is something that is not done to you but done together.

What progressive organizations are doing

So what is to be done? The dynamics of effective conversations between potentially tens of thousands of individuals spread across the globe are undoubtedly complex. But, through our research, we have been able to start building a simple model for success.

The first is to create the right environment – to overcome what Peter Senge described as “the basic diseases of the hierarchy [where] openness means saying what the boss wants to hear.”

“People don’t speak up,” argued one of our interviewees. “Certain key issues are not up for discussion, and this leads directly to group think.”

Many organizations have made leaps forward here, becoming adept at institutionalising regular ‘official’ conversations (e.g. through mandated one-on-ones) and meetings. Others have looked to open up their physical work environment to enable more natural conversations – through Programme Offices, ‘war rooms’, or by co-locating team members from different parts of the business so that they can sit side by side to exchange ideas. Many more are using social media to create active, live conversations between teams in different locations and time zones.

But ultimately these are ‘process’ solutions – the defaults and comfort zone for most organizations. Our research suggest that the solution to the wider cultural barriers comes first from changing the mind-sets of those most empowered to alter the working environment. As one interviewee said, “Too many managers avoid conversations or mess them up for two simple reasons: one they are human, two they haven’t been trained.”

Here are three key things leaders can do to improve the quality of conversations in their organizations:

Focus on how senior teams talk.

The way that top teams work sets the tone for the whole organization. Effective leaders nurture challenge and free debate, and encourage the team to pay attention to its conversational 'habits' (using tools such as the Team Conversational Norms Diagnostic), so setting an example to the rest of the organization

Train leaders and managers how to have great conversations

Our research shows that effective conversations are based on 5 distinct 'Super-Skills', so invest in training to help managers to acquire these skills

Create more opportunities for open conversation

Review communication processes and forums and question whether they support or inhibit open dialogue. A Q&A session at the end of the Town Hall meeting is all well and good but it is no substitute for an authentic conversation.

Leader as unscripted hero

The second key to unlock, therefore, is leadership skills development – and this is where the most work still needs to be done. As organizations increasingly depend on the quality of working relationships, the skills needed to lead and engage in authentic conversation have become essential for all leaders and managers. Yet very few organizations actually teach managers how to have effective conversations.

A few have taken steps - "All formal communication is ultimately a substitute for conversation," said one interviewee. "But, in business, people tend to over-complicate and de-personalise something that should be very human. We coach our leaders to do less presenting and more talking."

Another interviewee's organization put its top managers through a programme with personal trainers to develop their conversation skills. Managers in that company now automatically go through the same programme. "This has changed the culture," the interviewee told us. "People here expect to be engaged in conversations now, not just be told what to do." And he is not alone. As part of our consulting work we are increasingly asked to run workshops for aspiring leaders on the '5 Super-Skills of Great Conversations'.

The long march to open and honest conversation

This is the beginning of the solution, and nobody would claim that it is a simple matter to upend the old, industrial, command-and-control way of doing business. We are only partway through that revolution. But it is clear that change is on the horizon.

Open, authentic and unscripted conversations at work represent perhaps the ultimate frontier to be conquered in this new, very 21st Century revolution - the revolution to put people back at the heart of business, and to put leaders back in touch with those they lead.



Dik Veenman, Founder of The Right Conversation and David Cannon, Training Director. The Right Conversation is a training and consulting firm. Its work is founded on a single belief – that the ability and willingness of leaders and managers to engage in authentic and constructive conversations with colleagues, team members and the wider organization is critical to business and personal success. <http://www.therightconversation.co.uk/>

Despite much discussion about the need for leadership development in corporate and public organizations, and the considerable industry that surrounds it, this is the first authoritative periodical focused entirely on this area.

Developing Leaders looks at the critical confluence between the provision of executive education and the real everyday needs of organizations to strengthen their management teams, their corporate performance, and their leadership.

The publication presents the latest thinking and most recent developments in both academic and commercial executive education provision worldwide, what it is achieving and which are the best models for success, sharing the experience and expertise of top leaders and world class educators.

Developing Leaders is published in both hardcopy and online “page turning” format. The quarterly magazine complements the IEDP website - the definitive resource for executive developers worldwide.

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