



C H A N G E W I S E

From Disconnect to Dialogue:

Transforming Business Results through Pivotal Conversations

by Bill Joiner

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Executive Summary

A software company faced troubling prospects. Even though revenue from its core business was on target, its new products were consistently late – very late. Customers (financial institutions) were constantly complaining, and its investors had questions about its future viability. The underlying causes of the chronic product delays were: (1) software and marketing personnel who needed to collaborate in the development and installation of new products were mired in conflicts, and (2) the top management group was not working well together. Under a veneer of politeness there was actually a good deal of mutual distrust.

This paper describes how the company's management group changed the way they worked together and transformed their business through a new approach to key business conversations. By learning to engage in true dialogue about difficult strategic issues and about cross-functional projects, they developed a collaborative organizational culture and turned around their business.

Much of this paper focuses on the behavioral changes made by the company's top technical manager. By providing a detailed, inside view of the experiential learning process used in Pivotal Conversations workshops, it also shows how managers can learn new attitudes and skills that can radically improve business results.

The role of pivotal conversations in determining business results

Today's business enterprises have entered an era of permanent change, a turbulent global environment that is complex, uncertain, and fiercely competitive. Technologies and markets change faster than ever before, as social, political, and environmental challenges mount throughout the world. As each year goes by, it becomes increasingly clear that we live in a diverse global village where everything is connected with everything else. These deep, dynamic trends – accelerating change, complexity, uncertainty, and interdependence – impact even the most “local” businesses and communities.

In this environment, companies can achieve and sustain financial success most reliably through gaining and growing share with profitable customers in niche markets. This means being able to acquire and retain these customers by keeping them truly satisfied with the value they gain from the company's products and services. These customer objectives, in turn, require the achievement of a range of “business process” objectives that match customer requirements. These objectives vary somewhat according to the product and/or service involved, but they generally include cost, quality, timeliness – and innovativeness.¹

For the past two decades, these requirements for sustained financial success have forced business leaders to improve the organizational processes that run from research and development, through manufacturing, to the end-game of sales, distribution, and after-the-sale service. From the point of view of organizational structure, culture, and politics, the greatest barriers to these improvement efforts have been functional “silos.” In an effort to overcome these barriers, companies have tried a variety of structural solutions, ranging from liaison roles to



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massive reengineering initiatives that result in much stronger authority and accountability for business processes and their outcomes.

Process redesign efforts that are well-conceived and executed can go a long way toward overcoming functional barriers to improve business performance. However, implicit in every good process design is a set of “pivotal conversations” that must go well, if the process is to work effectively. Within a business process, a pivotal conversation is an interaction that has a large impact on key process outcomes, such as revenue-generation, cost, quality, and timeliness.

The business outcomes of even the most perfect process design ultimately depends on the effectiveness of the pivotal conversations it requires. If these conversations go well, there is a significant business payoff. If they do not go well, or don't happen when they need to happen, the business suffers. Therefore, two major steps are required to ensure the effectiveness of a key business process. First, make sure it is well designed. Secondly, do everything possible to ensure the effectiveness of the pivotal conversations the process requires. This is done by identifying the pivotal conversations and then ensuring that the employees who will engage in these conversations have the competencies they need to do so effectively.

In today's world, most pivotal conversations in key business processes require people to exercise two new, related competencies. One is the ability to collaborate effectively with people who bring differing points of view to the table. These differences may derive from different training backgrounds, identification with different areas of the company, or – in the case of business partnerships and customer and supplier relationships – representation of different companies. The other competency is the ability to

address a continual flow of novel problems that are initially ill-defined. The need for this competency comes from the increasingly rapid pace of change in today's economy. Accelerating change means that an increasingly high percentage of a company's problems and opportunities are novel (in terms of technologies, markets, demographics, politics, and so on). As Michael McCaskey has noted:

Managers increasingly face poorly defined problems that are interdependent, complex and changing. In such situations information is not as complete nor causal relationships as well understood as managers would like. For the most challenging situations, experts have cloudy crystal balls or strenuously argue contradictory positions. Yet, to be effective, a manager may have to act before the situation is entirely clear, while important elements of the problem can be interpreted in conflicting ways, and while convincing arguments are made for and against different alternatives. In short, a manager must act in the face of ambiguity.²

Because novel problems are often complex, cutting across established boundaries, defining and resolving these problems by getting to their root causes very often requires effective collaboration. So these two new competencies – collaboration and novel problem-solving – are closely related.

Unfortunately, very few managers actually exhibit these competencies in their day-to-day behavior. Unilateral behavior, coupled with problem-solving that focuses on symptoms rather than root causes, is actually much more common.³ Therefore, in today's business environment, the chances of sustained business success will be greatly enhanced, if those working in key business processes can develop new competencies in collaboration and novel problem-solving. The logic of this conclusion can be summarized as follows:



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1. In today's turbulent business environment, sustained financial success depends on gaining and growing share by acquiring and retaining profitable, satisfied customers.
2. To acquire and retain profitable, satisfied customers, companies need to have well-designed business processes that meet customer requirements in areas such as cost, quality, timeliness – and innovativeness.
3. For a key business process to perform optimally, the people working in this process must be able to identify and enact the pivotal conversations required by the process.
4. Collaboration and novel problem-solving are two core competencies needed for successful pivotal conversations in most key business processes. Most managers (and other employees) have not yet developed these competencies.
5. When this logic chain holds true for a particular company, a program to identify pivotal conversations and develop the needed competencies becomes a wise strategic investment.

Pivotal Conversations

This paper provides a window into what happened when one company, a small firm that produced financial software, decided to make this investment.⁴ In this case, the company was generating adequate revenue from its established products, but four of its new software products were late. A few were unbelievably late. Customers were complaining, loudly. On top of this, the company was experiencing higher (and costlier) turnover than was normal for the industry. The company's investors were not pleased, and the company's man-

agers were justifiably worried about continued investment.

Work with this company began with a diagnostic report. Part of the report found that the logic chain outlined above fit this company's situation very closely. Aside from the obvious problem with timeliness, quality and innovation also were suffering. Their inability to meet customer requirements was about to have severe financial consequences. Their difficulties in meeting these requirements were clearly traceable to problems in the cross-functional business processes used to produce and install new products. As a result, part of the early work with the company included assistance in redesigning these processes in ways that promoted greater collaboration across functions.

The redesigned organizational structure retained a functional distinction between the Software Design, on the one hand, and Software Sales and Installation, on the other hand – in addition to several staff functions. But for every new product development project, the new structure also required managers and “worker bees” on both sides of the house to collaborate closely throughout the software sales, design, and installation process. To work effectively, these new project teams would need to be capable of engaging in the pivotal conversations required to navigate the following collaborative problem-solving “road map:”

- First, they need to identify, define, and analyze problems and opportunities that are initially ill-defined. To do this, they need to be able to discuss sensitive information and difficult issues openly and constructively.
- Secondly, they need to develop solutions that require resolving differing and sometimes conflicting views and priorities held by people



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working together on highly specialized yet inter-dependent tasks.

- Finally, they need to monitor, revise, and implement the joint solutions and plans they develop.

However, the diagnostic report also showed that simply providing new cross-functional project teams with the appropriate structures and necessary competencies would not be enough to solve the company's business problems. The report found that, while the members of the company's top management group were all quite competent in their individual areas of business expertise, they were far from operating as a team. One-on-one, their pivotal conversations were usually highly stressful and unproductive. Distrust and unilateral behavior prevented collaboration. Fire-fighting drove out novel problem-solving.

To their credit, the management group responded to this part of the report not only by confirming its accuracy but also by acknowledging that they would not be able to solve their business problems unless they also learned to operate as a team. As a result of this insight, the management group took the lead in participating in a program my consulting partner, Stephen Josephs, and I now call Pivotal Conversations.⁵ The purpose of this program was two-fold. First, it helped them identify the top management conversations that were pivotal for business success. Secondly, it provided them with workshops and follow-up coaching and facilitation that allowed them to develop the competencies they needed to become a much more effective leadership team.

Work with the management group began with a Pivotal Conversations program attended by its seven group members. This work began with a half-day Pivotal Conversations Start-up Workshop, where the

group discussed a "sample" pivotal conversation – a fictional yet realistic conversation that involved issues similar to the ones management group members found difficult to discuss productively among themselves. This exercise introduced the group to one of the core technologies of Pivotal Conversations, which I call the Learning Case, a methodology I began using while working with Chris Argyris in the late 1970s. This methodology, since popularized by Peter Senge in *The Fifth Discipline* and the fieldbooks that followed,⁶ makes use of the following template for capturing a recent, challenging conversation:

- 1. Background.** Provide a brief background description of the situation, going into the conversation.
- 2. Objectives.** Going into the situation you have chosen, you may not have had any explicit, conscious objectives. But looking back on the situation, what do you think you were trying to achieve in this interaction? What would have made it a success for you?
- 3. Strategies.** Similarly, you may not have been using any explicit, conscious "strategies" in this situation. But looking back, how did you go about trying to achieve your objectives?
- 4. Feelings and assumptions.** Whether or not they were conscious at the time, you probably had feelings and beliefs about the situation, about the other person(s), and/or about yourself. Looking back, which of these seem significant to you now?
- 5. The interaction.** Using the following format, write on the left-hand side of the page the spoken conversation that took place between yourself and the other person(s) involved. Make it as close to verbatim as you can remember. On the



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right-hand side, write what you were thinking and feeling during the discussion, matching these notes with the appropriate places in the spoken dialogue.

Conversation	Internal thoughts & feelings
You:	
Other:	
You:	
Other:	

6. Reflection. After writing your case, read through it. Take a few minutes to reflect on what you see. Note any thoughts you have about the following questions: Did I handle the situation in a way that led to a satisfying outcome? Did I have objectives, feelings, and assumptions of which I was not aware at the time? What can I learn from reflecting on my behavior in the case? Write down your reflections at the end of your case.

The rest of the Start-up Workshop prepared participants for the Dialogue Workshop, the core workshop in a Pivotal Conversations program. The purpose of this workshop is to help participants develop the interactive competencies they need to have for successful pivotal conversations. This group decided to focus on conversations that met two criteria: First, the conversation each manager selected needed be one that was pivotal in achieving the customer objectives already identified. Secondly, it needed to be an interaction the participant found difficult, a type of interaction he or she wanted to learn to handle more effectively in the future. These managers focused primarily on frustrating interac-

tions between the Software Design function and the Software Sales and Installation function. Each manager wrote a Learning Case capturing the interaction about which he or she wanted feedback. The discussion of the sample Learning Case had shown them the value of working with these cases, and they were provided with guidelines and personal assistance that made this task as painless as possible.

Remaining sections of this paper show how one of the company’s top managers used the Dialogue Workshop and the follow-up coaching provided to develop new competencies that allowed him to help lead a business turn-around.

The Dialogue Workshop

For an in-tact group this size, our Dialogue Workshops are typically designed as two or three day events. A two-day workshop would begin with a discussion of key concepts used in the workshop, with the vast majority of time spent working on individual Learning Cases, allowing plenty of time for each case writer to take in eye-opening feedback, then role-play new ways to handle challenging situations like the one they captured in their case. These workshops always end with time spent preparing for “re-entry” into the real world. Each participant uses a special format we have developed to identify one or two key behaviors he or she wants to work on over the coming month, when a shorter one-day follow-up workshop will be held. Participants spend time discussing things they think could happen to make it hard for them to make progress on their new behavior, and they also consider ways to overcome these potential obstacles. Three day workshops allow more time to work in special exercises and do more improvisational work on case issues, thereby deepening and accelerating everyone’s learning.



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During the workshop, each participant's Learning Case becomes, in turn, the focus of the group's attention for an hour and a half or more. The case writer begins by specifying the kind of feedback he or she is interested in receiving. Then, in addition to receiving "expert" feedback and coaching from Stephen Josephs and myself, participants also receive extremely useful feedback and coaching from their peers, a process we call "group coaching."

Meanwhile, the behavior of all participants during the workshop is always potential material for learning. As leaders of the Dialogue Workshop, Stephen and I may intervene at any time to give a participant feedback on the way in which he or she is giving feedback to the case writer. It is not unusual for a manager to give a case writer feedback in a manner which duplicates the pattern of behavior that the manager found ineffective in the case writer. Our behavior as workshop facilitators is also explicitly open to feedback from the workshop participants. Because participants may be reluctant to critique workshop leaders, we explicitly encourage this kind of feedback.

After the group has helped the case writer gain some insight into ways to handle a pivotal conversation more effectively, the case writer picks a particular point in the Learning Case and role-plays a new approach, while another participant plays the other person in the case. This role-playing step allows the case writer to start developing new competencies that are directly transferable to their work environment. The case writer then receives a bit more feedback on the role-play and ends by summarizing their learnings from working on the case.

David's Learning Case

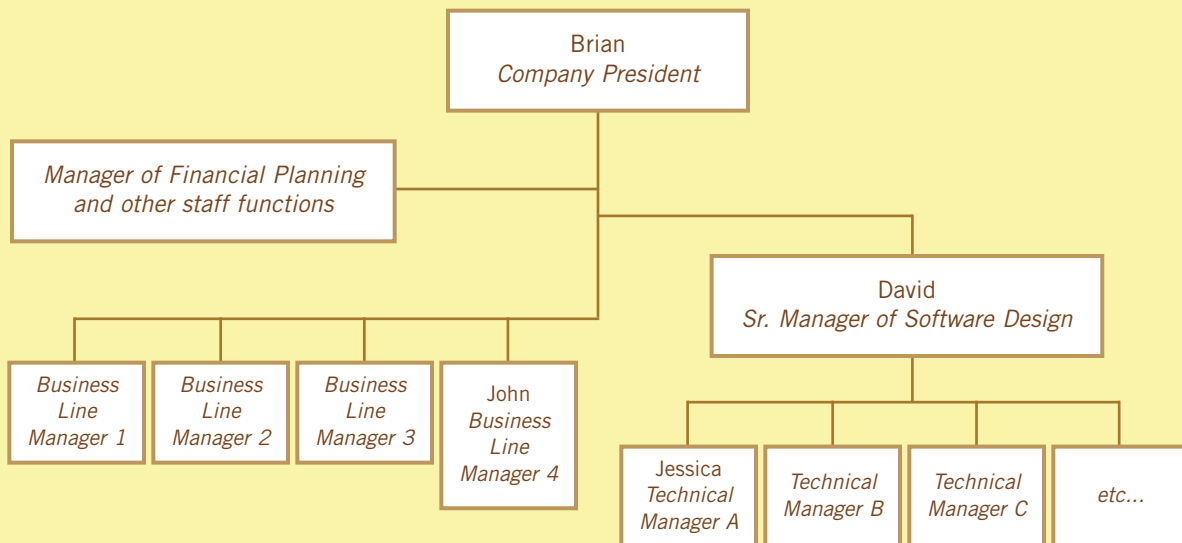
To illustrate how participation in the Dialogue Workshop helps managers develop new competencies in collaboration and novel problem-solving, I will focus on the experience of one of the top managers of the software company. This manager, whom I will call David, was the Senior Technical Manager in charge of the company's Software Design function. He reported to Brian, the company President, as did four Business Line Managers. David was responsible for all technical research and production in the company. Each Business Line Manager was responsible for selling and later installing a particular set of the company's software products. The Business Line Managers were evaluated on the basis of the revenues their products generated. The division's three Technical Managers, each responsible for designing software products for one or more Product Managers, reported to David.

The way in which the company's organization chart is drawn on the next page reflects a structural ambiguity about which managers were at the same hierarchical level. David and the four Business Line Managers were all members of the top management group. In this sense, the Business Line Managers seemed to be on David's level. However, in coordinating work on a daily basis, the Business Line Managers usually interfaced with the Technical Managers, who generally considered themselves to be on the same level as the Business Line Managers. Although clear to outside consultants, this structural ambiguity was not clearly recognized by most managers; nor was it discussed by anyone as a problem that needed to be addressed.



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Simplified Organization Chart



During the week prior to a Dialogue Workshop, each participant's Learning Case is distributed to all the other participants. Each person attending the workshop has the responsibility to read each case carefully and to come prepared to provide constructive feedback on each one. So when David's turn came to work on his case, everyone in the management group was prepared to help him. In fact, virtually everyone in the group viewed David as a major cause of the company's problems. So they all had a major stake in helping him to learn some new competencies.

Fortunately, an environment had already been created that helped David develop a genuine interest in working with others more effectively. Through the facilitated discussions of the diagnostic report, which had already taken place, everyone in the group had acknowledged that they were a part of the problem and that they wanted to be part of the

solution. As usually happens in this work, David had written an honest and revealing Learning Case, and he genuinely wanted feedback from the group. When it was his turn to work on his case, he summarized the background information in his case, answered any clarifying questions, and let the group know what kind of feedback he would find most helpful.

In the background section of his case, David provided some key historical facts. As noted earlier, the company's most obvious problem was the fact that new products, promised to customers for certain dates, were chronically late. David's Learning Case involved a pivotal conversation about one such product, which I will call EDR. EDR was the most complex project the division had launched to date, an attempt to bring an innovative software product using new technology to the rapidly changing financial industry. Given the company's overall busi-



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ness situation, a lot was riding on its successful completion and installation. Focusing his Learning Case on this project was a great choice on David's part, because it helped tie his work on his own development to a very specific and critical business issue.

To understand David's case, it is important to understand the roles of some of the key players involved. Jessica, one of David's Technical Managers, was responsible for producing EDR, and John, the interfacing Business Line Manager, was responsible for ensuring the installation of EDR. Before he became Senior Manager of Software Design eight months previously, David had Jessica's current role. Shortly before he was promoted, David created the overall project plan and budget for EDR. About eight months ago, shortly after David was promoted, John was hired from outside the company and assumed business line responsibility for EDR. It was well known that John and Jessica had not developed a very good working relationship. There were no clearly defined procedures for dealing with the issues that inevitably arose between these two functional areas in the process of developing EDR. However, when issues arose (often in the form of project delays), John would go typically to Jessica. When these discussions proved unproductive, John would often go up the hierarchy to David.

David's Learning Case involved a meeting where the issue was so serious that John went directly to David. Just before this meeting, John had received a call from Elliot, one of Jessica's technical people, who was working with the equipment supplier for EDR. Elliot told John he had just made an unpleasant discovery: The equipment supplier did not do the kind of work required for the first phase of

installation. The EDR project plan called for the equipment supplier to take care of the first phase of installation. In other words, the project plan had assumed that the first phase of installation would not cost their company anything. Elliot said that the equipment supplier had recommended a contractor to do the work, but contractors for that type of work were extremely expensive. This problem was so serious that John did not go to Jessica about it but went straight to David.

David's Learning Case went on to describe his internal frame on the meeting as it began: He wanted to minimize any unplanned company expenses and solve the installation problem as quickly as possible. Solving the problem would mean defining a set of action steps and determining who would be responsible for doing what. He also wanted to arrive at a solution that required as little of his own people as possible, as he felt that the technical people were already overworked. When John had come to him previously about other EDR problems, he had felt that John wanted him to take all the responsibility for solving it. Assuming that this was about to happen again, David's implicit strategy was to try to get the installation issue defined as a shared problem, by going through his own list of the issues involved and making sure that John understood them. David was not conscious of all these thoughts and feelings at the time, but in retrospect, this seemed like an accurate summary of how he launched into the conversation that John had initiated.

Then came David's summary of the actual conversation that took place, with his unexpressed thoughts and feelings on the right-hand side:



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Conversation

John: I just got a call from Elliot. There's a problem with the first step of the installation process. Elliot just found out the supplier doesn't do that kind of installation work. They recommended a contractor, but, as I'm sure you know, contractors for this kind of work are extremely expensive.

David: Come on in and sit down. Let's go over the facts and see what the options are.

[We went over the project plan and budget. We figured out what things would and wouldn't cause expense overruns].

John: So here's where we're coming out: To know exactly what the costs will be, we need your people to coordinate getting the estimates. But, ballpark, it looks like this. If we could use our own contractor to do all the installations, we'd be over budget, but it wouldn't be that bad. The real kicker is we know some of our key customers are going to insist on having us pay for their own installation contractors to do the work, and that's going to involve expensive union labor. How do we handle that?

David: In those cases, let's see if we can get the customers to pay for this themselves. If that won't fly, we could offer to reimburse them an amount equal to having our contractor do it.

John: I'll talk to the customers, but I seriously doubt they'll go for it. I want your people to coordinate getting all the estimates.

David: OK. My people will co-ordinate estimates, but I think you should push hard on the customer.

John: Alright. I'll need those estimates by Thursday.

Unspoken Thoughts and Feelings

I immediately feel defensive and irritated. I knew that having the equipment supplier take care of the first step of installation was just a working assumption. John should have checked that out long before now. Any expense overrun on installation will come out of the business line budget, not mine. But he's going to try to pin this problem on me and my people. That's what he usually does. He never comes in here without telling me that Jessica is screwing up and he wants me to get her to change something she's doing.

My whole organization is operating beyond capacity. If my people took the time to help John on this issue, it would hurt their performance in other areas. They're already behind on enough projects. But I don't want to get into an emotional confrontation with John.

He's saying, "Whose problem is this?" I wish I'd anticipated that this was going to be so expensive. But what I really can't afford are solutions that take too much of my people's time. I'll try put it back on him.

I don't think John will be able to get the customer to agree to my proposal. We're in a bad position..

Well, that didn't work. He threw it back at me. I can't duck my responsibility to generate the estimates. John's people can't do that.

This is not good. I don't think John will be able to get the customer to agree to pay for anything.



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In his reflections at the end of his Learning Case, David acknowledged that he had not handled this pivotal conversation in a way that had accomplished his objectives:

I wasn't effective in minimizing unplanned expenses or the impact of the installation problem on my people. The outcome, because I didn't really believe we were going to get any money from the customer, really ended up with me carrying the ball on the whole problem. I didn't end up feeling that it was a shared problem and that we were going to work together on it. I believe that having it be a shared problem might have resulted in a more effective solution.

Missed Opportunities

One way to analyze this case is to say that the whole problem they were dealing with happened because of poor business planning. David's original project plan and budget did not adequately anticipate all aspects of product installation. But no one in the workshop wasted time pointing fingers at David for making this mistake. They knew that, in spite of their experience and expertise, any of them could make a similar mistake, simply because their business continually required them to take on new challenges. The EDR project was an attempt to use a new technology to bring an innovative product to a rapidly changing marketplace. The company had never attempted to produce such a project before, and David was forced, as they all were, to plan and budget for this project under conditions of uncertainty.

The top management group understood that the level of change and uncertainty they faced every day made a certain percentage of errors evitable. In fact, the problem that David and John faced in this

case – a difficult, messy problem that crossed organizational boundaries – is a good example of the “ill-defined problems” mentioned earlier, that arise in increasing frequency in rapidly changing business environments. These managers knew that what they badly needed was the collective capacity to identify these types problems and solve them in ways that would improve business performance. With this intention, David asked for feedback about how he could have handled his meeting with John more effectively:

I frankly have no way of knowing whether there was any other way of communicating that would have made a difference. There's an awful lot of stuff on the right-hand side of the page, but I don't know whether bringing any of that out would have helped or not. We seemed to get the substantive issues and facts out on the table, and we didn't seem to disagree on them. So maybe there's no reason to bring out this other stuff.

On the other hand, I made some assumptions about John that never changed in the course of the meeting. I'm wondering if it would have been more effective to bring those out, if not in terms of the substantive results, at least in terms of the way John perceives my role. Generally, I'm wondering if I should have brought out more of what's on the right-hand side, and, if so, how much of that is really appropriate.

John, who was sitting across from David during the Dialogue Workshop, immediately reinforced David's sense that a more effective conversation would have made greater use of the material in the right-hand column:

When I got this case, the first thing I thought was, “Forget all this focus on the substantive issues. David and I should have gotten our



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unspoken thoughts and feelings on the table a lot sooner in the process.” As a matter of fact, I think we still haven’t done that ... If David and I could have had a very frank discussion on how EDR was going, I think we could have resolved it. We should have done that when I first came into the project.

As the discussion of David’s case developed, it became clear that the conversation would have been much more effective, if David and John had been able to work together on each of the three steps of the collaborative problem-solving “road map,” outlined on page four:

- First, they needed to get information about the key issues out on the table so they could be jointly identified and analyzed.
- Secondly, because each of their areas would be affected by the kind of solution chosen, David and John needed to collaborate in arriving at a solution to the installation problem.
- Finally, they needed to create the conditions for implementing their joint solution effectively, then follow through and monitor the situation.

Yet, as this colleagues pointed out, because they did not get enough of the key issues out in the open, they were not able to move through these steps effectively. Instead, the conversation resembled a negotiation where each manager was simply trying to minimize his own losses.

Much of the feedback David received helped him to look at his “right-hand column” and identify more specifically what issues it would have been helpful to bring into the open. Although David initially coded these as “side issues,” he eventually realized that they were crucial to solving the installation

problem. One of these issues concerned the level of trust between John and David. This issue had several dimensions. David, in his own words, “dumped the EDR project in John’s lap,” when John joined the company as Business Line Manager. Because John was sitting across the table from David in the workshop, David had a new opportunity to discover how John felt about this. When asked, John said that he felt David and the other technical people had kept him in the dark about certain aspects of the installation issue, leaving him feeling out of control on the project:

There were two issues. One, getting that part of the installation done, and two, who within the company would pay for it. Shortly before this meeting with David, I found out that the extra expense would come out of my budget. I got the feeling that the technical people had purposely not told me this, but it was also my fault for not being up-to-date on what was in the technical budget and what was in my budget. I feel this is one of the most complex projects the division has ever put together. One of my dilemmas was that I wanted to take control of the installation problem, but I wasn’t secure enough that I had all the information to really take control. In my mind something was being hidden.

Yet David and John tried to solve the installation problem in a manner that avoided talking about this issue. As one of their fellow managers put it:

I think the conversation is like a surface dialogue, that the real conversation is over here [on the right-hand side]. In other words, John is probably saying to himself, “David and whoever worked with him didn’t set this up right, and now I’m bagged with the thing. And that annoys the hell out of me. What can he do to help me?” And I’m talking about just the business aspects of it. And, David, you’re



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saying in your own mind, “I’ll bet that’s where John coming from.” That’s what I’m reading into this. And it seems to me it would have helped to get this out in the open. Then John could say to you, “I don’t understand why you did this in the first place. Why was the deal structured this way? How did we get to this point?”

Instead, David’s avoidance of this issue reinforced John’s assumption that the technical people often hid things from him. John’s trust in Jessica, the EDR Technical Manager, was already low. He was not sure that the reasons Jessica gave for project delays were the real ones. But because he did not have a technical background and had a tendency to avoid confrontation, John did not confront her except for periodic unproductive outbursts due to pent-up frustration.

John and the other Business Line Managers also distrusted David in a different but related sense. They felt he never effectively confronted his Technical Managers about delays, even when a Business Line Manager had played his “trump card” by going to David and asking him to get one of the projects moving again. David sensed this distrust, but he never brought it up to see what could be done about it.

If David and the Business Line Managers had discussed this issue, they would have discovered that they held differing perspectives on the role David should be playing in solving problems and resolving conflicts on projects like EDR. The Technical and Business Line Managers had not established a clear, mutually understood process for addressing these kinds of problems. This goes back to the structural ambiguity mentioned earlier. It was not clear who the Business Line Managers’ counterparts were on

the technical side. In his own mind, David wanted to be as little involved in the level below him as possible, so he could be more involved in setting company strategy. However, he had not negotiated this role with the Business Line Managers, who later said that taking such a role would require him to do a better job of training his managers to resolve conflicts that arose between technical and business line priorities.

John had discovered that any expense associated with the installation problem would come out of his budget. So he wanted to step in and solve the problem. However, because the technical and business line roles had never been adequately clarified, he assumed, on the basis of past interactions with Jessica, that the technical people would want him to stay out of it. As he put it in the workshop:

I’m dealing with Jessica on EDR. And I was confused – and still am today, as a matter of fact – about what David’s role is in the EDR project. I share a lot of responsibility in this for not getting it clarified with David. But I hear David saying in this case, “Damn it, John, I want you on board to take care of some of this stuff.” But I’m hearing from Jessica and her people, “Hey, this is our baby. Step back. You’re intruding on our turf and we don’t want you on our turf.”

Because of this confusion, John went into the meeting assuming that David and Jessica would see the installation problem as belonging on their turf. As John related in the workshop:

When Elliot told me about the installation problem, I didn’t feel he was asking me to help solve it but just informing me of the problem, since a customer might bring it up with me. I thought they were saying, “It’s our



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responsibility to solve the problem, and we're going to do it with David's help. We just want to keep you informed."

John feared that David and his people would want to control the issue unilaterally. As a result, John felt powerless and out of control. David, picking up on John's attitude, misread it as an intention to lay what should be a shared problem on David's doorstep. This was an easy assumption for David to make, because he had made it about John many times before.

As their colleagues noted, the irony was that, while both John and David actually wanted the installation problem to be handled as a shared problem, the assumptions they made and the way they interacted in the meeting prevented them from approaching the issue in a spirit of true collaboration. In addition, it was pointed out that, if David and John had been able to discuss the "side issues" that inhibited their ability to collaborate (historical distrust, unclear roles, mistaken assumptions), their conversation would have had a huge payoff. They would have cleared the way to collaborate more effectively in resolving all future issues, not only on EDR, but also on all the other projects they worked on together.

Because David and John limited their identification of problems to the obvious installation issue, this was the only problem they tried to solve together in the meeting. Even in focusing on this problem, however, the solutions they arrived at did not represent a genuine synthesis of their differing perspectives and priorities. Rather, the discussion resembled a game where each was trying to put the ball in the other's court. The solutions they developed were ones to which neither manager felt very committed, which left a question as to how effectively these solutions would be implemented.

To summarize, part of the feedback David received focused on the importance of bringing the above issues into the open for discussion. However, this still left David with the question: How could he do this in a productive way? After all, these were difficult and potentially contentious issues. That is really why he had not raised them in the first place. How could he raise them in a way that would promote dialogue and not defensiveness?

Dialogue Skills

Much of the help that David received on this question came from the Dialogue Skills framework, presented and discussed at the beginning of the workshop, prior to the work on Learning Cases.⁷ This framework was useful to David both in understanding why certain responses he made to John did not work and in understanding things he could do differently that would work much better.

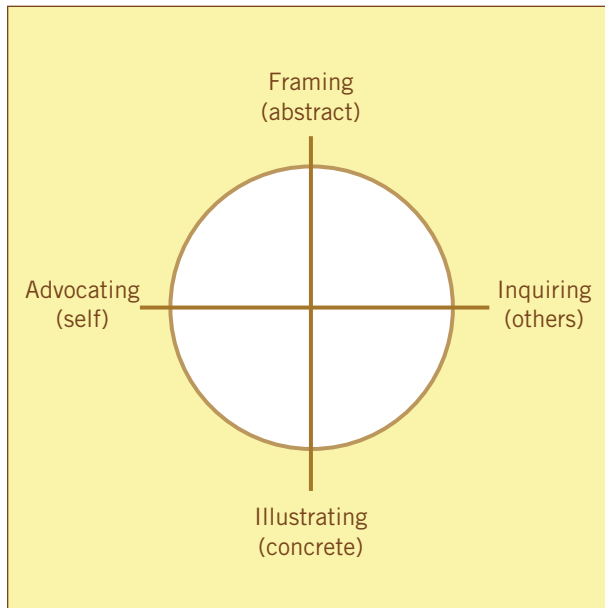
Although each person approaches pivotal conversations in their own unique way, what is even more striking, if we go beyond the surface differences, is the fact that the vast majority of people rely on just a few common patterns of behavior, which consistently leave the parties involved feeling dissatisfied with the outcome. At the same time, we now have a good understanding of much more skillful ways of navigating situations that require collaborative problem solving. I call these more skilled collaborative behaviors Dialogue Skills.

To distinguish between common patterns of behavior that typically inhibit collaborative problem-solving and the Dialogue Skills that promote collaborative problem-solving, I will highlight four key modes of communication: advocacy, inquiry, framing, and illustration. These four modes of



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communication are related to each other as shown in the following diagram:



Advocating means expressing your point of view about what you think is true or what you think should be done: Advocating is what happens whenever you describe how you see a situation, what you think the causes of a problem are, what the goals should be, what the options are, what the solution should be, what would happen if a particular course of action were followed, etc. Advocacy statements can refer not only to external situations, but also to yourself and to other people. For example, we hold many assumptions about other people, and we attribute motives to their behavior. Statements revealing these assumptions and attributions would be advocacy statements, as would feedback or advice to others.

Inquiring, in this framework, has a somewhat more specialized meaning than the meaning we normally give it. Here, inquiring is a mode of communication where you explicitly invite one or more other

people to express their views on a particular issue. In this framework, inquiry usually takes the form of a question, but all inquiries are not necessarily questions. “Bob, I’d like to know what you think about that option” would be an inquiry. Similarly, not every question is a true inquiry. For example, leading questions and comments disguised as questions (“Bob, don’t you think we should decide on that option?”) are not inquiries in this framework. Extensive research has found that, as in David’s case, the most frequent mode of communication in pivotal conversations is “advocacy without inquiry.” (The conversation in David’s case is on pages 10–11). Particularly when a successful conversation requires collaborative problem-solving, a pattern of using advocacy without inquiry typically makes others feel you want to influence them but do not want them to influence you.

The next most frequent mode of communication in crucial business conversations is “inquiry without advocacy.” In this pattern of behavior, a person invites others to discuss their points of view, but does not reveal their own. People use inquiry without advocacy for a variety of reasons, sometimes because they feel it will give them a tactical advantage and sometimes because they are genuinely trying to take others’ points of view into consideration. The difficulty with inquiry without advocacy, particularly if someone stays in this mode for very long, is that others usually do not know how to read the intention behind the behavior. In Dialogue Workshops, people frequently report that they begin to feel wary if someone continues to inquire without revealing their own point of view. Both of these patterns of behavior, advocacy without inquiry and inquiry without advocacy, can be termed “unilateral” patterns of behavior, in that they both promote one-way rather than two-way communication.



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Communication that promotes true dialogue has both an attitudinal component and a behavioral component. In this framework the attitudinal component is called “collaborative intent,” which means that a person sees a need for and wants to have mutual influence in a conversation. Collaborative intent means that a person intends to enter into a dialogue, that is, a conversation where each party both listens and is heard, where differing views are exchanged and understood, where problems may be redefined and solutions reframed, so that both parties can emerge with maximum commitment to a course of action. This is what both David and John actually wanted in their conversation about the installation problem. Yet they fell into unilateral patterns of behavior that prevented them from creating a true dialogue.

If you have collaborative intent, the mode of communication that generally will do the most to promote dialogue is “combining advocacy with inquiry.” This means you let the other person (or persons) know what is on your mind, then immediately invite them to express their view on the same subject. Said with collaborative intent (which entails a willingness to consider and be influenced by the other’s point of view), this is a genuine invitation to dialogue.

As is often the case, David’s colleagues pointed out that his behavior in the meeting was full of advocacy statements, but he never inquired, never extended an invitation for true dialogue.

As one of his Business Line counterparts put it:

David says, “Why don’t we see if we can get the customers to reimburse the end-users for their expenses?” But in the back of his mind, he knows damn well that they aren’t going to do that. But he doesn’t say that to John....

[To David]: Why are you proposing that John do that, when you know the customers aren’t going to do that? And John says, “Well, I’ll talk to him.” . . . It seems to me, not that it’s a bad suggestion, but you ought to finish it by saying, “I know that it’s going to be a bitch, and here are the reasons why. Do you think it’s worth a shot, John? Is there anything I can do with you to get that done?” But it’s more like, “Let me give him a half-assed solution, and let him go run off with it.” I mean, that’s how I interpret it.

In the case, John’s responded to David’s proposal with his own differing point of view (he doubts they would go for it), and no exploration of their different views took place. No additional options are proposed or explored. If David had genuine collaborative intent and combined advocacy with inquiry, he would instead have said something like, “If we can get the customers to pay for this themselves, I think that would solve our problem. Do you think that could work as a solution?” John could then say no. John might say why, or David could ask him why. If David disagreed with John’s rationale, they could discuss it. Or David could suggest that they brainstorm things they could do that would work. Better yet, he could say this at the beginning of this part of the discussion. Either way, David could continue to use advocacy with inquiry along the way to keep the process of dialogue going.

In many ways, “combining advocacy with inquiry” is the central Dialogue Skill, because it explicitly encourages the give and take of different points of view. The other two key Dialogue Skills, illustrating and framing, allow people to explore differing points of view in productive ways.

Illustrating involves providing the concrete observations upon which the point of view you are advo-



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cating is based. For example, if a manager wants to advocate that unclear role definitions are causing problems in a particular project, he can illustrate this advocacy statement by describing the events he observed that led to that conclusion. If a manager wants to give her subordinates feedback on their performance, she can illustrate her feedback by linking positive and negative evaluations to concrete examples. If a manager wants to advocate a particular solution or action plan, this assertion can be illustrated by describing the concrete outcomes the manager believes will result from it.

In pivotal conversations it is often the case that the people involved hold differing (sometimes strongly differing) points of view. Providing illustrations is particularly useful in these situations, because it helps others understand part of the rationale you used to arrive at your point of view. In a situation where you are trying to generate a real dialogue, this has two key benefits. First, on the advocacy side of things, using illustrations makes your point of view more understandable and more persuasive to others. Secondly, on the inquiry side, providing concrete illustrations makes it easier for others to challenge your point of view in a constructive way.

For example, one frequent source of disagreement is that each person's point of view is based on a different set of information. Providing illustrations (which is a form of advocacy) is a very useful way to start getting all the perceived facts on the table. Another useful way to do this is to use inquiry, asking others for the concrete illustrations upon which their points of view are based. As noted earlier, the true intent behind such an inquiry makes all the difference. Asking others to illustrate their views with an intent or tone of trying to prove them wrong could simply polarize a conversation. However, asking others for concrete illustrations can expand the pool of information available to do joint

problem-solving, if the request is made with collaborative intent (a genuine interest in understanding how another person came to perceive things in a particular way).

Framing can mean explicitly stating what you see as the purpose of a particular conversation, or the basic assumptions you hold about it. (For example, "As I see it, we need to resolve the widget issue before we try to tackle anything else"). This kind of framing takes place most frequently at the beginning of a conversation, but it could also happen in the middle of a conversation, where it might involve an effort to step back and clarify the purpose of a conversation that feels like it is going off course. For example, if David had done this kind of framing at the beginning of his conversation with John, he would have said explicitly that he saw the installation issue as a shared problem and wanted to work with John to come up with a mutually satisfactory solution. Instead, he missed this opportunity, which allowed John to continue in his assumption that the systems people wanted to saddle him with the problem.

Although we use the term "framing" in exactly the sense just described, we also use it to refer to something much broader. In Pivotal Conversations, while framing can involve making your objectives and assumptions about a meeting or a conversation explicit, it also includes talking about making the assumptions and "criteria" (objectives and values) you bring to any issue.

For example, David's unstated criteria (objectives) for solving the EDR installation problem were to solve it as quickly as possible in a way that minimized unplanned expenses. David's proposed solution (getting customers to pay for installation) was also based on several assumptions. He assumed that his people were already working beyond capacity.



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He also made the related assumption that, if his people took the time to work with John on the EDR issue, this would hurt their performance in other areas. A more tacit assumption that David also seemed to be making was that their work in other areas was of higher priority than work they might do on the installation issue. As a result of these assumptions, another criteria for David was that any solution should require as little of his own people as possible.

In a truly collaborative conversation, David would have put these assumptions and criteria on the table in the spirit of building a shared framework that he and David could use to solve the installation problem together. This would have required both advocating his assumptions and criteria, but also inquiring – inviting John to question David’s thinking and share his own assumptions and criteria. In such a conversation, several aspects of David’s frame could have been explored. For example, as far as customers were concerned, should minimizing unplanned company expenses be the only problem-solving criterion? What about longer term customer relationships? What would have been the best way to balance definite short-term costs with a possible loss of longer-term revenue due to customer dissatisfaction? Also, given the importance of the EDR project, was it necessarily correct to assume that technical assistance on other projects was more important?

A final set of terms that were useful to David and his colleagues in the Dialogue Workshop were “private testing” and “public testing.” Both of these terms are related to concepts already presented above. Both behaviors involve “testing” an assumption, criterion (e.g., objective), or other point of view you hold. (“Testing” here means finding out if something is true, and how it relates to other points of view). Public testing of an assumption

takes place when you use advocacy to state your assumption, along with any relevant concrete observations that led to your assumption, then invite others to confirm or disconfirm it, describing whatever may be their rationale for doing so. The overall intent would be to gain an increasingly accurate and maximally shared understanding. Private testing, by contrast, takes place when you keep your assumptions, criteria, and points of view to yourself, observe events as they take place, and come to your own private conclusions about the accuracy of your views and the extent to which they are shared by others. Private testing is by far the most common practice. However, public testing is far more effective in generating shared understanding of problems and shared commitment to solutions.

To summarize, in pivotal business conversations, advocacy without inquiry and inquiry without advocacy, are by far the most frequently used modes of communication. Both are forms of unilateral behavior. When you use advocacy without inquiry, you are attempting to control unilaterally the definition of the situation and the course of action that should be taken. When you use inquiry without advocacy, you are unilaterally withholding your own position while getting others to reveal theirs. (Private testing follows this pattern as well). Both set up a one-way (unilateral) pattern of communication and influence. Unfortunately, both of these unilateral modes of communication (which include private testing), wind up sabotaging collaborative problem-solving conversations.

By contrast, combining advocacy and inquiry promotes dialogue and collaboration. Framing and concrete illustration prove extremely useful ways to explore differing points of view while developing a shared understanding of problems and a shared commitment to action. Public testing is a sophisticated



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tool for collaborative conversation that draws on all four “parts of speech:” advocacy, framing, illustration, and inquiry.

What David Learned from his Role-Play

In the Dialogue Workshop, David’s peers used all the above concepts to give him feedback on his Learning Case and to suggest alternative behaviors they thought would be more effective. After over an hour of intensive discussion, David had come to several conclusions about his conversation with John. First, he had missed many opportunities to take the initiative to examine organizational issues – issues that were important not only to finding the best solution to the installation issue, but to the long-term success of EDR and other projects. Secondly, these issues were on his mind during the conversation, but he had not been confident that there was a productive way to talk about them. Now, he thought there probably was. Third, his behavior during the meeting was consistently unilateral. Finally, he never framed the conversation by telling John that he wanted the installation issue to be a shared problem.

Based on these insights, David was ready to role-play an alternative approach to the meeting in his learning case. He knew he wanted to do something early in the meeting that would frame it as a collaborative problem-solving conversation. He knew he wanted to use “advocacy with inquiry” to try to get a dialogue going with John. He also wanted to get into some of the issues that lay behind the installation problem (issues such as the project’s history, distrust between John and himself, role confusion and structural ambiguities), but he wasn’t sure what to raise when. Just before he started, he came to the realization that a general strategy for approaching the meeting was helpful, but he would

also need to improvise his way through the role-play.

In Dialogue Workshops, when case writers do their role-plays, someone else in the group plays the other person in the case. The instructions are to play this other person in a manner that is as realistic as possible, not too easy and not too hard. In this case, it was very natural for John himself to play John. When David did his role-play, it was somewhat collaborative, somewhat unilateral, and somewhat awkward, just like the role-plays his colleagues did. Learning Dialogue Skills is a process that takes time. Receiving feedback and doing a role-play is just the first step in the process. The first part of David’s role-play is presented on the next page. On the left-hand side is a transcript of the role-play. On the right-hand side is my analysis of each exchange.

At this point in the role-play, David had created a conversation that was quite different from the original. Rather than simply jumping in without talking about what they wanted to accomplish in the meeting and how they would do it, David’s initiative in the role-play allowed them to begin by setting a shared, open-ended framework for their discussion. As a result, David was now much closer to his objective of “feeling that it was a shared problem and that we were going to work together on it.” He was learning to be more collaborative and more effective.

If there was a missed opportunity in this initial part of the role-play, it took place at (6). There, David echoed the two underlying issues John had just referenced. But he did not check with John to see if these two were the only issues that needed to be addressed. Also, at (8), where David describes more specifically his proposal that they focus on the installation issue and address underlying issues as they become relevant, and at (9), where John



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agrees, there is a missed opportunity to at least name the full set of underlying issues that it would

be useful to address. This oversight became more important later, as the role-play progressed:

Role Play	Commentary
1. John: David, Elliot tells me that we have some real problems on installation for the EDR project.	
2. David: OK, well, what I think we've got to do is look at all the facts and issues on this thing. And I think it's a problem you and I are going to have to work on together, because I've got a lot of information about the budget that you probably don't have. And there may be ways in which we can get the customer to pick up part of this burden. What do you think the issues are?	<p>David tries to frame the installation issue as they will both own and work to resolve together, and he tries to use "advocacy with inquiry" to do this. He starts out OK, providing a bit of a rationale for this framing.</p> <p>However, he misses the opportunity to stop and inquire about his proposed framing. Instead, he then jumps ahead by introducing a possible solution idea before he has shared agreement on the problem.</p> <p>On both the above topics, he has advocated but not inquired.</p> <p>When he does inquire, he has jumped to yet another topic: the issues that need to be taken into account in order to solve the problem. Because he says nothing about what he thinks the issues are, this is inquiry without advocacy.</p>
3. John: Well, there's the issue of who's going to do it. There's the issue of whether the customers will pay for it.	As a result, John responds only to David's inquiry, not to his proposal that they work on the installation issue collaboratively.
4. David: I know I started this project. I've got a bunch of budget information that we really haven't gone through before. That may be a problem. You've got a product management responsibility and customer relationships. And it seems to me we've got to get some information back and forth to solve this thing effectively. Does that make sense to you?	<p>David seems to back-peddle here. He appears to ignore the issues John mentions and goes back to his proposal to work on the issue collaboratively, providing some additional rationale for this.</p> <p>This time, he does link his inquiry to the position he is advocating.</p>
5. John: Yes, that does make sense to me. There is this important specific issue that has to be solved. But I also believe that we need to get a better clarification of how you view the project and your responsibilities, myself and Jessica, etc. Because of the sensitivity of this issue, I guess it's unclear to me whether we should jump right into the installation issue or start by talking about some of these underlying issues.	David's inquiry allows him to get agreement from John that they will work on the installation problem collaboratively. It also opens the door for John to raise other dimensions of the problem not discussed in the original case. John is uncertain how to proceed in discussing these issues, but he begins to take a collaborative approach to the conversation by surfacing his uncertainty and implicitly inviting David to think with him about how best to proceed.

**From Disconnect to Dialogue: Transforming Business Results through Pivotal Conversations****Role Play (con't)****Commentary (con't)**

- | | |
|--|--|
| 6. David: Well, I know there certainly are a lot of problems with this project. I know you've got problems working with Jessica. Maybe we can use the installation issue as a way to bring out some of those problems as we go through it. | David seems to assume that he knows what the underlying issues are, and he does not “publicly test” to see if he and John have the same ones in mind. He then advocates a way to work on the overall set of issues, but he does not inquire by asking John if this approach sounds good to him. |
| 7. John: Let me make sure I understand. Are you saying that we're going to use this as the test case to get the underlying issues resolved, so to speak? | John checks to make sure he understands what David has proposed. This is one example of “public testing.” |
| 8. David: I guess what I'm saying is I want you to feel free, as we go through this thing, to bring those issues up and talk about them as they relate to solving this particular problem. We've got to solve this problem today, I think, because you're going down to see one of the customers tomorrow, and that may be part of the whole thing. But feel free to bring them up, and I'll try to bring them up, too, as we go along. | David clarifies his proposal about how to proceed. This is an example of illustrating a proposed solution (in this case, a “solution” to the question of how to proceed in the conversation.

This is also an example of advocacy without inquiry. He misses a second opportunity to ask John if this approach sounds good to him. |
| 9. John: That's fine. I guess a good jumping off point would be to go into exactly what needs to be done to finish getting EDR installed. | John says he fine with his proposed way of proceeding, then proposes that they focus on developing a solution to the installation problem. |
| 10. David: OK, as I understand it, we've got to get an installation contractor involved, and we've got to get some estimates from them. But all our customers aren't going to want to use that contractor. In those cases, it's probably going to cost a lot more, because of union labor. So one of the issues, I think, is how are we going to handle that situation. What do you think we ought to do? | David describes what he sees as part of the installation problem they are facing. He does not ask John if he agrees with this problem definition.

He inquires about a solution to this part of the problem without advocating one.

He misses the opportunity to acknowledge his role in causing the installation problem. |
| 11. John: My feeling is that these are fairly technical things that have to be done, to go in and talk to those electricians, talk to our own contractor and the customers' electricians. And there's a need for a lot of technical assistance to do that. We don't have that technical capability within our group, number one. And number two, we just don't have the resources. At this time I am the only EDR resource on the product management side. | David has asked John how he thinks they should deal with the fact that some customers want to use more expensive contractors. But John shifts to the question of who within their own company is going to do what. He implicitly advocates that David's people must do the technical work and illustrates his rationale for this view. |



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Role Play (con't)

12. David: I hear you. But the people I've got on this are also overworked doing a lot of other things. You're probably right that they're the ones who are qualified to do this. But maybe we'd better look at what kind of impact that's going to have on the other stuff they're doing. We can't do everything at once. I can appreciate that you don't have anybody to do that, but, if my people have to do it, it's going to delay something else.

13. John: I think there are two issues as far as getting things done is concerned. One is who is capable of doing it. And my read – correct me if I'm wrong – is that only the people within your group can do what's needed. And secondly this relates an underlying issue. If people within your group do it, how do I control that situation? Or do I control that situation?

14. David: Well, I agree that's an underlying issue. I'm also saying that, if they do that, we'd better look at what else they can't or won't be able to do. And as far as control of the thing, that's something we've got to talk about; figure out how do you get the information that you need. I think we can deal with that by setting up what it is that they're going to do and some way to report that information to you, so you can factor it into what you're going to tell the customer.

Commentary (con't)

David shifts over to the issue John has raised. He agrees that his people are the only ones who can do the technical work required. Then he advocates putting this human resource question into the larger context of the full range of projects on which Jessica's people are working. However, he does not inquire about whether John is willing to look at the installation problem in this larger context.

Because he doesn't inquire, David doesn't find out whether or not John agrees to look at the EDR problem in a larger context. Instead, John pursues his own agenda, which is to clarify what kind of authority he has to go along with his budgetary responsibilities for installation costs. Meanwhile, John misses an opportunity to say that, by the way, this is a question he has about most of the projects he is working on. Nor does he question why he should have budgetary responsibility for something only the technical people can carry out.

David reiterates his advocacy that they look at the broader consequences of having his people implement a solution to the installation problem. But he misses the opportunity to get John's response, because, instead of stopping to inquire, he moves on to another topic. Here, he advocates a possible solution to John's control question. But he does not inquire about whether this proposal would, in fact, address John's concerns.

The role-play ended here, so that David could get a final round of feedback. Because of its “freshness,” the feedback received at this point can be extremely helpful. David received confirmation that his role-play was much more effective than his behavior in the original meeting. The conversation was much more collaborative and did a much better job in getting to the real issues. The discussion seemed to be headed toward solutions which both parties would understand and be committed to, and questions regarding implementation and monitoring of

solutions were beginning to be addressed. It became apparent later that his colleagues were impressed that this person, whom they had viewed as a primary obstacle to organizational effectiveness, was both willing and able to change his behavior in this manner.

On the other hand, some of his colleagues noted that they had at least temporarily dropped the question of how to deal with customers who would want the company to pay for their own expensive



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contractors. Opportunities to acknowledge David's role in creating the installation problem, to clarify structural ambiguities, and to discuss and move beyond their mutual distrust had so far been missed. Given the direction of the conversation, some wondered if these issues would ever be raised.

Further, because their advocacy positions on who should implement the installation solution were not made explicit, it was unclear whether or not they had actually agreed that David's people would do this work, as the following excerpt from the debrief of his role-play illustrates:

Bill: OK. Can I intervene here?

David: Sure.

Bill: David, you said something a few minutes ago [at 12] that sounded implicitly like you were agreeing that, yeah, you would use some of your people. But it wasn't clear to me whether you were actually saying that. The main thing I heard was, "If we do that, I want you to spend some time with me looking at what the impact is going to be on my people." OK? I don't think you responded to that issue, John. You came back and said, "There are two issues here. One of them is technical expertise and the other one is who's going to be in control." So, David, I don't think you were being very clear about what you were willing to give John. And, John, you weren't being that responsive to what David was saying he wanted from you. Does that seem accurate?

John: Yeah, I was a little confused. [To David]: I wasn't sure whether you had committed to use your technical people or not. Was this a situation where you've committed them, but I've got to understand the circumstances or effects of that commitment? Or was it a case of let's look at what the effects

are and then make a decision? That wasn't clear to me.

Bill: That's a place where you could have been more clear about your lack of clarity. You might have said to him then exactly what you're saying to him now.

John: Right.

David: Yeah, and I think I was ambiguous there. In fact, I wasn't ready to just say, "Let's do it that way."

The second half of the role-play, then, would have benefited both from more advocacy (each stating more clearly what was on their mind) and more inquiry (about what the other meant and about whether or not they had agreed on key points).

Differentiating between Problems and Solutions

David's role-play also illustrates the way in which managers who are learning Dialogue Skills often miss important opportunities to advance pivotal conversations. In trying to combine advocacy and inquiry, managers often jump from advocating about one topic and then inquiring about another. This was noted earlier at (2), and David does this again at (10). Often these jumps involve advocating a problem statement and the inquiring about possible solutions. When this happens, opportunities to discuss differing interpretations of the problem and its causes are lost, and the speaker fails to reveal his own advocacy position regarding the best solution.

Because these jumps occur frequently in pivotal conversations, it has been useful to help managers become more aware of when they are discussing problem statements and when they are discussing solution ideas. Problem statements are advocacy



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statements that try to define or analyze problems. They answer the question, “What is the current situation and what has caused it?” Problem statements include attempts to describe the concrete observations upon which problem statements are based, as well as attempts to make explicit the assumptions and criteria that lie behind a particular way of framing a problem.

Solution statements answer the question, “What should be done?” They advocate ways in which problems can be solved, as well as the rationales for particular solutions. Solution statements can include: advocating the outcome criteria that a good solution needs to meet and making explicit the assumptions involved in believing that a particular solution would work. You can illustrate a solution idea by predicting concretely observable outcomes and providing rationales for why those outcomes are likely to happen. For example, you may disagree with another person’s solution idea, because you think it would lead to negative outcomes the other person has not yet considered. In this situation, your illustration would be to describe, in concrete terms, what you think the negative outcomes would be and why you think they are likely to happen.

Pivotal conversations are full of explicit and implicit problem and solution statements. Mentally differentiating between problems and solutions can help make these conversations more effective. Managers often jump to advocacy of solution statements without checking to see if others agree that there is a problem and what the problem is. Remembering that every solution idea is based on a particular way of defining a problem can help a manager stop and develop a shared understanding of the problem before trying to nail down solutions. In general, when you are trying to do collaborative problem-solving, it is useful to be clear about when a prob-

lem is being discussed and when possible solutions are being discussed.

Novel Problem-Solving: Moving between Focal and Underlying Issues

As a final reflection on David’s case, let’s come back to the challenge of novel problem-solving. The installation problem is an example of a novel problem, that is, a problem for which there is no established, routine solution. This is why David and John had to stop and think through a solution in the first place. As with most novel problems, the “focal issue” (the installation problem) was surrounded by a larger set of underlying issues. On the one hand, these underlying issues were messy and complex, making the installation problem more difficult to solve. On the other hand, the fact that the installation issue was linked to these underlying issues presented David and John with a real opportunity. Because these issues were causing problems in the development and installation of many new products, addressing these issues would prevent many future problems and improve business results. This feature of David’s case is one that recurs regularly in pivotal conversations. The focus issue is almost always embedded in a set of broader, more long-term issues that also need to be addressed.

In these situations, managers attending Dialogue Workshops often discover that it helps at the beginning of a problem-solving discussion to state that they believe that the focal issue at hand is symptomatic of a broader set of issues they also want to address. Often these broader issues involve interpersonal, intergroup, or organizational problems. For example, a team may lack adequate leadership and guidance, clear goals, and well-defined roles. Or a team may not have adequate procedures for identifying and resolving conflicts or for monitoring the



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implementation of action plans. Groups that interface with one another horizontally or vertically may not have clear understandings about what information needs to flow between them. At another level, there are organizational issues that may involve strategy or the design of organizational structures and business processes.

Given these broader issues, one of the skills necessary for collaborative problem-solving becomes the ability to move clearly and fluidly with other managers through different issues at different “levels” of a problematic situation. In this way, managers can begin to address broader issues which previously have gone undiscussed. As the top management group learned, pivotal conversations that address underlying organizational issues can transform business results.

Subsequent Work on Organizational Issues

Through the Dialogue Workshop, the members of the top management group gained a heightened awareness of their habits of unilateral behavior, and they saw what these behaviors were costing them, both personally and in terms of business results. They also gained a healthy respect for the difficulty of interacting collaboratively in real time. They left the workshop with the realization that learning to solve problems collaboratively would be an ongoing learning process.

At the same time, they had learned new behaviors that they immediately began to apply to their work with each other and to their leadership of the groups that reported to them. They had experienced one another as more open and mutually helpful than they had previously, and they felt a greater sense of working together as a team. Because they had attended the workshop as an in-tact group,

they were able, in their own exploratory ways, to help one another after the workshop to experiment toward more effective action. For example, if a manager began to act unilaterally and this interfered with a productive conversation, the other managers were more likely to find constructive ways to confront this behavior and shift the conversation into a more collaborative mode.

Each management group member left the workshop with an individualized plan that included (1) one or two new behaviors he or she would work on over the coming month and (2) ways to build in continued support for this learning process. For example, in addition to pairing up to give each other on-going feedback, most of these managers chose to utilize executive coaching designed to help them apply new behaviors to current situations.

In the several months subsequent to the Dialogue Workshop, the management group held two facilitated workshops to address key organizational problems identified in the original diagnostic report. The first of these workshops focused on developing more collaborative interfaces between the company’s Business Lines. (The dilemma here was that, for good business reasons, these units needed to both compete and cooperate with each other. The competing part was working fine, but they had bogged down in their ability to cooperate in productive ways). One outcome of this workshop was an agreement about when and how Business Line Managers would share information that they wanted to do something that could create a competitive conflict with other Business Lines.

The second facilitated workshop focused on relationships between the Software Design and Software Sales and Installation sides of the company. This is when the top management group decided to establish a cross-functional team to jointly manage



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each of the company's four Business Lines. These teams would be composed of responsible managers from both the technical and the Business Line functions and would have responsibility for jointly planning, budgeting and monitoring the projects within each product line.

At the end of the President's subsequent memo to the top management group, outlining the charter of the teams, his role in interfacing with them, and the areas where they were to decide upon their own membership and functioning, he made the following statement:

I have attempted, in my best collaborative fashion, advocacy on the issues surrounding this change in structure. I am honestly open to influence on each and every point including the need for teams at all. I feel that they are a vehicle for improving the performance/efficiency of [the company], but I am open to other suggestions for accomplishing the same thing.

Because the new structure had already been developed through collaborative problem-solving, management group members were already quite committed to this solution. But the statement itself is reflective of the President's shift to a more collaborative way of working with the group, which was now on its way to becoming a true team.

David's Continued Learning Process

David was closely involved in the management group's deliberations about restructuring the interface between the two sides of the company. In fact, he took a major initiative in helping the group to define more clearly the roles and responsibilities of each hierarchical level in the division's strategic

planning and budgeting process, a clarification that proved essential in structuring the new cross-functional teams. He was also influential in the group's decision to allocate funds that would allow David and his group of Technical Managers to participate in their own Dialogue Workshop.

In his conversations about the workshop with his technical group, he worked hard to combine his advocacy position (that the group would benefit from interviews and a feedback meeting), with inquiry into the feelings of his direct reports and assurances that they would not be evaluated negatively if they chose not to do this work. After a good deal of discussion, the technical group decided to start as the management group had started, with a feedback report on the group's functioning, based on interviews of group members. After they had an opportunity to discuss the report, they would decide whether or not they wanted to do a Dialogue Workshop.

The report for the technical group contained a significant amount of feedback on David's behavior as group leader. Because he was the only person who could be specifically identified in the report, he was given an individual feedback meeting, where he had the option of censoring any of the feedback he did not feel ready to handle in front of the group. After this meeting, David released all his feedback for inclusion in the report we distributed to his group.

The feedback to David was divided into two kinds of perceptions: (1) that he was not taking sufficient leadership initiative in relation to his direct-reports, and (2) that he was not being sufficiently responsive to bottom-up communication. An outline of the feedback he received (illustrated in the report with concrete examples that maintained confidentiality) is provided below:



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1. Not taking sufficient leadership initiative

- Not communicating enough top-down information
- Not taking enough one-on-one initiative (e.g., to help direct reports define their roles)
- Not giving enough feedback and recognition
- “Inquiry without advocacy” used to try to foster participation

2. Insufficient responsiveness to bottom-up communication

- Responding “on the fly” to direct reports’ problem statements
- Low/uneven follow-through on problems brought by direct reports
- High percentage of “advocacy without inquiry” statements in one-on-one interactions
- Giving the impression that you are not open to being influenced by direct reports when their views differ from your own

At the technical group’s feedback meeting, they were able to elaborate on these points by providing additional concrete examples. During this meeting, David started reversing some of his low-responsiveness patterns by remaining open to this feedback, and, in most cases, acknowledging its validity. At the end of this meeting, the technical group decided to do its own Dialogue Workshop. David brought a new Learning Case to that workshop that centered on an interaction with one of his direct reports. In that workshop, he received further feedback that helped him to take an additional step in learning the competencies needed for collaborative problem-solving.

At this point, David had become one of the managers most committed to learning new behaviors. His relationships with the Business Line Managers, the President, and his subordinates began to improve. He began to transform his loose-knit

group of direct-reports into a technical management team with a growing capacity for joint problem-solving. Over the period that followed, others within the division began to see David as a more effective manager, and his sense of confidence increased as his action skills continued to develop. His wife told us that his relationships at home had improved as well.

The Transformation of Business Results

Each Business Line management group then decided to do its own Dialogue Workshop. At this point, over 40 of the company’s senior managers had received initial training in Dialogue Skills. Many were now working on new, more collaborative project management teams. The President and other members of the top management group continued to receive executive coaching on request. After about six months, another round of Dialogue Workshops were held. The workshops were used to boost the Dialogue Skills of those who had attended the initial workshops and to introduce new members of the company into its emerging collaborative culture.

Positive changes came immediately and built dramatically over time. The top management group overcame its chronic in-fighting and evolved into a highly cohesive leadership team, able to discuss and resolve difficult strategic and organizational issues. An extraordinary level of teamwork developed. When the company President later took a 3-month executive training sabbatical, the team was able to self-manage effectively in his absence.

Through the leadership team’s work, the company experienced a real turn-around. They developed a new organizational culture based on teamwork, communication, and mutual trust. Even people who



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had not attended the Pivotal Conversation workshops were behaving in new ways. As a result, both morale and business performance improved significantly. Not only were their new products being installed on time, the quality and innovativeness of these products had noticeably increased.

As the intensive phase of consulting concluded, the company President described this transformation as follows:

“We’ve now moved to a stage where collaboration has become a part of the company’s culture. The bottom line is that we’re now extremely profitable and we have more control over our own destiny. Communication and trust have increased dramatically within my team and the company as a whole. Employee morale has improved significantly. We have achieved a level of success that otherwise simply would not have been possible.”



Notes

- 1 Kaplan and Norton (1996).
- 2 McCaskey (1982:2).
- 3 This statement is based on research findings found in Argyris (1976, 1982), Argyris and Schon (1974, 1978), Jentz and Wofford (1979), Joiner (1983a), Joiner and Sales (1979a, 1979b), Sales (1984), and Torbert (1991).
- 4 This consulting project was carried out in partnership with Michael J. Sales of New Context Consulting. Certain superficial facts about this case have been changed to protect the identity of the client, but all substantive facts presented actually happened.
- 5 For more information about Pivotal Conversations see www.optfor.com.
- 6 Senge (1990); Senge, et al (1994); and Senge, et al (1999). This methodology was created by Chris Argyris and Donald Schon (1974). We have reversed their original left-hand-side and right-hand-side designations, because clients have found cases easier to read this way.
- 7 In the Dialogue Skills framework, advocacy, inquiry, illustration, public testing, and private testing are drawn from the work of Argyris and Schon (1974 and 1978). Framing is drawn primarily from work of Donald Schon (1984). Also see Schon and Rein (1995). These four “parts of speech” (advocacy, inquiry, framing, and illustration) as William R. Torbert (Fisher, Rooke, and Torbert, 2000) has recently termed them, were first highlighted as the central elements in Dialogue Skills by Joiner (1983b and 1988).

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