

Become a conversational leader

Dik Veenman shares with Alan Hosking his views on the rise of “conversational leadership”.



PROFILE

Dik Veenman has an MBA from London Business School and a degree in Chemical Engineering from Imperial College. He is the founder of UK-based The Right Conversation, a team of experienced consultants, trainers and researchers with backgrounds in psychology, communication, change management and management development. Dik has 20 years' experience as a communication consultant, including MD of pioneering internal communication agency Smythe Dorward Lambert in the 1990s. He is a qualified Executive Coach and has extensive experience of enabling conversations at all levels for a wide range of organisations in many different geographies. In his spare time he mentors troubled teenagers.

What is conversational leadership?

In an interview with the Financial Times a few months ago Allan Clarke the new CEO of SABMiller described his leadership style as encouraging discussion. This is not a young Silicon Valley outfit, where you might expect to see an informal and personal leadership style, but the world's second largest brewer, with a turnover in excess of \$22bn a year. Clarke is one of a growing group of business

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leaders who see conversation and dialogue as being at the heart of their leadership style.

In recent research published in the *Harvard Business Review* – entitled *Leadership Is A Conversation* – participants from more than 100 companies talked about their efforts to ‘have a conversation’ with their people or to ‘advance the conversation’ in their organisation. These conversations are much more interactive, informal and personal than traditional corporate

communication, where the top determines and distributes content, and where leaders talk rather than listen. They conclude that this style is the key to improving employee engagement in ‘today’s flatter and more networked organisations’.

But while the personal style of executives is important, in large organisations people at the top can obviously only have real conversations with a limited number of employees. So conversational leadership depends less on the heroic actions of a few individuals at the top, and more on collaborative leadership practices distributed throughout an organisation.

What has contributed to the birth of this style of leadership?

Many people see the shift to conversational leadership as essential and inevitable – it’s just the way that the world’s gone. Or, as Alan Webber, founder of Fast Company, put it: “In the knowledge economy conversations are the most important work”.

In a modern networked organisation, centralised command and control management is high cost, slow and uncompetitive. It simply does not work in organisations that depend on employees to use their initiative and provide high quality service.

Furthermore, it’s out of touch with broader social change. Deference has been replaced by reference, so that rather than taking the word of a leader, we are more likely to make our minds up talking with peers or looking on-line.

Employees are better educated, better informed, and they expect to be heard. Gary Hamel says, “The open and meritocratic architecture of the internet that allows us to express opinions, expose misdeeds and build on-line communities, makes us less tolerant of the closed, top down power structures we experience in the off-line world”.

We see these trends in all walks of life – even in the macho world of football management, as noted by Arsene Wenger, manager of Arsenal Football Club. When asked how his role has changed over the years, he responded, “You have to explain things to the people you manage – people are better informed, better educated and want to know more. You are still the boss, and it is you who makes the decisions, but you have to explain things much better than you did 20 or 30 years ago. It is the way in which society has moved.”

Finally, the risks caused by remote and autocratic leadership were thrust into the political spotlight by the financial crisis of 2008. Fred Goodwin, described as a ‘dominant CEO’ by the FSA, ‘intimidated’

colleagues at RBS to the extent that his morning management meetings were known as morning beatings. His counterpart at Lehman Brothers, Dick Fuld, arranged his schedule so that he never met an employee without a formal appointment. These were not leaders who welcomed challenge or debate.

In his memoir, Alistair Darling, former Chancellor of the Exchequer, blamed the crash on the lack of effective challenge at every level in these banks.

Goodwin and Fuld were only two examples from a large cast of ‘superstar CEOs’ who led their companies through aggressive, debt-fuelled expansion during the boom years. They were feted and billed as ‘visionary leaders’ by *Forbes* magazine, and then they were reduced from heroes to zeros by the crash. Since the crash people have been demanding that leaders develop corporate cultures that are more open, inclusive and accountable, paving the way for a more conversational style.

Why are we not seeing more of this style of leadership?

All the evidence suggests that conversational leadership has been much more widely accepted in principle than it has been adopted in practice.

All the research tells the same story – trust and employee engagement are bouncing along the bottom at all-time lows. Employee expectations have risen, but outdated management practices and mind-sets persist like echoes from a bygone age.

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The first barrier to conversational leadership, therefore, is persisting with the wrong kind of communication. Many leaders believe that they already have it covered off because of the time

and money they already invest in employee communication. Ironically, research by the CIPD into low levels of trust in the workplace shows that this is frequently counter-productive.

The research found that employees trust leaders who are 'personal, human and relational', but the communication they mostly experience is stage-managed, impersonal and remote.

The standard model of corporate communication is still top down – leaders literally talk down to employees. The top of the organisation determines content and distributes information. Corporate communicators and many leaders see their role as promoting and defending the organisation. This leaves little role for listening or discussion. The required response is to agree. In this model, leaders talk rather than listen. Followers listen rather than talk. There is a vast amount of communication, but little genuine debate or challenge.

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The second barrier is providing answers, not asking questions. The fundamental change introduced by conversational leadership centres on asking and answering questions.

To engage, leaders need to ask questions – open questions, not the kind of tick box questions that feature in employee surveys. They need to draw people out, listen to them, at whatever level they work, and speak with them directly and authentically. In particular, they need to engage constructively with people who might disagree with them.

This replaces the simplicity of monologue with the unpredictable vitality of dialogue – it is open and fluid rather than closed and directive. In our experience this is difficult for many leaders. One survey respondent said: "Our managers dread being asked a question they can't answer. They are afraid it might 'undermine their authority'. Before they speak they want a PowerPoint, a script and a detailed Q&A."

In turn, employees know that the opportunities they are given to ask questions are not authentic – so they keep quiet.

In too many organisations employees do not make suggestions, because they do not think it will make any difference, or because they are afraid of being branded as troublemakers. The end product is organisational silence.

Then third barrier is blaming the culture. The problem is not just about the hierarchy. Many people describe it simply as 'the culture' – and dialogue is often a cultural blind spot.

As human beings, we are cautious about engaging. When conversation breaks down, it often ends in 'silence or violence', as people withdraw or attack – and it is a basic human trait to avoid conflict. In teams, people want to be seen as 'team players', so they often conform to the majority view. This means that many meetings and conversations become comfortable rituals rather than rigorous or challenging, and teams slip into uncritical 'Groupthink'.

Effective leaders spot these rituals and find ways to make communication more authentic and challenging. Many people tell us that their managers are too 'polite' to challenge or disagree with colleagues. The organisational culture is geared to avoid conflict, maintaining a cosmetic consensus and speaking with a single voice – even if this is at the expense of authentic conversation.

Leaders who suppress communication to try and avoid conflict and maintain control are not limited to the corporate world. Alistair Darling described cabinet meetings in the last Labour administration as simply a reporting back of the latest development.

This 'fear of rows' caused growing dissatisfaction among ministers who felt excluded and unable to explain or defend policy that they had not been involved in creating. Ultimately, the approach led to the widespread perception of 'government by diktat'.

One final barrier is avoiding difficult conversations. One of the most pervasive rituals to scar corporate life is the annual performance review. It should be an opportunity for boss and report to have an honest conversation, but almost everywhere managers who want to avoid difficult conversations hide behind a tick box process, and both sides play the game.

The Stanford academic, Robert Sutton jokes that: "If performance review (as usually done) was a drug, it wouldn't be approved by the Federal Food and Drug Administration because it's so ineffective and it's got such vile side effects."

But it does not need to be this way. In 2012, leaders at Adobe, the technology firm, scrapped their annual performance reviews. Managers are now expected to have regular 'check ins' – conversations

with employees to give them coaching and help with their growth and development programmes. These conversations have no prescribed format or frequency and managers do not complete any forms to document what happens – they just talk. As part of the roll out, managers were trained in the nuances of giving and receiving feedback and dealing with difficult conversations.

Adobe was spurred into action because the annual performance review system was 'such a soulless and soul-crushing exercise'. Internal surveys at the company revealed that 'employees felt less inspired and motivated afterwards, and staff turnover increased.'

In addition to the demotivating effect of the system, Adobe calculated that the annual review required 80,000 hours from the company's 2,000 managers – the equivalent of 40 full-time employees per year.

Lack of time is a common reason why many people say that a conversational approach would be impossible where they work – but, as Adobe shows, the amount of time being wasted by poor communication rituals is enormous – and ineffective performance management is usually just the tip of an iceberg.

What advantages do conversational leaders have?

Conversational leaders have personal skills to engage others with confidence – like drawing people out and managing conflict constructively.

They also identify and change practices that inhibit engagement – like performance management, lack of diversity and divisive reward systems. They aim to create an environment that fosters greater collaboration, openness and engagement.

People are naturally cautious about engaging in open conversation, but they also want to be heard, they want to share and compare ideas with other people – they are social animals. Just look at the success of social media or at groupware projects like Mozilla where there are no organisational barriers and people collaborate because it's something they are passionate about.

When people are working towards a shared purpose, and they are confident that their views will be welcomed, they talk.

Any last thoughts?

Conversation requires trust, but also, it builds trust. Effective leaders recognise this and manufacture conversations to break the ice and shift the culture. The right conversation serves as a catalyst for truly far reaching change. The Millennials entering the workforce will settle for nothing less. It's up to leaders to take a deep breath, and set the process in motion. ■