

Jomer & Co

The power of dialogue in closing the strategy-to-execution gap

Most organizations have built-in conflicts, and since organizations are living human systems there will always be differences in views and interests. In organizations, people are interdependent and should have the ambition to work for the greater good regarding purpose and meaning. For this to happen, it is essential to think in terms of the entire organization, not just parts of it. Instead of optimizing solutions for their own unit, managers need to look for solutions that are optimized for the whole organization, its customers and stakeholders. Therefore, a sensible and smart way to resolve differences and clashes of interests, whether between business areas, departments or individuals, is through dialogue.

When executing strategy, promotion of a dialogue culture is essential for the quality of direction, learning and implementation. Most executives think they know how to develop leadership at the top levels of the hierarchy. But often, they fail when developing the depth and breadth of unified leadership throughout the organization. A reason for this, resulting in failure to close the strategy-to-execution gap, is the ambivalence or outright resistance that arises due to lack of dialogue with the people charged with implementing the strategic direction.

Most corporations and governmental organizations operate in a contemporary context that is complex and highly description intensive. The meaning of words is too often left to independently airy-fairy interpretations, resulting in misunderstanding, confusion and lack of focus. In the new knowledge-based and networked economy, the ability to talk and think together is vital for organizational effectiveness and competitive advantage, since people create, refine, and share knowledge through conversations. However, when conversations turn into hard discussions, people tend to hold on to and defend their own views. In practice, such discussions often turn into rigid debates with positions to agree with or disprove. Polarized arguments, people withholding vital information, and shut down of creative options are not to the benefit of making progress along the chosen strategic direction.

Any significant strategic and organizational endeavor requires people at some stage to sit down together and talk. Nothing can substitute for such interpersonal contacts. Unfortunately, much of the talk in the context of debates merely reinforces the problems that need to be solved. In order to close the strategy-to-execution gap, a dialogue approach to discussions is needed, enabling leaders to bring out people's untapped wisdom and collective insights. *What do leaders in the forefront do to create an organization of bolder and more powerful leaders, from top to bottom?*

The concept of dialogue

Too many people attend meetings with a preconception what others will say and they unconsciously rehearse the discussion before the meeting begins. Little creativity comes

out from such meetings. The essence of dialogue¹ is an enquiry that surfaces ideas, perceptions, and understanding that people do not already have. People have a dialogue when they explore uncertainties and questions that no one has answers to. In this way they begin to think together and not simply repeating old thoughts. In a dialogue, people use the energy of their differences to enhance their collective wisdom, i.e. the clash of opinions will illuminate productive pathways for insight and action. Simply put, a dialogue is a way for people to enquire and thus find ways to jointly explore and understand why they feel, think, speak, and act the way they do. Listening² to the thoughts and feelings within themselves and others, which are stimulated and provoked by the dialogue, is the starting point. It is a way to collectively observe how hidden values and intentions control behaviors, and how unnoticed viewpoints may clash without understanding why. In this type of exploratory conversation, collective learning flourishes and creativity arises between the participants.

Dialogue is useful in some situations, but not in all. For instance, dialogue may be a potent catalyst for enabling leaders to create a winning strategy, or integrating large amounts of complex information into a coherent picture of the organization's current position in relation to its wanted position. It can help leaders face and make tough strategic choices, help down-the-line management and other employees come to terms with uncertainties and find trust in and enhance the strategic direction. Dialogues are less helpful when solving operational well-understood problems. A real dialogue is one that helps people gain further understanding. At the executive and managerial levels, work is almost always a dialogue in one form or another.

At its best, dialogue is an equal opportunity endeavor. It enables people to share ownership of the substance of their conversation. As a consequence, they can put their own ideas, their hearts and souls into the conversational arena. Organizational conversation, by the same token, calls on employees to participate in generating the content that makes up an organization's strategic direction. Inclusive leaders raise the level of emotional engagement, which employees bring to the organization's purpose and meaning, and try to turn them into conversation partners.

A dialogue, by definition, involves an exchange of comments and questions between two or more people. Obviously, the sound of one person talking is not a dialogue. The same applies to organizational conversation, i.e. leaders should talk *with* employees and not just *to* them. This interactivity sets the stage for an open dialogue, fluid and with unpredictable vitality, rather than a closed and directive monolog. Today, social media gives leaders and their employees the ability to invest in an effective organizational setting with the style and spirit of a dialogue.

When people are in a fruitful dialogue, they are creating rather than just talking or debating. A good dialogue enables people to create insights beyond what they can produce individually. It opens a window to a flow of thinking, which moves progress more gently. Such a rhythm of thinking connects people to insights and sources of deeper creativity. It emerges from being grounded and is open to new information,

¹ Inspired by the thinking of Isaacs.

² Inspired by the thinking of Bohm.

knowledge, understanding and compassion. In dialogue³, a group of people can explore individual and collective presumptions, ideas, beliefs, and feelings, which subtly control their interactions, and a new level of action emerges. Ultimately, dialogue lets people go beyond collaboration to shared understanding of what joint creation really means. However, this requires that participants are secure, have trust in their relationships and take each other's point of views seriously. When this is in place, a candid, honest and genuine behavior can flourish. By doing this, deeply entrenched issues between different sub-groups can be solved, issues which otherwise would persist to the detriment of the whole. Hence, it is beneficial to structure meetings in ways of inducing free and open dialogues around questions of common importance. Especially in terms of defining and executing strategy, listening with an open mind and encouraging relationship building to enhance the quality of the direction, learning and implementation.

The art of balancing a dialogue

By gathering the “system”, i.e. the key people in a single room for an honest dialogue regarding e.g. the value chain or a process, the leader should strive to balance the conversation in order to promote learning. In any conversation⁴, participants take different roles. Some people offer direction and initiate ideas, while others complete what is said and support what is happening. Some people challenge what is being said and others provide perspective on what is being said. When necessary, a leader must balance all four of these roles and look for ways to maintain the balance in people's interactions, e.g. strengthening opposing arguments to what is heard and discussed or reinforce bystanders to take more active part in the dialogue.

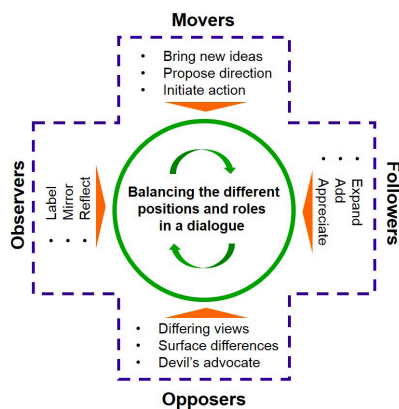


Figure 1. Balancing advocacy with enquiry in a dialogue

With the ambition to differentiate and integrate differences in viewpoints, the leader needs to pay attention to what is missing in the conversation and encourage others to contribute with the missing parts. Note that none of these roles is better or worse than the others. They are all part of a dynamic conversation and must be regarded for an honest dialogue to function properly. When the conversation is moving away from dialogue into a debate, people generally get stuck in one of the four roles. By balancing advocacy with enquiry and promoting learning, the conversation can be brought back to dialogue mode. See fig. 1.

An atmosphere of respect encourages people to look for the sense in what others are saying and thinking. An open mind to new thoughts, impulses and judgments lies at the very heart of dialogue. By definition, a dialogue must be a two-way or a multi-directional communication where those involved do not try to limit neither their own nor each other's understanding or options. This requires a level of fellowship. Another precondition for an honest dialogue is the belief that shared exploration toward a benefit can occur. In a dialogue, different people often realize that they have been thinking of the same thing, and they get struck when they hear thoughts similar to their

³ Inspired by the thinking of Garrett.

⁴ Inspired by the thinking of Kantor.

own being articulated by others. When this occurs and there is a clear purpose in place, formal decisions are often not needed, since the way forward is obvious to everyone.

Organizational dialogue

To enhance an organization's capability to define the strategic direction and execute it, leaders need to view the organization as a living human system capable of renewal. The key dimensions for defining and executing a strategic direction are quality of direction, quality of learning and quality of implementation.

A systemic organizational dialogue should be open but not aimless to be truly rich and rewarding. Participants should have a feeling for what they hope to achieve. To strengthen the quality and the organization's decisiveness in the above key dimensions, leaders need to firstly establish social operating mechanisms and secondly use them in honest ways. See fig. 2. Tightly linked and consistently practiced, these mechanisms establish clear lines of accountability for reaching decisions and executing them. Systemic organizational dialogues encourage creativity and decisiveness and bring coherence to seemingly fragmented and unrelated ideas. They allow tensions to surface

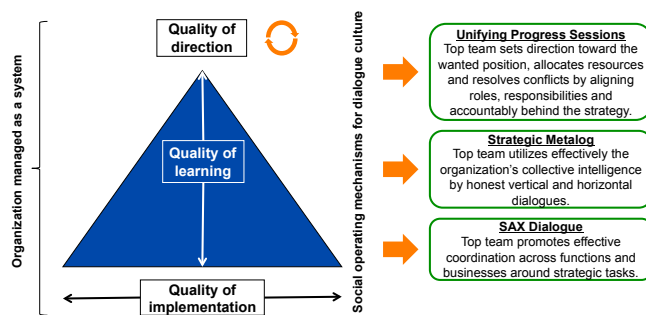


Figure 2. System-based leadership and social operating mechanisms for dialogue culture

and resolve them by fully airing relevant viewpoints. When a dialogue is systemic and has been institutionalized, it improves the capability to explore, to connect vertically and horizontally, to make execution happen, and to learn and grow together. A good dialogue affects people's attitudes and behaviors, and helps them know where to look for opportunities and how to act decisively with accountability.

Engaging the organization in a systemic dialogue in the context of quality of direction, quality of learning and quality of implementation develops elasticity for agility. Naturally, there are many forms of dialogues that are useful for accessing knowledge and understanding, settling disputes, making decisions or learning and growing together. Leaders can create a culture of decisive behavior through appropriate designed social operating mechanisms, with clear follow-through of the outcome. Follow-through is a vital step in creating a decisive culture and for redirecting the behaviors of those who are blocking the organization to progress.

The setting in which a systemic organizational dialogue occurs is as important as the dialogue itself. Social operating mechanisms feature behaviors marked by four characteristics⁵, openness, candor, informality, and closure. Openness means that the outcome is not predetermined, and there is an honest search for alternatives and new discoveries. Candor means a willingness to speak the unspeakable, to expose unfulfilled commitments, to air the conflicts that undermine apparent consensus. Candor also means that people express their real opinions, not what they think team players are

⁵ Inspired by the thinking of Charan.

supposed to say. Formality suppresses candor, while informality encourages it. Prearranged presentations may signal that the whole conversation has been scripted and orchestrated. Informality has the opposite effect, since people feel more comfortable asking questions spontaneously. Closure means that at the end of the dialogue, people know exactly what they are expected to do. Closure produces decisiveness by assigning accountability and deadlines to people in an open forum. Lack of closure is the primary reason for a culture of indecision and lack of progress along the chosen strategic direction.

The social operating mechanism for quality of direction

A proven social operating mechanism for developing and enhancing the quality of direction is Unifying Progress Sessions. This format is a powerful steering mechanism for the top team to integrate and steer the organization, especially when silos must be removed to achieve the objectives. Unifying Progress Sessions are equally useful on other organizational management levels, where joint decision-making is required to ensure that the what, how, when and who are in sync with the speed and nature of change. A Unifying Progress Session is not just another meeting, which focuses on unit results from the last period. It is rather the opposite. It is based on the promise that information is transparent to everyone in the leadership team in order to form a common fact-based view of the total picture. This helps opening up the minds and supports the individual leadership team member to be more willing and better equipped to spontaneously make trade-offs and adjustments when needed.

Unifying Progress Sessions include all critical people who are dependent on each other, meaning that their goals, priorities, information and outputs affect and are affected by each other's. Hence, the leadership team must focus on identifying the root causes of the problems and support the people working to solve them. It only takes a few rounds of practice for team members to spontaneously help each other. This is the first indication that the rigidity of silos is being broken and the organization is becoming more agile. When people enhance their skills in working as a true team to identify opportunities and solve problems, they will be able to form a common view of the total picture, thus giving them a foundation to adjust their individual priorities, resources, budgets, etc. for the greater good.

Unifying Progress Sessions create positive change and target alignment. It is a form of executive crowdsourcing that, to be successful, demands transparency, humility and an open mind to ideas from other people. Transparency, humility and an open mind open up for a free flow of concerns, opportunities, and needed actions, which lead to an enhanced execution of the strategic direction, as well as alignment and support from all participants. Hence, decisions are made, bottlenecks removed, people are energized and the organization produces results.

Successful Unifying Progress Sessions comprise of two dimensions of learning, called convergent and divergent learning. Convergent learning is about learning from each other to jointly understand the current position, including opportunities, dependencies, problems and barriers, i.e. why things happen, why decisions lead to specific outcomes and why we are where we are. Here, the important questions are: *What did we set out to do? What did actually happen? Why did it happen? What are we going to do next time?*

The second dimension is divergent learning, which is about exploring opportunities to reach the wanted position. Here, utilizing diversity and the wisdom of the crowd is essential, since divergent learning is not simply about correcting mistakes and solving problems, it is also about crafting novel approaches. People should be encouraged to take calculated risks and explore the untested and unknown with a mindset of failing fast. Learning from experience helps combine failed execution attempts to form new ways of making execution work.

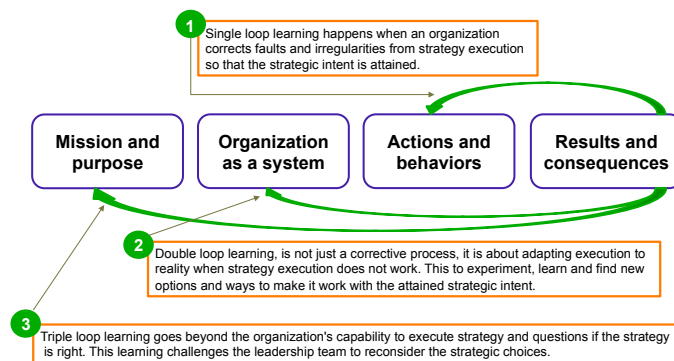


Figure 3. Three levels of learning from strategy execution in the context of organizational learning

There are three levels of organizational learning. See fig. 3. In the context of defining and executing a strategic direction, organizational learning is really a process about things that work and things that do not work. It is strongly influenced by the behaviors of the top team. When leaders actively listen to employees, distinguish between opinions, integrate them and thereby prompting dialogue, people feel encouraged to try new ways of

finding solutions and thereby improving their learning. However, organizations are not monolithic, therefore leaders need to be sensitive to differences among departmental processes and behaviors as they strive to build learning organizations.

The social operating mechanism for quality of learning

Learning occurs when people become aware of opposing outlooks and ideas. Recognizing the value of alternative views increases energy, motivation and sparks fresh thinking. A proven way to help people understand the strategic direction is letting them take part in creating it. The social operating mechanism for developing and enhancing the quality of learning vertically in the organization is the Strategic Metalog, which utilizes the organization's collective wisdom through an honest dialogue. By doing this openly, the leadership team challenges its own thinking in search of improvement.

A Strategic Metalog is a bulletproof format, where everyone feels secure to tell the truth without being punished. Bad news from the Strategic Metalog should be regarded as good news by the leadership team, since they then are able to take measures and act to put things right. When this happens, people begin to trust senior management, and by being meaningfully involved in the strategic direction work, they also start to feel committed.

By using the Strategic Metalog format, the leadership team fosters an open dialogue and listens with an open mind. They engage in a dialogue that moves away from linear and deterministic thinking to boost the odds of gaining new insights. To do this, they welcome diversity of opinions. However, they are also clear on how and when to align divergent opinions by articulating assumptions and explaining the logic behind the

strategic direction instead of defending conclusions and presenting arguments. Consequently, they increase the level of trust.

The social operating mechanisms for quality of implementation

In addition to ensuring an honest dialogue in terms of quality of direction and quality of learning, leaders also need to set the stage for a social operating mechanism for quality of implementation. Implementing a strategic direction is not easy, since people with different emotions and habits, beliefs and expectations realize it. Hence, they all need to be in sync with the strategic direction, and without a meaningful heartfelt participation, people will not take responsibility for making it happen. We have too often seen progress being held back by people's habitual ways of thinking and behaving, and by the way they perceive themselves, their role, responsibility and relationship to the strategy and its implementation.

Since all big endeavors are made up of a series of small steps, each employee will throughout each day at work make many conscious and unconscious decisions contributing to the implementation of the strategic direction. The organization's spirit is the premier driver of all behavior. Minds lead behaviors and without tapping into the defaults of the organizational behavior, people will remain the same. Thus, efforts to change will fail if the spirit is not aligned behind the strategic direction.

A proven social operating mechanism for developing and enhancing the quality of implementation is the Strategic Alignment through X-functional Dialogue, SAX Dialogue. Participating in SAX Dialogues, down the line managers improve their understanding of the strategic direction by learning from peers' views and experiences. SAX Dialogues need to be facilitated and conducted in a forceful way to strengthen the collegial forms of collaboration across the organization in terms of sharing constructive solutions for implementing the strategy and other change initiatives.

Unfortunately, the often too rigid hierarchical structures and processes designed to help the organization function smoothly wind up creating obstacles for collaboration. Continuous resource constraints often lead to hoarding resources. The more successful, powerful and autonomous departments are, the more of a problem this becomes. Now and then, leaders need to take the middle managers' perspective on the organization, looking for signs of confusion created by multiple executives championing their own independent initiatives in different parts of the organization.

Middle managers deal with demanding and complex responsibilities when implementing the strategic direction, since they have to concurrently guide their co-workers during execution, while keeping the business running. Being on an arm length distance from the frontline work, but still feeling the pulse of operations, enables them to see the big picture with its possibilities and obstacles. Therefore, middle managers are in a vital position to conceive and suggest practical ways to set the strategy in motion.

A cadre of middle managers is also more diverse than their executive counterparts with regard to functional experience, gender, ethnic background, and such. Hence, their insights become more diverse, giving them a fertile ground for creative and practical

ideas on how to make execution work. Do not get trapped by the sweeping view that a middle manager is a person who defends status quo. Energy and ideas are constantly being exchanged within and throughout an organization. If senior executives dismiss the important roles middle managers play in strategy implementation, they will also decrease their chances of success.

Leadership evolution

Strategy creation and implementation is a notorious and perennial challenge. Leading organizations look beyond lines and boxes to the mechanics of how strategy creation and implementation get done to make sure that everyone has a good idea of the decisions and actions for which he or she is responsible and accountable for. They allow information to flow freely across organizational boundaries to oppose silo formations and ensure that people have the information they need to understand the bottom-line impact of their day-to-day choices. Leadership teams in these organizations are occupied with the questions:

- What is the environment in which our organization must compete and win?
- What are those few things our organization must do outstandingly well to win and keep on winning in this environment?
- How shall we mobilize our organization to implement these things faster and better than our competitors?

These executives have clarified the actual meaning of the strategy, the key priorities and the execution by having spent significant amount of time on systemic, open, honest, fact-based and decisive dialogues with lower levels in their organisations. They have used social operating mechanisms for securing the three key dimensions, quality of direction, quality of learning and quality of implementation along the execution of the strategic direction. In addition, they have constructively dissolved conflicts of interest and conflicts of resources by turning poor coordination into teamwork by realigning roles, responsibilities and accountabilities behind the strategic direction and the speed of implementation. These leaders have set the tone for the entire organisation by promoting a culture of dialogue in which people gather to explore the three quality dimensions. In a culture of dialogue, people contribute jointly, building healthy relationships with each other, thus enabling them to co-create solutions and actions to win.

How can we help?

It is impossible to eliminate risks from strategic thinking. However, we argue that it is possible for organizations to significantly improve their chances of success when it comes to strategy creation and implementation if they establish a culture of dialogue in using the described three social operating mechanisms. The secret to successful strategy creation and implementation is actually quite simple. Leadership teams, executives and managers need to focus on a few things to differentiate themselves from their competition. By applying social operating mechanisms in an honest and open way, the quality and decisiveness in the three quality dimensions along the strategic direction can be substantially improved.

Jomer & Co has long experience and knowledge of helping leadership teams and executives in creating and implementing strategy. Our support is always bespoke and there are several possible entry points to a successful collaboration, for example:

- Facilitating Unifying Progress Sessions to improve teamwork and agility is a proven way to improve the leadership team's skills to identify opportunities, solve problems and make necessary adjustments to their individual priorities and resource allocations in order to reach the wanted position.
- Facilitating a Strategic Metalog, to help senior management establish the right conditions for an honest dialogue regarding the strategy direction, is an effective way to listen to the organization's honest opinion in a structured and anonymous way.
- Facilitating SAX Dialogues, which strengthen the collegial forms of collaboration by sharing constructive solutions for implementing strategy and change, is an efficient way to increase speed and quality of the implementation.
- Engaging in Strategic Coaching of senior managers' strategic challenges supports and assists them individually in their ongoing strategy development and implementation work.
- Conducting a Review of the Strategic Direction, to analyze and balance the organization's alignment behind the strategy and thus making the strategy more operational, provides insights to the effectiveness of the company's business plan as well as guidelines for increasing strategic and operational effectiveness.

Jomer & Co

We help clients close the strategy-to-execution gap by creating and implementing winning strategies.

Jomer & Co is a boutique advisory firm, focusing on strategy creation and implementation. Our focus on employing professionals with extensive experience provides us with the executive resources of a larger organization while still being flexible and responsive in the relation to our clients' challenges.

We are devoted to knowledge and situational insight and are aligned to the shift in demand for management consulting services by its way of leveraging knowledge, experience and giving advice. Our experienced Consulting Associates work closely with clients throughout the stages of strategy creation and implementation.

For contact and more information, please email info@jomer.se.