

Harvard Business Review



JUNE 2012

REPRINT R1206D

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Spotlight

ARTWORK Adam Ekberg
Arrangement #1, 2009
Ink-jet print

Leadership Is a Conversation

How to improve employee engagement and alignment in today's flatter, more networked organizations

by Boris Groysberg and Michael Slind





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The command-and-control approach to management has in recent years become less and less viable. Globalization, new technologies, and changes in how companies create value and interact with customers have sharply reduced the efficacy of a purely directive, top-down model of leadership. What will take the place of that model? Part of the answer lies in how leaders manage communication within their organizations—that is, how they handle the flow of information to, from, and among their employees. Traditional corporate communication must give way to a process that is more dynamic and more sophisticated. Most important, that process must be *conversational*.

We arrived at that conclusion while conducting a recent research project that focused on the state of organizational communication in the 21st century. Over more than two years we interviewed professional communicators as well as top leaders

at a variety of organizations—large and small, blue chip and start-up, for-profit and nonprofit, U.S. and international. To date we have spoken with nearly 150 people at more than 100 companies. Both implicitly and explicitly, participants in our research mentioned their efforts to “have a conversation” with their people or their ambition to “advance the conversation” within their companies. Building upon the insights and examples gleaned from this research, we have developed a model of leadership that we call “organizational conversation.”

Smart leaders today, we have found, engage with employees in a way that resembles an ordinary person-to-person conversation more than it does a series of commands from on high. Furthermore, they initiate practices and foster cultural norms that instill a conversational sensibility throughout their organizations. Chief among the benefits of this approach is that it allows a large or growing company to function like a small one. By talking with employees, rather than simply issuing orders, leaders can retain

larly, requires leaders to minimize the distances—institutional, attitudinal, and sometimes spatial—that typically separate them from their employees. Where conversational intimacy prevails, those with decision-making authority seek and earn the trust (and hence the careful attention) of those who work under that authority. They do so by cultivating the art of listening to people at all levels of the organization and by learning to speak with employees directly and authentically. Physical proximity between leaders and employees isn’t always feasible. Nor is it essential. What is essential is mental or emotional proximity. Conversationally adept leaders step down from their corporate perches and then step up to the challenge of communicating personally and transparently with their people.

This intimacy distinguishes organizational conversation from long-standard forms of corporate communication. It shifts the focus from a top-down distribution of information to a bottom-up exchange of ideas. It’s less corporate in tone and more casual.

Physical proximity between leaders and employees isn’t always feasible. But mental or emotional proximity is essential.

or recapture some of the qualities—operational flexibility, high levels of employee engagement, tight strategic alignment—that enable start-ups to outperform better-established rivals.

In developing our model, we have identified four elements of organizational conversation that reflect the essential attributes of interpersonal conversation: intimacy, interactivity, inclusion, and intentionality. Leaders who power their organizations through conversation-based practices need not (so to speak) dot all four of these i’s. However, as we’ve discovered in our research, these elements tend to reinforce one another. In the end, they coalesce to form a single integrated process.

Intimacy: Getting Close

Personal conversation flourishes to the degree that the participants stay close to each other, figuratively as well as literally. Organizational conversation, simi-

And it’s less about issuing and taking orders than about asking and answering questions.

Conversational intimacy can become manifest in various ways—among them gaining trust, listening well, and getting personal.

Gaining trust. Where there is no trust, there can be no intimacy. For all practical purposes, the reverse is true as well. No one will dive into a heartfelt exchange of views with someone who seems to have a hidden agenda or a hostile manner, and any discussion that does unfold between two people will be rewarding and substantive only to the extent that each person can take the other at face value.

But trust is hard to achieve. In organizations it has become especially difficult for employees to put trust in their leaders, who will earn it only if they are authentic and straightforward. That may mean addressing topics that feel off-limits, such as sensitive financial data.

Idea in Brief

One-way, top-down communication between leaders and their employees is no longer useful or even realistic.

Today's leaders achieve far more engagement and credibility when they take part in genuine conversation with the people who work for and with them. A conversation is a frank exchange of ideas and information with an implicit or explicit agenda.

Corporate conversation reflects a new reality: Thanks in part to digital and social technologies, employees have found a public voice. They'll use it whether their bosses like it or not.

The good news for leaders is that people can talk up a company in a way that's more interesting and attractive than any obvious public relations campaign.

Athenahealth, a medical-records technology provider, has gone as far as to treat every last one of its employees as an "insider" under the strict legal meaning of the term. Insiders are defined as employees entrusted with strategic and financial information that could materially affect the company's business prospects and hence its stock price—a status typically accorded only to top-tier officers. Opening the books to such a degree was a risky move, discouraged by the company's underwriters and frowned upon by the SEC. But Athenahealth's leaders wanted employees to become insiders in more than just the regulatory sense; they wanted them to be thoroughly involved in the business.

Listening well. Leaders who take organizational conversation seriously know when to stop talking and start listening. Few behaviors enhance conversational intimacy as much as attending to what people say. True attentiveness signals respect for people of all ranks and roles, a sense of curiosity, and even a degree of humility.

Duke Energy's president and CEO, James E. Rogers, instituted a series of what he called "listening sessions" when he was the CEO and chairman of Cinergy (which later merged with Duke). Meeting with groups of 90 to 100 managers in three-hour sessions, he invited participants to raise any pressing issues. Through these discussions he gleaned information that might otherwise have escaped his attention. At one session, for example, he heard from a group of supervisors about a problem related to uneven compensation. "You know how long it would have taken for that to bubble up in the organization?" he asks. Having heard directly from those affected by the problem, he could instruct his HR department to find a solution right away.

Getting personal. Rogers not only invited people to raise concerns about the company but also solicited feedback on his own performance. He asked

employees at one session to grade him on a scale of A to F. The results, recorded anonymously, immediately appeared on a screen for all to see. The grades were generally good, but less than half of employees were willing to give him an A. He took the feedback seriously and began to conduct the exercise regularly. He also began asking open-ended questions about his performance. Somewhat ironically, he found that "internal communication" was the area in which the highest number of participants believed he had room for improvement. Even as Rogers sought to get close to employees by way of organizational conversation, a fifth of his people were urging him to get closer still. True listening involves taking the bad with the good, absorbing criticism even when it is direct and personal—and even when those delivering it work for you.

At Exelon, an energy provider headquartered in Chicago, a deeply personal form of organizational conversation emerged from a project aimed at bringing the company's corporate values alive for its employees. Values statements typically do little to instill intimacy; they're generally dismissed as just talk. So Exelon experimented in its communication about diversity, a core value: It used a series of short video clips—no fuss, no pretense, no high production values—of top leaders speaking unscripted, very personally, about what diversity meant to them. They talked about race, sexual orientation, and other issues that rarely go on the table in a corporation. Ian McLean, then an Exelon finance executive, spoke of growing up in Manchester, England, the son of a working-class family, and feeling the sting of class prejudice. Responding to a question about a time when he felt "different," he described going to work in a bank where most of his colleagues had upper-class backgrounds: "My accent was different....I wasn't included, I wasn't invited, and I was made to think I wasn't quite as smart as they were....I never want anyone else to

The New Realities of Leadership Communication

Five long-term business trends are forcing the shift from corporate communication to organizational conversation.

ECONOMIC CHANGE

As service industries have become more economically significant than manufacturing industries, and as knowledge work has supplanted other kinds of labor, the need for sophisticated ways to process and share information has grown more acute.

ORGANIZATIONAL CHANGE

As companies have become flatter and less hierarchical, and frontline employees more pivotally involved in value-creating work, lateral and bottom-up communication has achieved the importance of top-down communication.

feel that [way] around me.” Such unadorned stories make a strong impression on employees.

Interactivity: Promoting Dialogue

A personal conversation, by definition, involves an exchange of comments and questions between two or more people. The sound of one person talking is not, obviously, a conversation. The same applies to organizational conversation, in which leaders talk *with* employees and not just *to* them. This interactivity makes the conversation open and fluid rather than closed and directive. It entails shunning the simplicity of monologue and embracing the unpredictable vitality of dialogue. The pursuit of interactivity reinforces, and builds upon, intimacy: Efforts to close gaps between employees and their leaders will founder if employees don’t have both the tools and the institutional support they need to speak up and (where appropriate) talk back.

In part, a shift toward greater interactivity reflects a shift in the use of communication channels. For decades, technology made it difficult or impossible to support interaction within organizations of any appreciable size. The media that companies used to achieve scale and efficiency in their communications—print and broadcast, in particular—operated in one direction only. But new channels have disrupted that one-way structure. Social technology gives leaders and their employees the ability to invest an organizational setting with the style and spirit of personal conversation.

Yet interactivity isn’t just a matter of finding and deploying the right technology. Equally if not more important is the need to buttress social media with social *thinking*. Too often, an organization’s prevailing culture works against any attempt to transform corporate communication into a two-way affair. For many executives and managers, the temptation to treat every medium at their disposal as if it were a

megaphone has proved hard to resist. In some companies, however, leaders have fostered a genuinely interactive culture—values, norms, and behaviors that create a welcoming space for dialogue.

To see how interactivity works, consider Cisco Systems. As it happens, Cisco makes and sells various products that fall under the social technology umbrella. In using them internally, its people have explored the benefits of enabling high-quality back-and-forth communication. One such product, TelePresence, simulates an in-person meeting by beaming video feeds between locations. Multiple large screens create a wraparound effect, and specially designed meeting tables (in an ideal configuration) mirror one another so that users feel as if they were seated at the same piece of furniture. In one sense this is a more robust version of a web-based video chat, with none of the delays or hiccups that typically mar online video. More important, it masters the critical issue of visual scale. When Cisco engineers studied remote interactions, they found that if the on-screen image of a person is less than 80% of his or her true size, those who see the image are less engaged in talking with that person. TelePresence participants appear life-size and can look one another in the eye.

TelePresence is a sophisticated technology tool, but what it enables is the recovery of immediate, spontaneous give-and-take. Randy Pond, Cisco’s executive vice president of operations, processes, and systems, thinks this type of interaction offers the benefit of the “whole” conversation—a concept he illustrated for us with an anecdote. Sitting at his desk for a video conference one day, he could see video feeds of several colleagues on his computer screen when he made a comment to the group and a participant “just put his head in his hands”—presumably in dismay, and presumably not considering that Pond could see him. “I said, ‘I can see you,’” Pond told us. “‘If you disagree, *tell me*.’” Pond was then able to en-

GLOBAL CHANGE

As workforces have become more diverse and more widely dispersed, navigating across cultural and geographic lines has required interactions that are fluid and complex.

GENERATIONAL CHANGE

As millennials and other younger workers have gained a foothold in organizations, they have expected peers and authority figures alike to communicate with them in a dynamic, two-way fashion.

TECHNOLOGICAL CHANGE

As digital networks have made instant connectivity a norm of business life, and as social media platforms have grown more powerful and more ubiquitous, a reliance on older, less conversational channels of communication has ceased to be tenable.

gage with his skeptical colleague to get the “whole story.” A less interactive form of communication might have produced such information eventually—but far less efficiently.

At the crux of Cisco’s communication culture is its CEO, John Chambers, who holds various forums to keep in touch with employees. About every other month, for instance, he leads a “birthday chat,” open to any Cisco employee whose birthday falls in the relevant two-month period. Senior managers aren’t invited, lest their presence keep attendees from speaking openly. Chambers also records a video blog about once a month—a brief, improvisational message delivered by e-mail to all employees. The use of video allows him to speak to his people directly, informally, and without a script; it suggests immediacy and builds trust. And despite the inherently one-way nature of a video blog, Chambers and his team have made it interactive by inviting video messages as well as text comments from employees.

Inclusion: Expanding Employees’ Roles

At its best, personal conversation is an equal-opportunity endeavor. It enables participants to share ownership of the substance of their discussion. As a consequence, they can put their own ideas—and, indeed, 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 a company’s story. Inclusive leaders, by counting employees among a company’s official or quasi-official communicators, turn those employees into full-fledged conversation partners. In the process, such leaders raise the level of emotional engagement that employees bring to company life in general.

Inclusion adds a critical dimension to the elements of intimacy and interactivity. Whereas in-

timacy involves the efforts of leaders to get closer to employees, inclusion focuses on the role that employees play in that process. It also extends the practice of interactivity by enabling employees to provide their own ideas—often on official company channels—rather than simply parrying the ideas that others present. It enables them to serve as frontline *content providers*.

In the standard corporate communication model, top executives and professional communicators monopolize the creation of content and keep a tight rein on what people write or say on official company channels. But when a spirit of inclusion takes hold, engaged employees can adopt important new roles, creating content themselves and acting as brand ambassadors, thought leaders, and storytellers.

Brand ambassadors. When employees feel passionate about their company’s products and services, they become living representatives of the brand. This can and does happen organically—lots of people love what they do for a living and will talk it up on their own time. But some companies actively promote that kind of behavior. Coca-Cola, for instance, has created a formal ambassadorship program, aimed at encouraging employees to promote the Coke image and product line in speech and in practice. The Coke intranet provides resources such as a tool that connects employees to company-sponsored volunteer activities. The centerpiece of the program is a list of nine ambassadorial behaviors, which include helping the company “win at the point of sale” (by taking it on themselves to tidy store displays in retail outlets, for example), relaying sales leads, and reporting instances in which a retailer has run out of a Coke product.

Thought leaders. To achieve market leadership in a knowledge-based field, companies may rely on consultants or in-house professionals to draft speeches, articles, white papers, and the like. But of-

For many executives and managers, the temptation to treat every medium at their disposal as if it were a megaphone has proved hard to resist.

ten the most innovative thinking occurs deep within an organization, where people develop and test new products and services. Empowering those people to create and promote thought-leadership material can be a smart, quick way to bolster a company's reputation among key industry players. In recent years Juniper Networks has sponsored initiatives to get potential thought leaders out of their labs and offices and into public venues where industry experts and customers can watch them strut their intellectual stuff. The company's engineers are working on the next wave of systems silicon and hardware and can offer keen insights into trends. To communicate their perspective to relevant audiences, Juniper dispatches them to national and international technology conferences and arranges for them to meet with customers at company-run briefing centers.

Storytellers. People are accustomed to hearing corporate communication professionals tell stories about a company, but there's nothing like hearing a story direct from the front lines. When employees speak from their own experience, unedited, the message comes to life. The computer storage giant EMC actively elicits stories from its people. Leaders look to them for ideas on how to improve business performance and for thoughts about the company itself. The point is to instill the notion that ideas are welcome from all corners. As just one example, in 2009 the company published *The Working Mother Experience*—a 250-page coffee-table book written by and for EMCers on the topic of being both a successful EMC employee and a parent. The project, initiated at the front lines, was championed by Frank Hauck, then the executive vice president of global marketing and customer quality. It's not unusual for a big company like EMC to produce such a book as a vanity project, but this was no corporate communication effort; it was a peer-driven endeavor, led by employees. Several dozen EMCers also write blogs,

many on public sites, expressing their unfiltered thoughts about life at the company and sharing their ideas about technology.

Of course, inclusion means that executives cede a fair amount of control over how the company is represented to the world. But the fact is that cultural and technological changes have eroded that control anyway. Whether you like it or not, anybody can tarnish (or polish) your company's reputation right from her cube, merely by e-mailing an internal document to a reporter, a blogger, or even a group of friends—or by posting her thoughts in an online forum. Thus inclusive leaders are making a virtue out of necessity. Scott Huennekens, the CEO of Volcano Corporation, suggests that a looser approach to communication has made organizational life less stifling and more productive than it used to be. The free flow of information creates a freer spirit. Some companies do try to set some basic expectations. Infosys, for instance, acknowledging its lack of control over employees' participation in social networks, tells employees that they may disagree but asks them not to be *disagreeable*.

And quite often, leaders have discovered, a system of self-regulation by employees fills the void left by top-down control. Somebody comes out with an outrageous statement, the community responds, and the overall sentiment swings back to the middle.

Intentionality: Pursuing an Agenda

A personal conversation, if it's truly rich and rewarding, will be open but not aimless; the participants will have some sense of what they hope to achieve. They might seek to entertain each other, or to persuade each other, or to learn from each other. In the absence of such intent, a conversation will either meander or run into a blind alley. Intent confers order and meaning on even the loosest and most digressive forms of chatter. That principle applies

Elements of Organizational Conversation

Intimacy

How leaders relate to employees

Interactivity

How leaders use communication channels

Inclusion

How leaders develop organizational content

Intentionality

How leaders convey strategy

Old Model: Corporate Communication

Information flow is primarily top-down

Tone is formal and corporate

Messages are broadcast to employees

Print newsletters, memos, and speeches predominate

Top executives create and control messaging

Employees are passive consumers of information

Communication is fragmented, reactive, and ad hoc

Leaders use assertion to achieve strategic alignment

New Model: Organizational Communication

Communication is personal and direct

Leaders value trust and authenticity

Leaders talk *with* employees, not *to* them

Organizational culture fosters back-and-forth, face-to-face interaction

Leaders relinquish a measure of control over content

Employees actively participate in organizational messaging

A clear agenda informs all communication

Leaders carefully explain the agenda to employees

Strategy emerges from a cross-organizational conversation

What It Means for Employers and Employees

Leaders emphasize listening to employees rather than just speaking to them

Employees engage in a bottom-up exchange of ideas

Leaders use video and social media tools to facilitate two-way communication

Employees interact with colleagues through blogs and discussion forums

Leaders involve employees in telling the company story

Employees act as brand ambassadors and thought leaders

Leaders build their messaging around company strategy

Employees take part in creating strategy via specially designed communication vehicles

to organizational conversation, too. Over time, the many voices that contribute to the process of communication within a company must converge on a single vision of what that communication is *for*. To put it another way: The conversation that unfolds within a company should reflect a shared agenda that aligns with the company's strategic objectives.

Intentionality differs from the other three elements of organizational conversation in one key respect. While intimacy, interactivity, and inclusion all serve to open up the flow of information and ideas within a company, intentionality brings a measure of closure to that process: It enables leaders and em-

ployees to derive strategically relevant action from the push and pull of discussion and debate.

Conversational intentionality requires leaders to convey strategic principles not just by asserting them but by explaining them—by generating consent rather than commanding assent. In this new model, leaders speak extensively and explicitly with employees about the vision and the logic that underlie executive decision making. As a result, people at every level gain a big-picture view of where their company stands within its competitive environment. In short, they become *conversant* in matters of organizational strategy.

SPOTLIGHT ON LEADERSHIP

One way to help employees understand the company's governing strategy is to let them have a part in creating it. The leadership team at Infosys has taken to including a broad range of employees in the company's annual strategy-development process. In late 2009, as Infosys leaders began to build an organizational strategy for the 2011 fiscal year, they invited people from every rank and division of the company to join in. In particular, explains Kris Gopalakrishnan, a cofounder and executive cochairman, they asked employees to submit ideas on "the significant transformational trends that we see affecting our customers." Using those ideas, strategic planners at Infosys came up with a list of 17 trends, ranging from the growth of emerging markets to the increasing emphasis on environmental sustainability. They then created a series of online forums in which employees could suggest how to match each trend with various customer solutions that the company might offer. Technology and social networks enabled bottom-up participation across the company.

In 2008 Kingfisher plc, the world's third-largest home improvement retailer, began pursuing a new strategy to transform a group of historically discrete business units into "one team," in part through intentional organizational conversation. To launch the effort, company leaders held a three-day event in Barcelona for retail executives. On the second day everyone participated in a 90-minute session called Share at the Marketplace, which was intended to emulate a classic Mediterranean or Middle Eastern bazaar. One group of participants, called "suppliers," donned aprons, and each person stood at one of 22

stalls, ready to give a spiel about a business practice developed by people in his or her part of the Kingfisher organization. Essentially they were purveyors of ideas.

Another group—executive committee members—served as facilitators, ambling through the aisles and providing words of encouragement. The third and largest group acted as buyers, moving from one stall to the next, examining the "merchandise," and occasionally "purchasing" one of the ideas. Using special checkbooks issued for this purpose, buyers could draft up to five checks each to pay for suppliers' wares. Such transactions had no force beyond the confines of the session, but they conveyed a strong message to the suppliers: What you're telling me is impressive. The essence of the marketplace was the peer-to-peer sharing of best practices in an informal, messy, and noisy environment. But the idea was also to treat conversation as a means to an end—to use it to achieve strategic alignment across a diverse group of participants.

CONVERSATION GOES on in every company, whether you recognize it or not. That has always been the case, but today the conversation has the potential to spread well beyond your walls, and it's largely out of your control. Smart leaders find ways to use conversation—to manage the flow of information in an honest, open fashion. One-way broadcast messaging is a relic, and slick marketing materials have as little effect on employees as they do on customers. But people will listen to communication that is intimate, interactive, inclusive, and intentional. ♥

HBR Reprint R1206D



Sequestered in his favorite latte joint, Wallace sets out to write the Great American Expense Report.

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