Talking It Out: The New Conversation-centered Leadership
by Alan S. Berson and Richard G. Stieglitz

Every year, hundreds of thousands of new graduates enter the business world, eager to climb the corporate ladder. Their progress on the early rungs of that journey will often be determined by qualities like hard work, determination, knowledge and technical proficiency. But business consultants Alan S. Berson and Richard G. Stieglitz argue that those same qualities prove less helpful at higher rungs on the ladder, and may even be one's downfall if they are not balanced by a very different set of leadership qualities. They sum up the thesis of their new book, Leadership Conversations: Challenging High-Potential Managers to Become Great Leaders, like this: "As you move into upper leadership levels, your technical skills -- what you know -- become less important. What counts is whom you know and, perhaps more important, who knows and trusts you."

The importance of building strong working relationships within an organization may seem self-evident. But Berson and Stieglitz go well beyond a call to establish and maintain open lines of communication. The kind of conversations they are advocating for are not simply talk for talk's sake. Rather, they are the heart and soul of any thriving organization's culture: a strategic tool incorporating very specific techniques toward very specific ends.

A Changed Environment

Leadership Conversations is part of a growing recognition that the so-called "command and control" model of organizational leadership is fast becoming outdated in today's world. The reasons for this shift are many. Today's business environment is increasingly global, diverse, fluid and unpredictable. Technological change and the rise of social media have fundamentally altered the way companies interact with their customers. Rigidly hierarchical organizations risk losing ground to more nimble, collaborative ones.

Berson and Stieglitz echo and expand upon many of the themes touched on in last year's Talk, Inc.: How Trusted Leaders Use Conversation to Power Their Organizations, by Harvard Business School professors Boris Groysberg and Michael Slind. Both books draw on research and case studies involving leaders in a wide range of settings -- including private industry, government, the military, nonprofits and educational institutions. As Berson and Stieglitz point out, another dimension to today's changed environment is how these sectors are becoming more and more alike: executives frequently move amongst them, facilitating a free and open exchange of management and leadership practices.
Leading vs. Managing

A central distinction in the book is that between leadership and management. Both represent not only a different set of skills, but an entirely different mindset. One is not necessarily superior to the other. In fact, a key challenge to an employee rising up the organizational ranks is to find the proper balance between the two.

Management is intrinsically result-oriented. Managers develop work schedules, set goals and delegate responsibility. They are there to answer questions and to assist employees in completing their tasks. Their orientation is tactical and geared to solving problems. Nonetheless, even at the lowest levels, managers are challenged to develop a new mindset, a new set of skills. As a so-called "high potential" moves up from individual contributor to first-line manager, he or she is for the first time in a position where future promotion will depend largely on team results, not individual accomplishments or expertise. The hiring and supervising of individual contributors will demand leadership qualities from the beginning manager: the ability to assess, not just technical skills but how well an employee fits with the organization's culture, and the ability to motivate and mentor employees with varying temperaments and skillsets. That shift in emphasis grows even more pronounced when the young manager is promoted to essentially become a "manager of managers."

Leadership, on the other hand, is more process-oriented. Just as important as meeting deadlines is how the group gets there. If a bottom-line goal is achieved without involving and developing the entire team, the organization will not be prepared to meet future challenges and changing circumstances. In defining a leader's primary objective, the authors return again and again to the terms connection and alignment. A team is connected and aligned when its members see they have input into decision-making and planning, and thus feel a stake in the group's objectives. A connected and aligned team is one that is constantly learning, and thus better able to adapt to unforeseen changes. While managers are more likely to be answering questions, a great leader routinely asks them. Their orientation is strategic rather than tactical, with an emphasis not so much on solving problems as on generating possibilities.

Again, a blend of the two skillsets is required as one moves up the corporate ladder. Ideally, the two will work in concert with one another: "Your leadership mindset defines the objectives; your management mindset ensures that those objectives are met." But one of the biggest dangers, the authors have found, is that upper-level leaders will default to a management mentality when the situation first and foremost demands leadership. Management -- with its task-oriented goals, deadlines and tangible measurements -- is a comfort zone that untested leaders all too easily slip back into. Worse yet, such leaders may not even recognize the difference between the two approaches.

Building Relationships

The heart of the book is an exploration of the four basic kinds of conversation a leader should engage in. Each kind of conversation involves a distinct set of strategic objectives demanding its own skills and techniques. At the outset, the authors emphasize that holding leadership conversations should not be viewed as a mere task to be crossed off a checklist. "Rather it is something you need to do well -- consciously and unconsciously -- every minute of every day. Conversations with your bosses, peers, direct reports and other stakeholders are the lifeblood of your business relationships."

Before a relationship can pay dividends, it must be established in the first place, on a
foundation of trust and reciprocity. Thus, the authors begin with an overview of the basic tenets of relationship-building, citing a couple of case studies of CEOs who seem to have devoted an inordinate amount of time on conversations with no particular end in mind. One, Sam, routinely spent hours a week on five- to ten-minute phone conversations, never asking anything of the other person, just listening. Peers questioned this practice amid so many immediate challenges faced by the firm. Yet, precisely because of these conversations, whenever the firm faced a major challenge or opportunity, Sam had someone he could call on.

Another CEO, the head of a Fortune 500 company, was known for writing as many as 20,000 notes a year to company employees he encountered on his travels. He would thank them for what he had learned and ask for additional information. As he continued this practice, the information offered him grew more and more valuable, and employees went out of their way to share with him. He had cultivated an invaluable base of knowledge on the ground.

Developing Leaders

The second type of leadership conversation is geared specifically toward cultivating leadership qualities in those who report to you. Especially amid a challenging and ever-changing world economy, developing leadership from within is more important than ever. The authors contend that demand for such leaders usually exceeds supply. Even in a soft economy, they point out, headhunters connecting companies with needed talent do a thriving business.

Growing talent from within starts at the very beginning with the initial hire of a prospective employee. Focusing narrowly on resume and technical qualifications may work out in the short term, but is no way to build for the future. Less obvious criteria revolve around whether a candidate is a good fit for the organization’s culture, and whether they possess the kinds of characteristics that will allow them to move up the leadership ladder.

Early promotions are key. It is essential to "avoid the trap of assuming that the best salesperson, engineer or other individual contributor will be the best manager." When high potentials are targeted for advancement, they must be systematically mentored and coached into entering, first, the management mindset, and, later, the leadership mindset. "Each promotion requires a high potential to learn new ways of leading and to leave some old ways behind," say the authors.

Each step along the way, Berson and Stieglitz note, leadership development must be an ongoing, daily activity. It is not something that can be covered in the occasional training workshop, and should not be viewed as a function of human resources. Providing ongoing leadership feedback to high potentials is a three-step process comprising preparation, delivery and follow-up. Executives nurturing young talent must be on constant guard for signs of trouble -- for example, if a young leader tends to fix mistakes for employees rather than teach people to do the work themselves. Essential to this feedback is a celebration of successes, however small. Even a celebration can teach and develop leadership by focusing not so much on the results as on the behaviors that led to that result.

Making Decisions

Making crucial decisions is the cornerstone of leadership. The authors first of all
distinguish between management decisions and leadership decisions. A manager’s decisions will tend to be based on facts, within the realm of the known and measurable. They involve a low tolerance of failure: the priority is simply to complete a given task. A leader’s decisions, on the other hand, will revolve more around a vision for the organization’s future, and thus around the unknowable. The process whereby a decision is arrived at can be as important as the decision itself, and there is a greater tolerance of risk.

Among a leader’s decisions is the hiring of next-level managers with leadership potential. The astute leader will find that his or her criteria have undergone a fundamental shift. "As a manager, you may have hired people primarily based on their skills and experience; but as a leader, you will place more weight on their attitudes and their judgment."

In the old command-and-control model, decision-making involved a leader assembling and assessing the necessary information, and then issuing a directive to his or her subordinates. In the new model, decision-making is a more fluid, ongoing and collaborative process. By tapping into the input of as many team members as possible, the new decision-making develops leadership and cultivates a sense of ownership in the organization’s objectives and their subsequent implementation. In today’s world, the authors argue, important decisions must be made with the executive knowing an ever smaller part of what is necessary to make those decisions. Thus, the information held at any given time is less important than the group’s capacity to quickly acquire and spread fresh knowledge in response to changing circumstances. A decision-making process that builds in a broad foundation of input and ownership will foster a learning culture within an organization in which everyone is both learning and teaching.

A Plan of Action

Berson and Stieglitz contend that developing a plan to implement key decisions involves the most crucial and delicate balancing of the management and leadership mindsets. On the one hand, the management approach "takes center stage" as getting things done becomes the priority. "As the leader," on the other hand, "you must ensure that everyone supports the plan, understands her role, and knows what is expected of her." The danger, as always, is slipping into a strictly managerial stance that measures results in a narrowly quantitative way. It is entirely possible to meet statistical benchmarks while failing to expand markets, innovate services and fully tap the team’s creative potential.

As is the case with decision-making, the process can be more important than the result. A planning process that successfully engages the entire team will allow it to adjust when unexpected events occur, as they almost invariably will.

Moreover, implementing a plan often proves to be an organization’s most effective classroom. As the authors put it succinctly, "Actions create learning." Goals and strategies will require constant adjustment, and only a team that is fully "committed and aligned" will be equipped to do so.

Cultivating a "learning culture" within an organization also involves making peace with the prospect of failure. A team afraid of failure will at best make incremental gains within the constraints of the current status quo. Organizations that fear failure will also easily fall prey to the kind of "analysis paralysis" that waits for complete knowledge and perfect solutions. "The most valuable aspect of an action," the authors write, "can be the learning it provides, regardless of whether the short-term goal was reached."
The Cost of Not Investing in Leadership Conversations

In the face of pressing deadlines and the need to demonstrate immediate results, too many executives fail to invest the necessary time in leadership conversations. Consequently, demand for quality leaders consistently exceeds supply, and organizations are again and again forced to turn to outside managers and consultants. The results, the authors say, can include a lack of internal cohesion, high recruitment fees and increased turnover. They cite research showing that nearly half of high-potential executives fail to reach their full potential (a phenomenon euphemistically referred to as "midcareer derailment"), and the book is full of examples of rising stars who hit a wall soon after a significant promotion. In each case, the candidate acknowledged a lack of mentoring that left them unprepared for the new leadership mindset required at the next level.

The book closes with a detailed checklist of conversational skillsets high-potential managers will need as they move up the organizational ladder. This checklist is intended as a tool for interpreting a leadership assessment test the authors provide on a companion website. They encourage budding leaders to use these tools to put together a personal action plan to identify strengths and weaknesses and set themselves on the path to becoming an effective leader.