

**Class 8, 15/26/04: Class time used for Team Projects, Mid-term exam, and Catchup: Class 7 Slides, Project Mgmt Dynamics**

**Class 9, 6/02/04**

Project Management Voting Results	LCD projection & discussion	10
Class 9 slides on 5D Chapters 11 - 12. Shared Vision, Team Learning, Defensive Routines, Dialogue, Undiscussables, Facilitation	LCD projection & discussion	40
Break		10
Attendance		5
Places to Intervene, SD Meets the Press	discussion	20
Break		10
Team presentations		55
Reflection papers	discussion	20
		170

**5D. Chapter 11: Shared Vision**

- Learning can be difficult, even painful.
- I have come to feel that our failure lies not in unpersuasiveness or lack of sufficiently compelling evidence. ***It may simply not be possible to convince human beings rationally to take a long-term view.***
- People do not focus on the long term because they *have* to, but because they *want* to.
- With its emphasis on extensive analysis of competitors' strengths and weaknesses, of market niches and firm resources, typical strategic planning fails to achieve the one accomplishment that would foster longer range actions — in Hamel's and Prahalad's terms, setting a "goal that is worthy of commitment."
- Shared vision can generate levels of creative tension that go far beyond individuals' "comfort levels."
- ... when a group of people come to share a vision for an organization, each person sees his own picture sees his own picture of the organization at its best. Each shares responsibility for the whole, not just for his piece. But the component "pieces" of the hologram are not identical. Each represents the whole image from a different point of view.
- **Understand:**
  - ♦ **Commitment**
  - ♦ **Enrollment**
  - ♦ **Compliance**
- Governing ideas
  - ♦ Vision - What?
  - ♦ Purpose - Why?

- ♦ Values - How do we act?
- **Growth of "shared vision" can encounter a "limits to growth" structure with limits due to:**
  - ♦ diversity and conflicting visions
  - ♦ discouragement due to the perceived gap between vision and reality
  - ♦ insufficient time for vision due to the demands of dealing with current reality
  - ♦ proselytizing divides people into those who are "true believers" and those who are not ... damaging the quality of relationships
- **Assignment: correctly add link polarities to the CLD on pages 228 - 230.**
- Vision paints the picture of what we want to create. Systems thinking reveals how we have created what we currently have.
- **Vision becomes a living force only when people truly believe they can shape their future.**
- *NOTE: Remember our "creating reality" survey and the wide distribution of responses?*
- *NOTE: I would add "... and know how they can shape their future by understanding structure and designing policies that will bring their desired results."*
  - ... remember the cartoon showing the Vikings, even with a vision and mission, going in circles because they hadn't looked at the structure of their system?

**5D. Chapter 12: Team Learning**

- Individuals do not sacrifice their personal interests to the larger team vision' rather, the shared vision becomes an extension of their personal visions. In fact, alignment is the *necessary condition* before

empowering the individual will empower the whole team.

- **Empowering the individual when there is a relatively low level of alignment worsens the chaos and makes managing the team even more difficult.**
- The discipline of team learning involves mastering the practices of
  - ♦ dialogue
  - ♦ skillful discussion
- Team learning also involves learning how to deal creatively with the powerful forces opposing productive dialogue and discussion in working teams. Chief among these are what Chris Argyris calls “defensive routines,” habitual ways of interacting that protect us and other from threat and embarrassment, but which also prevent us from learning.
- **Systems thinking is especially prone to evoking defensiveness because of its central message, that our actions create our reality.** Thus, a team may resist seeing important problems more systemically. To do so would imply that the problems arise from our own policies and strategies — that is “from us” — rather than from forces outside our control.
- ... the discipline of team learning, like any discipline, requires practice. Yet, this is exactly what teams in modern organizations lack. Imagine trying to build a great theater ensemble or a great symphony orchestra without rehearsal. Imagine a championship sports team without practice.
- In fact, the process whereby such teams learn *is* through continual movement between practice and performance ...

### **The Discipline of Team Learning Dialogue and Discussion**

- Bohm ... argued that the purpose of all science was not the “accumulation of knowledge” (since, after all, all scientific theories are eventually proved false) but rather the creation of “mental maps” that guide and shape our perception and action, bringing about a constant “mutual participation between nature and consciousness.”
- **Discussion:** ... has the same root as percussion ... it suggests something like a “ping pong” game ... the purpose of a game is normally “to win.”
- **Dialogue:** ... a free flow of meaning between people ... a group accesses a larger “pool of

common meaning.” The purpose ... is to reveal the incoherence in our thought. Thought ...

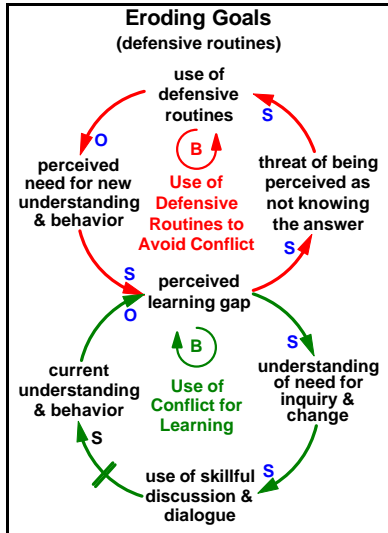
- ♦ denies it is participative
- ♦ stops tracking reality and “just goes, like a program”
- ♦ establishes its own standard of reference for fixing problems, problems which it contributed to creating in the first place.
- The prejudiced person can’t see how his prejudice shapes what he “sees” and how he acts.
- Conditions for dialogue
  - ♦ Suspending assumptions
  - ♦ Seeing each other as colleagues
  - ♦ A facilitator who “holds the context” of dialogue
- ... great teams are not characterized by an absence of conflict. On the contrary ... **one of the most reliable indicators of a team that is continually learning is the visible conflict of ideas. In great teams conflict becomes productive.**
- ... in mediocre teams, one of two conditions usually surround conflict
  - ♦ **an appearance of no conflict** on the surface ... members believe that they must suppress their conflicting views in order to maintain the team — if each person spoke her or his mind, the team would be torn apart by irreconcilable differences
  - ♦ **rigid polarization** ... managers “speak out,” but conflicting views are deeply entrenched. Everyone knows where everyone else stands, and there is little movement.

### **Dealing with “Current Reality”: Conflict & Defensive Routines**

- Chris Argyris: “We are programmed to create defensive routines and cover them up with further defensive routines ... This programming occurs early in life.”
- The source of defensive routines, according to Argyris, is not belief in our views or desire to preserve social relations, as we might tell ourselves, but fear of exposing the thinking that lies behind our views. “Defensive reasoning,” says Argyris “... protects us from learning about the validity of our reasoning.” For most of us, exposing our reasoning is threatening because we are afraid that people will find errors in it.

- It is simply unacceptable for managers to act as though they do not know what is causing a problem. Those that reach senior positions are masters at appearing to know what is going on, and those intent on reaching such positions learn early on to develop an air of confident knowledge.

- “We are the carriers of defensive routines, and organizations are the hosts. Once organizations have been infected, they too become carriers.”



- “The paradox,” writes Argyris, “is that when [defensive routines] succeed in preventing immediate pain they also prevent us from learning how to reduce what causes the pain in the first place.”

- ... where is the leverage for reducing [defensive routines]? In most shifting the burden structures, there are two possible areas of leverage: weaken the symptomatic solution and strengthen the fundamental solution
  - ♦ ... diminishing the emotional threat that prompts the defensive response in the first place.
  - ♦ ... learning how to deal with defensive routines ... also weaken the symptomatic solution. To retain their power, defensive routines *must remain undiscussable*.

Skillful managers learn to confront defensiveness without producing more defensiveness. They do so by self-disclosure and by inquiring into the causes of their own defensiveness.

- ... learning teams practice a special form of alchemy, the transformation of potentially divisive conflict and defensiveness into learning.

## Practice

- Team learning requires practice: **The almost total absence of meaningful “practice” or “rehearsal” is probably the predominant factor that keeps most management teams from being effective learning units.**
  - ♦ dialogue
    - Suspension of assumptions.

- Acting as colleagues.
- Spirit of inquiry.
- ♦ “learning laboratories” & “microworlds”

## Team Learning and the Fifth Discipline

- ... Charles Kiefer says it this way: “Reality is composed of multiple-simultaneous, interdependent cause-effect-cause relationships. From this reality, normal verbal language extracts simple, linear cause-effect chains. This accounts for a great deal of why managers are so drawn to **low leverage interventions.**” For example:
  - ♦ if the problem is long product development times we hire more engineers to reduce times;
  - ♦ if the problem is low profits we cut costs;
  - ♦ if the problem is falling market share we cut price to boost share.
- Because we see the world in simple obvious terms, we come to believe in simple, obvious solutions. this leads to the frenzied search for simple “fixes” ...
- This situation is unlikely to improve until teams share a new language for describing complexity.
- **Today, the only universal language of business is financial accounting. But accounting deals with detail complexity not dynamic complexity.** It offers “snapshots” of the financial conditions of a business, but it does not describe how those conditions were created.
- Today, there are several tools and frameworks that provide alternatives to traditional accounting as a business language. These include competitive analysis, “Total Quality,” and, though much less widely used, scenario methods such as those developed at Shell. **But none of the tools deals with dynamic complexity very well or at all.**
- When the systems archetypes are used in conversations about complex and potentially conflictual management issues, reliably, they “objectify” the conversation. The conversation becomes about “the structure,” the systemic forces at play, not about personalities and leadership styles.
- Difficult questions can be raised in a way that does not carry the innuendoes of management incompetence or implied criticism. ... This, of course, is precisely the benefit of a *language for complexity* — it makes it easier to discuss complex issues objectively and dispassionately.

- Without a shared language for dealing with complexity, team learning is limited. If one member of a team sees a problem more systemically than others, that person's insight will get reliably discounted — if for no other reason than the intrinsic biases toward linear views in our normal everyday language.
- On the other hand, the benefits of teams developing fluency in the language of the systems archetypes are enormous, *and* the difficulties of mastering the language are actually reduced in a team.
- As David Bohm says, **language is collective**. Learning a new language, by definition, means learning how to converse with one another in the language.

### **5D. Chapter 13: Openness**

- Hanover's Bill O'Brien, (on getting used to the smell of a paper mill and not noticing it after a time) "... **Organizational politics is such a perversion of truth and honesty that most organizations reek with its odor. Yet, most of us take it for granted and don't even notice it.**"
- "So long as there are organizations there will be politics." Yet, very few people truly want to live in organizations corrupted by internal politics and game playing. This is why internal politics is the first of many organizational "givens" challenged by prototype learning organizations.
- Challenging the grip of internal politics and game playing starts with building shared vision. ... building an organizational climate dominated by "merit" rather than politics — where doing *what is right* predominates over *who wants what done*.
- Openness
  - ♦ **participative openness:** the norm of speaking openly and honestly about important issues
  - ♦ **reflective openness:** the capacity to continually challenge one's own thinking.
- Without openness it is generally impossible to break down the game playing that is deeply embedded in most organizations.
- Together vision and openness are the antidotes to internal politics and game-playing.

### **Shared Vision: Building an Environment where Self-Interest is Not Paramount**

- ... "practitioners [of political leadership] believe that people are motivated by self-interest and by a search for power and wealth." As with many

assumptions, ***this one can be self-fulfilling.*** (emphasis added)

- On a management team of a Boston area technology firm building shared vision: ... one of the senior salespeople commented offhandedly, "Of course, we don't mean that we will be honest to our customers." ... The president broke the silence by stating, "Yes. For me this means being completely honest with our customers." The salesman responded, "If we do we'll lose 30% of our booking next month. ... If we tell the truth, our delivery times will be 50% longer than what customers believe they will get from competitors." ... "I don't care," was the president's response. "I simply don't want to be part of an organization that sanctions lying ... I believe that over time, we'll establish a reputation for reliability with our customers that will win us more customers than we'll lose."
- This session took place six years ago. In the intervening period, the firm has prospered and established a preeminent position in its niche market.

### **Participative Openness and Reflective Openness**

- Participative openness may lead to more "buy-in" on certain decisions, but by itself it will rarely lead to better quality decisions because it does not influence the thinking behind people's positions.
- Reflective openness is based on skills, not just good intentions. The skills of reflection and inquiry (mental models chapter) ... include ... recognizing "leaps of abstraction" distinguishing espoused theory from theory-in-use, ... becoming more aware of and responsible for what we are thinking and not saying, ... dialogue and dealing with defensive routines (team learning chapter).

### **Openness & Complexity**

- Nothing undermines openness more surely than certainty. Once we feel as if we have "the answer," all motivation to question our thinking disappears. But the discipline of systems thinking shows that there simply is "no right answer" when dealing with complexity.
- On a group process creating a systems diagram to figure out how to balance our work and family responsibilities: Within a half hour, we've covered the wall with circles and arrows. Everyone in the room feels overwhelmed ... People gradually come to realize that no one could possibly come to figure out all these interactions.

- **The “Wall” reveals ... insights into the roots of authoritarianism ...** As children, their parents had the answers. As students, their teachers had the answers. ... when they enter organizations, they assume that “the boss” must have the answers.
- This mentality weakens them as individuals, and the organization as a whole. ...it absolves them of responsibility in the organization’s learning. It also predisposes them to cynicism when events eventually reveal that the people at the top did not have all the answers.
- Conversely, when people in an organization come collectively to recognize that nobody has the answers, it liberates the organization in a remarkable way.
- A VP of a Boston-based high-tech company, a student of Zen Buddhism: **“Many people will say that once you recognize that you can never figure life out, you have denied rationality. But that’s not true. You have simply recontextualized rationality. To search for understanding, knowing that there is no ultimate answer, becomes a creative process — one which involves rationality, but also something more.”**
- ... The “Wall” experience shows, that any “answer” you have is at best an approximation — always subject to improvement, never final.
- **The “compartmentalization of knowledge” creates a false sense of confidence.** For example, the traditional disciplines that influence management — such disciplines as economics, accounting, marketing, and psychology — divide the world into neat subdivisions within which one can often say, “This is the problem and here is its solution.” But ... life comes to us whole. It is only the analytic lens we impose that makes it seem as if problems can be isolated and solved.
- Types of problems:
  - ♦ **Convergent problems** ... that have a solution. Examples: “What is 2 + 2?” “What is the fastest route from Colorado Springs to Denver?”
  - ♦ **Divergent problems** have no “correct” solution. Examples: “What is the best way to educate children?” “What is our company’s value proposition?” “How do we best satisfy customers?”
- **“The impulse to openness, as O’Brien says, “is the spirit of love.”** ... the full and unconditional commitment to another’s “completion,” to another being all that she or he can and wants to be.
- M. Scott Peck, *The Road Less Traveled*, 1978:

- ♦ **“Love is** the will to extend one’s self for the purpose of nurturing one’s own or another’s spiritual growth.” (p. 81)
- ♦ **“Love is** work or courage directed toward the nurture of our own or another’s spiritual growth.” (p. 120)

## Freedom

- ... in the beer game ... people can run their local operation any way they want. Yet, ironically, the results they produce, in almost all cases, are contrary to what they intend. Because of this they often feel helpless, trapped with a set of forces they cannot control, despite being free to make their own decisions.
- **This is the great irony of freedom of action; by itself, it can result in helplessness, in feeling trapped and impotent.**
- “People think they are free because of the absence of external controls,” says O’Brien. “But, in fact they are **prisoners of a deeper and more insidious form of bondage — they only have one way of looking at the world.**”
- “Freedom to” (rather than “freedom from”) is the freedom to create the results we truly desire.”

## 5D. Chapter 14: Localness

### How Do You Achieve Control without Controlling?

- People learn most rapidly when they have a genuine sense of responsibility for their actions. ... if we know our fate is in our own hands, our learning matters.
- That is why learning organizations, will increasingly, be “localized” organizations, extending the maximum degree of authority and power as far from the “top” ... as possible.
- **But localness means unique new challenges:**
  - ♦ **giving up “being in control”** ... keeps many senior managers from discover their new role ...: responsibility for continually enhancing the organization’s capacity for learning.
  - ♦ **making local control work:** [knowing when and addressing when] ... local decision makers did not ... make good decision makers.

### The Illusion of Being in Control

- Beyond money, beyond fame, what drives most executives ... is power, the desire to be in control. most would rather give up anything than control.”

- ... imagine that you have two roller skates, attached to one another by a spring. You use the first roller skate to control the motion of the second. ... Keep adding roller skates. ... It doesn't take long to give up any hope of controlling the roller skate at the far end of the line.
- Organizations are infinitely more complex ... .
- The illusion of being in control can appear quite real.

### Control Without “Controlling”

- **In the absence of systems thinking, local decision making can become myopic and short-term.** This happens because local decision makers fail to see the interdependencies by which their actions affect others outside their local sphere.
- **“The Tragedy of the Commons”** ... is especially relevant for making localness work. ...
- Hardin's situations where two conditions are met:
  - ♦ there exists a “commons,” a resource shared among a group of people.
  - ♦ individual decision makers, free to dictate their own actions, achieve short-term gains from exploiting a resource but do not pay, and are often unaware of, the cost of that exploitation — except in the long run.
- “Tragedies of the Commons” take place all over the world --- in the world's fisheries, in farmlands in developing countries, in the Brazilian rain forests, and with acid rain and greenhouse-effect gases.
- Corporations have many depletable “commons” to share: financial capital, productive capital, technology, community reputation, good will of customers, good will and support of suppliers, and morale and competence of employees ...
- Tragedy of the Commons structures are most insidious when the coupling from individual action to collective consequence is weak in the short run, yet strong in the long run.
- Divisionalism and autonomy has created more short-term oriented managers, managers who are more driven by the bottom line, than ever before. The reason is simple. ... they are accountable for their own profits, they are measured by their quarterly and yearly results, and they expect to stay in that position for two to four years. That produces a system designed to be driven by the short term.
- Who will manage the “commons”?  
... two general options:

- ♦ **set up a manager of the commons** ... Being the manager of a commons can be thankless and counterproductive, unless there is a broad-based understanding throughout the organization — of why the resource is a commons and why depleting it will work to *everyone's* disadvantage.
- ♦ ... **establish signals**, perhaps coupled to rewards and costs, that alert local actors that a “commons” is in danger.
- W. L. Gore's “water-line” principle: ... mistakes below the “water-line” will sink the ship. Below-the-water-line risks — actions which might jeopardize important “commons” — should be undertaken only after careful consultation with representatives of all other parties who might be affected.

### The New Role of Central Management

- The essence of the new role ... will be what we might call *manager as researcher and designer*.
- Research: Understanding the organization as a system and understanding the internal and external forces driving change.
- Design: The learning processes whereby managers throughout the organization come to understand these trends and forces.

### The New Role of Central Management

- To be effective, localness must encourage risk taking among local managers. But to encourage risk taking is to practice forgiveness. Real forgiveness includes “forgive” and “forget.”
- Learning organizations practice forgiveness because, as Cray Research's CEO John Rollwagen says, “Making the mistake is punishment enough.”
- **NOTE:** Managers can put in place processes and safeguards to assure that the same mistakes do not reoccur.