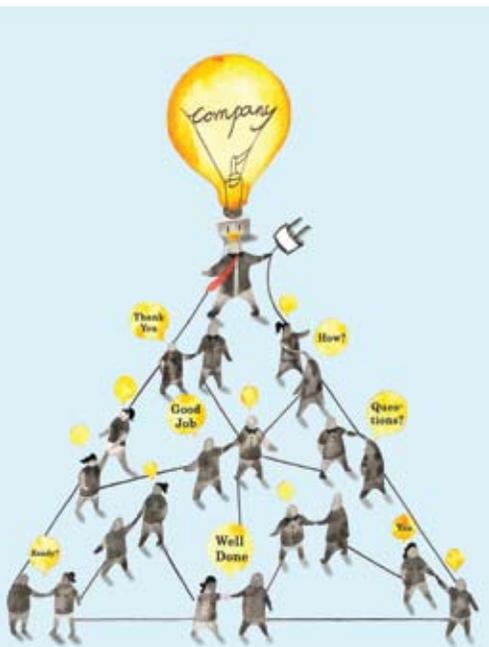


Not Just Talk

By Boris Groysberg & Michael Slind



A new source of organizational power has come to the fore. Our term for that power source is *organizational conversation*.

Not so long ago, power within organizations emanated from the commands of top executives. Those leaders drove organizational performance by devising strategic objectives, which they translated into directives that passed down through a hierarchy before reaching employees, whose job was merely to take orders and to act on those orders. Today, that model of organizational life has essentially fallen apart. At more and more companies in more and more industries, leaders recognize that driving their company in a traditional command-and-control manner doesn't work anymore.

To an ever-increasing degree, people—and the energies and capabilities that lie inside them—are the ultimate source of optimal performance and sustainable competitive advantage. Yet the kind of value that people now deliver to an orga-

nization isn't the kind of value that leaders can leverage simply by issuing orders from the executive suite. In an environment where employees have that much power to determine the success or failure of an organization, the ability of leaders to command grows weak and their sense of control grows weaker still.

For most leaders, that story will have considerable resonance. Even those who retain a firm grip on the main levers of activity within their organization will sense, deep down, that their ability to harness the creative and operational energy of their people has grown more tenuous over the years. Yet, as familiar as the loss-of-command story has become, leaders continue to grapple with the question of where that story ends—or, more pertinently, the question of what comes next.

Now that the model of driving a company from its commanding heights has become obsolete, what will take its place? How, in this new era, should leaders seek to power their organization? In *Talk, Inc.*, we argue that a new source of organizational power has come to the fore. Our term for that power source is *organizational conversation*.

Instead of handing down commands or imposing formal controls, many leaders today are interacting with their workforce in ways that call to mind an ordinary conversation between two people. What's more, they are fostering and facilitating conversation-like practices throughout their company—practices that enable a company to achieve higher degrees of trust, improved operational efficiency, greater motivation and commitment among employees, and better coordination between top-level strategy and frontline execution. The power of organizational conversation isn't the kind of power that manifests itself as control over a person or a process. Rather, it's the kind of power that makes a person or a process go.

It's energy, in other words. It's fuel. In organizational terms, conversation is what keeps the engine of value creation firing on all cylinders. Simply put, organizational conversation isn't "just talk." To understand why, think about the way that start-ups and other small companies have come to embody an ideal of organizational excellence. Then consider that one hallmark of a high-performing small company is the eminently *conversational* mode in which its people operate. In the old business world, organizational success was largely a function of organizational size. As companies grew bigger, their leaders were able to issue orders that reached ever-larger workforces, and employees in turn were able to generate more and more products for a wider and wider share of a given market. Nowadays, by contrast, it's small companies that often demonstrate a superior ability to mobilize resources optimally and to target fresh markets quickly. What accounts for the relative success of relatively compact organizations?

It's a matter of *scale*. In a small company, leaders remain close to employees—close not just in terms of space, but also in terms of spirit—and employees trust them as a result. It's a matter of *structure*. In a small company, physical proximity and an open culture allow people to share key insights and crucial data, and information moves freely and efficiently in multiple directions. It's a matter of *participation*. In a small company, cumbersome divisions of labor are rare, and a wide range of employees are able to play a part in accomplishing major tasks. It's a matter of *focus*. In a small company, all employees enjoy a clear line of sight on the guiding plans and priorities that their leaders have developed.

Through conversation, we contend, a big or growing organization can retain or recapture much of the nimbleness, the cohesiveness, and the raw, productive energy of a well-oiled small company.

The I's Have It

Organizational conversation, in our use of the term, applies to the full range of patterns and processes by which information circulates through a company—all of the ways in which ideas, images, and other forms of organizational content pass between leaders and employees, or from one employee (or group of employees) to another. It occupies roughly the same space that “corporate communication” has traditionally occupied in organizational life. Yet, both in spirit and in practice, organizational conversation is quite different from corporate communication. The latter function grew naturally out of the command-and-control model.

Top-down and one-way in its orientation, corporate communication aptly suited the needs of large, hierarchy-driven companies by serving as a central organ for distributing news of corporate activity to internal as well as external audiences. In effect, it served as a vehicle for making human conversation all but unnecessary, at least from an organizational perspective. Departments of corporate communication remain in place, of course, and that legacy term remains in common usage. No company (to our knowledge) has yet created an “organizational conversation department” or hired a “chief conversation officer.” Nonetheless, those phrases hint at the new approach that many leaders at many organizations are beginning to take.

Where organizational conversation flourishes, it involves up to four elements. These elements reflect the essential attributes of interpersonal conversation, and likewise they reflect the classic distinguishing features of a high-flying small company. In developing our model of organizational conversation, we have attached to each element a word that begins with the letter *I*.

Intimacy: Conversation between two people both requires and enables its participants to stay close to one another, figuratively as well as literally. Only through intimacy of that kind can they achieve a true meeting of minds. In organizational conversation, similarly, leaders reduce the distance—institutional as well as spatial—that would normally separate them from their employees. They do so by cultivating the art of listening to people at all levels of their organization, and by learning to talk with those people in ways that are personal, honest, and authentic. Conversational intimacy equips leaders to manage change within their company, and it helps them to solidify buy-in among employees for new strategic initiatives. In short, it allows them to build trust through talk.

Interactivity: Talk is a two-way affair—an exchange of comments and questions, of musings and mutterings. The sound of one person talking, whatever else it may be, is not a conversation. Following that same logic, organizational conversation replaces the traditional one-way structure of corporate communication with a dynamic process in which leaders talk *with* employees and not just *to* them. Changes in the technology of communication, especially those that incorporate emerging forms of social media, support that shift. Equally important,

though, is the emergence of cultural norms that favor dialogue over monologue. The benefits that accrue from conversational interactivity include lower transaction costs, an easing of the pressure caused by information overload, and an increase in employees’ ability to respond readily to customer needs.

Inclusion: At its best, interpersonal conversation is an equal-opportunity proposition. It invites all participants to put their own ideas, and indeed their heart and soul, into the conversational mix. Organizational conversation, by the same token, calls upon employees to participate eagerly in the work of generating the content through which a company tells its story, both internally and externally. People in frontline and midlevel posts act as semiofficial company bloggers, for example, or as trained brand ambassadors. By empowering employees to communicate in that way, leaders relinquish much of the control that they formerly exerted over organizational messaging. But they gain a great deal in return. Through conversational inclusion, leaders are able to boost employee engagement, to spur innovation and creativity, and to improve the branding and reputation of their organization.

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Intentionality: Even in the most casual two-person chat, the two people in question will each have some sense of where they want the conversation to go. Talk that’s truly rewarding is never truly “idle.” So it is with organizational conversation, which puts a premium on developing and following an agenda that aligns with the strategic objectives of a company. Over time, the many voices that contribute to conversation within an organization must converge in a single vision for that organization—a single understanding of its mission in the world and its place in the marketplace. While the elements of intimacy, interactivity, and inclusion serve to open up that conversation, the element of intentionality serves to “close the loop” on it. Among the outcomes that conversational intentionality helps to promote are a keen focus on driving business value and a more effective approach to strategic alignment.

Leaders who power their organization through conversation-based practices will not always “dot” all four of these *I*’s. But as we’ve discovered in our research, these elements tend to reinforce each other. In many instances, they overlap with each other significantly. As we address each element in turn, it will be apparent that our model of organizational conversation is (like conversation itself) highly iterative: Some ideas will recur, in slightly or more-than-slightly altered form, as we



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move from one element to the next. In the end, these four elements coalesce to form a single integrated process—a single source of organizational power.

Talking About *Talk, Inc.*

When we began the project that led to our book, and this article, the focus of our research was fairly narrow. Our initial guiding questions were straightforward enough: What are the current activities and norms, the prevailing aims and objectives, that characterize the way that companies manage the flow of information to, from, and among employees? How have those activities and aims changed in recent years? Are there developments in this area that qualify as being particularly innovative? Our research consisted chiefly of interviews with communication professionals at all manner of organizations—large and small, blue-chip and start-up, for-profit and nonprofit, U.S. and international. (We spoke, in all, with nearly 150 people at more than one hundred organizations.)

Before long, we discovered that something greater was afoot than what our original research design had allowed for. The field known as “communication,” which had long been a discrete institutional function, was evolving at many companies into a constellation of practices that extends across the entirety of organizational life. We had hit upon a development that goes beyond the traditional scope of what communication leaders do, and we therefore widened our research to encompass interviews with other organizational leaders, including senior executives with general-management responsibility.

Our findings revealed that the shift from corporate communication to organizational conversation has occurred because of several long-term changes that have affected the business world profoundly. First, there is *economic* change. As service industries become more economically significant than manufacturing industries, and as knowledge work supplants other kinds of labor, the need for sophisticated ways to process and share information grows more acute.

Second, there is *organizational* change. As companies become flatter and less hierarchical in structure, and as frontline employees become more pivotally involved in value-creating work, lateral and bottom-up communication comes to be no less important than top-down communication.

Third, there is *global* change. As workforces become more diverse and more widely dispersed, the challenge of navigating across lines of cultural and geographic division entails modes of interaction that are fluid and complex.

Fourth, there is *generational* change. As millennials and other younger workers gain a foothold in organizations, they bring an expectation that peers and authority figures alike will

communicate with them in a dynamic, two-way fashion.

Fifth, there is *technological* change. As digital networks make instant connectivity the norm of business life, and as social media platforms grow more powerful and more ubiquitous, a reliance on older, less conversational channels of organizational communication ceases to be tenable.

Finally, there is the brute fact that all of these changes have steeply accelerated the pace at which business gets done today. As the time available for decision making becomes shorter and shorter, a commitment to engaging employees in that process becomes a make-or-break imperative for leaders.

There is a conversation that takes place within every company—whether company leaders know it or not, and whether they like it or not. At the nearest water cooler or at the virtual rumor mill, employees chat about the state of their organization, and that chatter has a bearing on the company's operational performance. Is the company doing well? Does it treat its people well? Is it heading in the right direction? What people say when they talk about those issues, and how they say it, will affect the capacity of leaders to drive their organization forward. Smart leaders understand that they can't avoid that conversation for very long. Nor can they fully control it. But if they engage with it in the right way, they have the potential to unleash organizational energy of a sort that no leader could ever command.

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