Adaptive Leadership, Systems Thinking & Conversational Capacity

A Framework for Getting Everyone “On the Same Page”

Presented by

Chris Soderquist
Pontifex Consulting

Craig Weber
Weber Consulting Group

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Adaptive Leadership
When there are no easy answers
Technical/Routine Problems vs. Adaptive Challenges

Routine/technical Problems
- Easily defined
- An obvious, proven solution
- Often an expert on whom we can call to solve the problem for us

Adaptive Challenges
- Often hard to define
- No clear solution, and different people hold different views about its source
- No expert who can solve the problem for us

There is, in other words, a routine for dealing with the problem. They are fundamentally different.

Where on this continuum would you place the issues you care about most?
“Someone exercising leadership is orchestrating the process of getting factions with competing definitions of the problem to start learning from one another.”

Ron Heifetz, Kennedy School
Two Types of Learning
Single-loop Learning vs. Double-loop Learning

Problems  Issues  Challenges  Opportunities

Mental models  Mental maps  Assumptions  Inferences (ladders)  Beliefs

Behaviors  Actions  Strategies  Plans

Results  Outcomes  Consequences

Single-loop
“Let’s try something new.”

Double-loop
“Let’s think something new.”

Rethink
A framework for orchestrating learning

Why?
Analyzing (causes)

What’s happening?
Framing (issues)

Mental Models

What should we do?
Intervening (solutions)

Adjusting mental models is double-loop learning
Systems Thinking Part 1
Framing the issues
How to **frame** (and **build**) useful systems models

...and then add breadth and a bit more detail -- slowly!

My advice: Take the High Road!

Depth
(intensive boundary)

Shallow
Highly
Aggregated

Deep
Highly
Disaggregated

Breadth (Time/Space)
(extensive boundary)

Narrowly Focused

Broadly Focused

1. Low Road

2. Get up out of the weeds...

Many mental models are here

Representing "the system"

Good “systems” models are here
Framing Issues Practices for improving how you Frame the issue

The Practice of...

- Dynamic Thinking
  - Look at the issue as behavior over time

- 30,000 Foot Thinking
  - Set wide boundaries and elevate view

- System as Cause Thinking
  - Set boundaries where the system's responsible for behavior
Framing Tool 1

**Sketch a *Trend Graph* for an Issue**

- A *trend graph* is a graph over time that captures the essence of a problem or issue of interest.
- *Trend graphs* often contain a historical (“as is”) component as well as a projected (“to be”) component.
- In creating a *trend graph*, it is often helpful to *normalize* (e.g. average, %, outcome/patient) the variable.
- The unit of time (day, month, quarter, year, etc.) for the *trend graph* helps to set a temporal boundary for what to include in your analysis.
Framing Practice 2
30,000 foot Thinking

*Drawing the boundaries of inquiry around the system responsible for the behavior we wish to improve*

**The “extensive” boundary**
How broadly do we cast the net?

**The “intensive” boundary**
How deeply do we go?

Taking an elevated (balcony) view
Framing Tool 2
30,000 foot Thinking

Conduct “Sector Analysis”

- Providers
- Service users
- Plan administrators
- Community organizations
- Faith communities
- Educators
- Consumer reps

Graphs showing:
- Health costs as % of GDP over Years
- % population using ER for primary care over years

Adaptive Leadership, Systems Thinking & Conversational Capacity
Framing Skill 3
System as Cause Thinking

• Set boundaries where the system is responsible for behavior

• Adopting the “endogenous” perspective

• Move from being “acted on” (reactive) to proactive

• Move from Victimitis to Empowered
Conversational Capacity

Staying in the productive “sweet” spot
What is Conversational Capacity?

• The ability to have open, balanced, non-defensive dialogue about difficult subjects, and in challenging situations
The impact of Conversational Capacity on our ability to engage adaptive challenges

If our conversational capacity is high, we can put our toughest issues on the table and address them productively.

If our conversational capacity is low, even a minor difference of opinion can throw us off track, derailing performance.
Two Symptoms of Inadequate Conversational Capacity

Undiscussable issues  Unproductively discussable issues
The Sweet Spot

In any conversation there is a “sweet spot.”

In the sweet spot conversations are balanced, open, and non-defensive.

Good teamwork occurs here.
The Sweet Spot

When facing a tough issue or situation people often move away from the sweet spot toward the extreme ends of the behavioral spectrum.
Conversational capacity can be defined as the ability to work in the sweet spot in situations that would send most people flying out of it.
The Sweet Spot

MINIMIZE  The Sweet Spot  WIN
The Sweet Spot

Open, balanced, non-defensive

Candid & Curious
A proven discipline for building Conversational Capacity

THE MINDSET
Informed choice
Pooling different perspectives
Internal Commitment
Four Fundamental Skills

The Sweet Spot

Position

Thinking
Data & Interpretation

Testing

Inquiry
Mindset and Skill set
A mutually reinforcing adoption loop to build useful mental models

**Mindset**
- Pool varying perspectives for a more valid, multi-faceted view
- Informed decisions
- High internal commitment

**Skill set**
- Position
- Thinking (data & interpretation)
- Test
- Inquiry
How we act...and learn
The Ladder of Inference

What I see, hear, feel...sense perceptions

Directly observable DATA

Distance from data

Actual data:
What’s seen, heard (can be captured on video)

I act: decide what to do

I reach a position: opinion, view, concern

I make inferences, assumptions, interpretations

I select (filter) the data
How we act...and learn
Dueling Ladders!

Walking down our ladders together

**Mindset**
- Pool varying perspectives for a more valid, multi-faceted view
- Informed decisions
- High internal commitment

**Skillset**
- Position
- Thinking (data & interpretation)
- Test
- Inquiry

Directly observable DATA

I act: decide what to do
I reach a position: opinion, view, concern
I make inferences, assumptions, interpretations
I select (filter) the data

Other acts: decides what to do
Other reaches a position: opinion, view, concern
Other makes inferences, assumptions, interpretations
Other selects (filters) the data

What can be seen, heard, felt...sense perceptions
When to use Model 2

When the difficulty of conversation is HIGH and the impact/importance is LOW, you have better things to do with your time. This is high effort/low return territory.

When the difficulty of conversation is LOW and the impact/importance is HIGH, this is challenging territory. Model 2 skills are very useful here. If conversation is exceptionally challenging, seek coaching & practice.

When the difficulty of conversation is HIGH and the impact/importance is HIGH, chit-chat, casual conversation, routine issues. We usually don’t have much trouble here.

When the difficulty of conversation is LOW and the impact/importance is LOW, what are you waiting for? Use these conversations to practice the skills and expand your competence.
MINDSET - Perspectives on Models

Cynic: It’s only a model! The world is much more complex, so it’s not useful. Our situation is unique so your model doesn’t apply.

Realist: I use models all the time to make decisions, they’re just implicit and usually untested. I can use a model to make my assumptions explicit, share them, improve them, and test them. It will improve our ability to rigorously discuss the issues!

Mystic: It can predict the future. If I can just get everything into the model, then it will be perfect.

All models are wrong, some are useful! — Box & Deming
Systems Thinking Part 2
Building understanding
**Stocks**

*Exist “at a point in time”*

- Stocks: Nouns. Represent the current state, magnitude, or condition. Freeze action, and stocks persist. **Accumulators.** Balance sheet items.
- **The most common stock type:**
  - Reservoir: Most common form of stock. Think of it as a *bathtub.*

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### Physical
- Reservoir
- Physicians
- Supplies
- Chronic Population
- Installed Computers
- Records in Database

### Less Physical
- $ in Bank
- iTunes Catalog

### Non Physical
- Leadership Skills
- Trust
- Morale
Flows: Verbs. Represent actions activities that fill or drain stocks. They change the level. Freeze action, and flows disappear. Income statement items. Helpful to use “ing” endings.

Uniflow: Most common form of flow. Flows in one direction only.

Biflow: Less common form of flow. Flows in both directions. Use whenever the same process causes the stock to build or decline.
Main Chains (or Core Infrastructures)
Examples of stock/flow maps

**Treatment Capacity**
- Capacity in Development
- Treatment Capacity
-beginning development
- coming on line
- removing from use

**Population Health**
- Healthy Population
- At Risk Pop
- Chronic Pop
- births
- becoming at risk
- attrition of experienced
- dying
- developing chronic conditions
- losing risky status

**Workforce Development**
- Inexperienced Staff
- Experienced Staff
- Candidate Pool
- hiring inexperienced
- becoming experienced
- attrition of experienced

**Personal Health Habits**
- Personal Habits
- building good habits through medical & public awareness
- losing good habits

**Financials**
- Cash in Account
- revenue
- expenses
Using stock and flow maps to facilitate policy conversations

Map current or desired initiatives onto main chain

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<td>School fitness programs</td>
<td>a &amp; b</td>
<td>Develops healthy behaviors in students; prevents the onset of obesity</td>
<td>Most visible after 20-40 years. Takes till that long until students reach &quot;complications&quot; ages</td>
<td>Funding from other programs</td>
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Adaptive Leadership: Session 2
The "physics" would dictate that this stock would increase...if the outflow slows, but the inflow remains the same. Once the rate of developing is greater than the rate of dying, the number in the Chronic Conditions Population stock would increase.
Managed Care Population Map*

• **Questions to facilitate conversation**
• What are the types of people in each stock? What attributes do they have?
• What will move low quality of life folks up? What will prevent Max Quality of Life folks from slipping down?
• How do people gain knowledge of system? How do they gain personal health literacy?

*Developed as part of a Medicaid managed care stakeholder engagement process*
Contact Info

**Chris Soderquist**  
Pontifex Consulting  
11 Sargent Street  
Hanover, NH 03755  
(603) 653-0228  
PontifexConsult@gmail.com  
www.pontifexconsulting.com

**Craig Weber**  
Weber Consulting Group  
44842 12th Street West  
Lancaster, CA 93534  
(661) 940-3309  
weberconsulting@earthlink.net  
www.weberconsultinggroup.net