THE FEARLESS ORGANIZATION
CREATING PSYCHOLOGICAL SAFETY FOR LEARNING, INNOVATION & GROWTH

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PSYCHOLOGICAL SAFETY, ORGANIZATIONAL LEARNING, HROs, & SERVANT LEADERSHIP – IT ALL FITS TOGETHER

• In today’s world, organizations must keep learning to achieve their goals and survive over the longer term
• High-reliability organizations require curiosity, humility and vigilance in the face of complexity and interdependence
• The leaders role is to serve others in ways that foster learning and growth
• Learning and growth happen in a psychologically safe environment…
POLL QUESTION #1

• What is your primary role in VA?
  – student, trainee, or fellow
  – clinician
  – researcher
  – administrator, manager or policy-maker
  – other
POLL QUESTION #2

If you have anyone reporting to you, please answer
How often do people reporting to you come to you with news of success or progress toward achieving their/your team’s goals

1. Often
2. Sometimes
3. Rarely
POLL QUESTION #3

If you have anyone reporting to you, please answer
How often do people reporting to you come to you with their mistakes, failures, or requests for help.

1. Often
2. Sometimes
3. Rarely
CONFRONTING A NEW REALITY

• **Volatile**: Rapid changes, ups & downs/big swings
• **Uncertain**: Difficult to predict future events/values
• **Complex**: Multiple interconnected elements
• **Ambiguous**: Unclear meaning of signals/events

= V.U.C.A.
POLL QUESTION #4

- In your work at the VHA, how much uncertainty do you face?
  - 1 (very low)
  - 2 (low)
  - 3 (medium)
  - 4 (high)
  - 5 (very high)
POLL QUESTION #5

– How much interdependence do you face? (i.e., to what extent is it necessary to coordinate with others in an intense and ongoing way to get key work done?

• 1 (very low)
• 2 (low)
• 3 (medium)
• 4 (high)
• 5 (very high)
CONFRONTING A NEW REALITY

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What’s needed in a VUCA world is NOT what’s natural....
HOW IS WORK ACCOMPLISHED IN A VUCA WORLD?

teams (n.) & team • ing (v.)

Teams are stable, bounded groups of people interdependent in achieving a shared goal.

Teaming is teamwork on the fly—coordinating and collaborating across boundaries without the luxury of stable team structures.
A TEAM IS A (1) STABLE, (2) BOUNDED GROUP OF INDIVIDUALS WHO ARE (3) INTERDEPENEDENT IN ACHIEVING A (4) SHARED GOAL
FEARLESSNESS – SMALL IDEAS THAT MAKE A BIG DIFFERENCE

• Interdependent work is vulnerable to interpersonal risk (which contributes to business and safety risk in a VUCA world)

• Recognizing the different types of failure helps us make thoughtful distinctions that foster smart risk taking

• Small actions make a big difference in building psychological safety for agile teaming
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“There was always a distance, a fear and a respect... If he [Martin Winterkorn] would come and visit or you had to go to him, your pulse would go up. If you presented bad news... it could become quite unpleasant and loud and quite demeaning.”

VW executive

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VW executive

I called all the body engineers, stamping people, manufacturing, and executives into my conference room. And I said, “I am tired of all these lousy body fits. You have six weeks to achieve world-class body fits. I have all your names. If we do not have good body fits in six weeks, I will replace all of you. Thank you for your time today.”

Ferdinand Piech, VW's former chairman, CEO, Martin Winterkorn's mentor
THE SUBTLE NATURE OF INTERPERSONAL RISK AT WORK

<table>
<thead>
<tr>
<th>No One Wants To Look</th>
<th>It’s Easy To Manage!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ignorant</td>
<td>Don’t Ask Questions</td>
</tr>
<tr>
<td>Incompetent</td>
<td>Don’t Admit Weakness or Mistakes</td>
</tr>
<tr>
<td>Intrusive</td>
<td>Don’t Offer Ideas</td>
</tr>
<tr>
<td>Negative</td>
<td>Don’t Critique the Status Quo</td>
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</table>

IMPRESSION MANAGEMENT IS SECOND NATURE
A belief that the context is safe for interpersonal risk taking – and so one will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes.

THINK OF IT AS FELT PERMISSION FOR CANDOR.
PSYCHOLOGICAL SAFETY AND HIERARCHY

N=1100 clinicians


Status differences are pervasive and problematic in most organizations.
“All those in favor say ‘Aye.’”
“Aye.”
“Aye.”
“Aye.”
“Aye.”
“Aye.”
PSYCHOLOGICAL SAFETY: WHAT WE KNOW

• Psychological safety is not about ‘being nice’
  – It’s about recognizing what behaviors are needed to cope with
dynamic, uncertain, interdependent work

• Psychological safety “lives” at the group level
  – that is, psychological safety varies across groups within organizations
  – As such, it’s influenced greatly by local leaders

• Psychological safety enables learning behavior…
  – Error reporting (Edmondson, 1996)
  – Quality improvement (Tucker, Nembhard & Edmondson, 2007)
  – Innovation…and more (see Edmondson & Lei, 2016 for a review)

• What about performance?
SACRIFICING PERFORMANCE STANDARDS?

Psychological Safety  ?  High Standards

Is it a matter of finding the right point on a balance beam?
NO TRADEOFF BETWEEN HIGH STANDARDS & PSYCHOLOGICAL SAFETY

- Comfort Zone
- Learning Zone
- Apathy Zone
- Anxiety Zone
POLL QUESTION #6

Which quadrant characterizes your current work unit?

a) Apathy Zone
b) Comfort Zone
c) Anxiety Zone
d) Learning Zone

FACING UNCERTAINTY OR INTERDEPENDENCE

- Comfort Zone: High Psychological Safety, High Performance Standards
- High-Performance Zone: High Psychological Safety, Low Performance Standards
- Apathy Zone: Low Psychological Safety, Low Performance Standards
- Anxiety Zone: Low Psychological Safety, High Performance Standards
When Rozovsky and her Google colleagues encountered the concept of psychological safety in academic papers, it was as if everything suddenly fell into place...
“Psychological safety was far and away the most important of the five dynamics we found -- it’s the underpinning of the other four.”
FEARLESSNESS – SMALL IDEAS THAT MAKE A BIG DIFFERENCE

• Interdependent work is vulnerable to interpersonal risk (which contributes to business risk) in a VUCA world

• Recognizing that there are different types of failure helps us make thoughtful distinctions that foster smart risk taking

• Small actions make a big difference in building psychological safety for agile teaming
ALL FAILURE IS NOT BAD...

ALL FAILURE IS NOT GOOD EITHER!
3 TYPES OF FAILURES

1. Preventable Failures
   - Where we know how to do it right

2. Complex Failures
   - Complex factors (internal, external, or both) combine in novel ways to produce failures in reasonably familiar contexts

3. Intelligent Failures
   - Undesired results of thoughtful forays into novel territory
ELEMENTS OF INTELLIGENT FAILURES

1. The opportunity explored is significant
2. The outcome will be informative
3. The cost and scope are relatively small
4. Key assumptions are explicitly articulated
5. The plan will test those assumptions
6. The risks of failing are understood, and mitigated to the extent possible

Pursuing intelligent failures makes sense when you believe there are significant future opportunities in new areas where experimentation is feasible without producing unacceptable harm today.
FAIL WELL

- Reduce *Preventable* Failures
- Anticipate and Mitigate *Complex* Failures
- Promote *Intelligent* Failures
PROMOTE INTELLIGENT FAILURES: EMBRACE THE MESSENGER

Failure Parties at Eli Lilly
EMBRACE MESSENGERS: CLOSE THE GAP

POTENTIAL CAUSES OF FAILURE

- Experimentation
- Uncertainty
- Complexity
- Incompetence
- Inattention
- Deliberate Violation

QUESTION What percent of failures in your organization are caused by blameworthy acts?

QUESTION What percent of failures does your organization treat as caused by blameworthy acts?
Interdependent work is vulnerable to interpersonal risk (which contributes to business risk) in a VUCA world.

Recognizing that there are different types of failure helps us make thoughtful distinctions that foster smart risk taking.

Small actions make a big difference in building psychological safety for agile teaming.
HOW DO YOU BUILD PSYCHOLOGICAL SAFETY?
HOW DO YOU BUILD PSYCHOLOGICAL SAFETY?

1. Set the stage - frame the work
2. Invite engagement
3. Respond appreciatively
SET THE STAGE BY FRAMING THE WORK

from BLUEPRINT to CONTINGENT APPLICATION to BRAINSTORM

Routine, Well-Understood to Variable, Uncertain, Complex to Innovative, Novel, Unknown

Uncertainty

Failure Rates
Implicit beliefs that shape how people make sense of a situation and influence how they act and respond...

Actions that shape people’s frames
**FRAMING THE WORK – TO OVERRIDE INSTINCTS**

<table>
<thead>
<tr>
<th>What instincts need to be overridden to do this work well</th>
<th>WELL-UNDERSTOOD, REPEATING</th>
<th>COMPLEX, CUSTOMIZED</th>
<th>NOVEL, UNCERTAIN</th>
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<td>How should you make the case for voice in each context</td>
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FRAMING THE WORK – TO OVERRIDE INSTINCTS

Framing is conveying messages that help people develop a shared sense of the work... to help override natural instincts that get in the way of excellence.

Good leaders do this deliberately and often...

Consider the frame in the following examples (along with the natural instinct each is designed to override):
FRAMING THE WORK: INNOVATION REQUIRES FAILURE

“Fail often in order to succeed sooner…”
I said, “Early, often, ugly. It’s O.K. It doesn’t have to be perfect because then I can course-correct much, much faster.”

No amount of ugly truth scares me. It’s just information to make a decision.

FRAMING THE WORK: SUCCESS THROUGH COURSE-CORRECTION

“If you’re good at course-correcting, being wrong may be less costly than you think.”

FRAMING THE WORK: DISSENT AS DEPTH

“Gentlemen, I take it we are all in complete agreement on the decision...

Then I propose we postpone further discussion of this matter until our next meeting to give ourselves time to develop disagreement and perhaps gain some understanding of what the decision is all about.”

– Alfred P. Sloan (1946). My Years with General Motors.
"With only a hint of the famous grin, Eisenhower spoke briefly…

I consider it to be the duty of anyone who sees a flaw in the plan not to hesitate to say so. I have no sympathy with anyone, whatever his station, who will not brook criticism. We are here to get the best possible results.

Here’s our protocol. We think it’s pretty good. We’d like you to follow it.

AND, we’d like you to deviate from it – any time your clinical judgement tells you to do so.

All we ask is that you tell us what you did and why…
FRAMING THE WORK IN ROUTINE PRODUCTION

“James Wiseman remembers the moment he realized that Toyota wasn’t just another workplace but a different way of thinking about work…

[In his prior jobs] Wiseman recalled that he … “had the attitude that when you achieved something, you enjoyed it.”

“He recalls being steeped in the American business culture of not admitting, or even discussing, problems in settings like meetings.”

FRAMING THE WORK: PROBLEMS AS A TEAM SPORT

The Georgetown plant was run by Fujio Cho [later chairman of Toyota worldwide]. Every Friday, there was a senior staff meeting.

“I started out going in there and reporting some of my little successes,” says Wiseman. “One Friday, I gave a report of an activity we’d be doing…and I spoke very positively about it, I bragged a little. After two to three minutes, I sat down.

“And Mr. Cho kind of looked at me. I could see he was puzzled.

He said, ‘Jim-san. We all know you are a good manager, otherwise we would not have hired you. But please talk to us about your problems so we can work on them together.’ ”

Wiseman said it was like a lightening bolt. “Even with a project that had been a general success, we would always ask, ‘What didn’t go well so we can make it better?’ ”

FRAMING THE WORK: IT’S ALWAYS POSSIBLE TO DO BETTER!
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<td>Tendency to share successes and hide problems Complacency</td>
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HOW DO YOU BUILD PSYCHOLOGICAL SAFETY?

1. Set the stage
2. Invite engagement
3. Respond appreciatively
INVITE ENGAGEMENT: ACKNOWLEDGE YOUR LIMITS

“I may miss something. I need to hear from you.”

“I’m new to this role. What are you seeing out there?”

“I’m not an expert in X; I need your help.

**These behaviors:**

*lower the psychological costs of speaking up and raise the psychological costs of silence*
INVITE ENGAGEMENT: ASK GOOD QUESTIONS

• To broaden the discussion
  – What do others think?
  – What are we missing?
  – What other options could we consider?
  – **Who has a different perspective?**

• To deepen the discussion
  – What leads you to think so?
  – What’s the concern that you have about that?
  – Can you give us an example?
  – Can you explain that further?
  – What do you think might happen if we did X?

**Good questions focus on what matters, invite careful thought, and give people room to respond.**
HOW DO YOU BUILD PSYCHOLOGICAL SAFETY?

1. Set the stage
2. Invite participation
3. Respond appreciatively
“Mark, thank you for that clear line of sight. What can we do to help you out”

“The next week, the charts looked like a rainbow.”
EMBRACE MESSENGERS

You have to make honest feedback a positive experience. It has to be that the red is a gem. I had to demonstrate with my behavior that I welcomed it.

Alan Mulally, as told to Diane Brady, Business Week. April 12, 2012
WHAT LEADERS CAN DO TO CREATE PSYCHOLOGICAL SAFETY

1. **Setting the stage** by framing the work accurately – ensuring shared understanding of the reality of complexity, uncertainty, novelty, and failure;
2. **Inviting engagement** by acknowledging limits and asking good questions;
3. **Responding** in a way that embraces messengers and fosters learning.
TAKEAWAYS

Interpersonal fear puts organizations, their customers, and their employees at risk

Interpersonal fear at work is natural and instinctive

Leaders can, and must, override the effects of interpersonal fear by building psychological safety
COMING NOVEMBER 20...

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THANK YOU!