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Mindshift:

Strategic Dialogue for Breakthrough Thinking

by Juanita Brown and Sherrin Bennett

Strategic planning is not strategic thinking. One is analysis and the other is synthesis. . . Through the discoveries based on serendipitous events and the recognition of unexpected patterns, learning inevitably plays a, if not the, crucial role in the development of novel strategies. (Mintzberg, 1994)

What strategic challenges do we face? What dilemmas have we encountered that need to be resolved? How can we as a team improve the way we think about the work we do? Questions such as these lie at the heart of strategic dialogue, a special type of collaborative inquiry which supports the discovery of breakthrough insights that can substantially improve business results.

Strategic dialogue is built on the operating principle that the stakeholders in any system already have within them the wisdom and creativity to confront even the most difficult challenges. Given the appropriate context and support, it is possible for members of an organizational community to access this deeper knowledge about underlying causes and leverage points for change. The role of outside content “experts” is minimized in favor of the kind of support that allows members to draw deeply on their own “memory of the whole” in order to think in systemic ways about key challenges and opportunities. (Kofman and Senge, 1993)

Strategic innovation is more likely to occur in an organization when its members are able to articulate the “mental models” which shape key decisions as well as the deeper beliefs and core assumptions underlying both thinking and action. Strategic dialogue enhances this capacity for interactive learning, transforming new knowledge into coordinated action. The reflective skills developed in strategic dialogue can help strengthen the organization’s resiliency and sustainable advantage in a rapidly changing environment.

In this article we explore the strategic imperative, the spirit of inquiry, the dynamics of dialogue and the way that shift happens among a collaborative team. The “scenario” which begins each section of this article and the conceptual reflection which follows invite you to join the inquiry regarding the practical ways strategic dialogue can serve businesses and communities, as well as public and private institutions, as they struggle with the deeper questions at the heart of creating a positive future.

This article is designed to stimulate your own thinking about creative ways to engage both the spirit and the practice of strategic dialogue in a variety of settings. In the imaginary scenarios that follow, an executive team member is reflecting on the process of incorporating strategic dialogue in his company.

THE STRATEGIC IMPERATIVE

Our leadership team was uneasy. Our responsibility was to chart the organization’s strategic course. In recent strategic planning sessions we had pored over trend data, statistical reports, financial results, and forecasting models. Our company’s mission, vision, and values had been distributed widely throughout the company.

Still, something was missing. Even though we were not in crisis, it was clear the game was changing. The next stage in the life of our company would require a quality of thinking and strategic insight that our traditional planning process somehow never seemed to produce. We knew that our choices and the thinking behind them were more important than ever. They would impact not only our business results but our key relationships with employees, customers, suppliers, the community, and other groups with a stake in our future.

I had been exploring new approaches to organizational learning and coordinated action involving companies like ours. Strategic dialogue had appeared as one approach which seemed to show real promise for the kinds of issues we were facing. When I shared this with my team, they perked up. I had heard that strategic dialogue enables people to look beneath the surface to the core assumptions and operating principles which underlie thinking about current strategies in order to discover innovative possibilities and see the whole picture.

Even though some team members were skeptical, they agreed to experiment with strategic dialogue. One member commented, “Well, it can’t hurt. This strategic dialogue stuff seems kind of like an investment in R & D. We spend

millions of dollars and huge amounts of time. Sometimes we get a hit and sometimes we don't. We still make the investment though, because if we get a breakthrough in our thinking it can make a big difference to our future. Let's go for it and see what happens." Another added, "Well, if we learn something interesting we can begin to test it with other folks and begin to link it into the regular planning process."

We agreed to go off-site to experiment with strategic dialogue in an effort to understand our strategic issues more clearly. We realized that, like all development work strategic dialogue was not a one-shot deal. It would involve a number of follow-up conversations. I knew that team members held very different views on the company's challenges. I wondered if there would be conflict once we really began to look under the surface.

Making Decisions of Strategic Importance

We are all faced with the challenge of making decisions of strategic importance in the face of critical uncertainties. These are decisions in our personal lives as well as those taken by a management team on behalf of the organization.

Decisions are strategic in nature according to Peter Vaill (1986) when the choice:

- involves commitment of significant resources
- may move the organization into a new domain not in the organization's prior experience, "a whole new ball game"
- involves long cycle feedback—it won't be known for some time if the decision was a wise one and if the intended benefits are occurring
- will have lasting impact

The strategic imperative is to reflect on these choices using the highest quality of collective thinking. We are all too familiar with "group think" which has been described as the tendency to confirm our existing assumptions without question in order to avoid conflict or responsibility and to save face among peers. Even the fact that the current assumptions guiding business strategy have been rewarded with past success doesn't guarantee that they are appropriate in today's rapidly changing environment. The fact of high stakes in the midst of uncertainty creates the genuine imperative for strategic thinking.

Strategy-making Requires both Analysis and Synthesis

In his recent article in the Harvard Business Review, "The Rise and Fall of Strategic Planning," Mintzberg (1994) makes an important distinction. Strategic thinking must integrate what executives learn from all sources—from their own

and other' s experience, from analysis of financial data and from trends in the larger environment into a coherent sense of direction for the business. *Strategic planning isn't strategic thinking. One is analysis and the other is synthesis. They inform one another.* Strategic planning with its usual focus on analysis of trend data and performance figures has not proved adequate to produce breakthrough thinking among management teams. It does not assure that core assumptions will be explored and improved. Planning often relies on outside expertise in a way that doesn't create and refine shared mental models to guide decision-making throughout the organization. Strategic dialogue creates a continuing conversation in parallel with the regular cycle of strategic planning. It supports a team in doing what Nonaka has called articulating the company's "*conceptual umbrella*"—identifying the core concepts that link seemingly disparate activities into a coherent whole. (Nonaka, 1991)

Strategic Thinking is Generative Learning

Strategic thinking identifies and resolves dilemmas at the heart of strategic issues by shifting the context in which they are understood. Exploring questions of strategic importance together allows team members to examine their *mental models* or sets of working assumptions about what drives the business, the intentions of their competitors, customers needs, and the dynamics in the larger environment. Shifts in the core assumptions that guide business strategy are a major source of innovations that can create the organization's most significant growth opportunities. Strategic thinking done well assures resiliency and informs coherent decision-making in a rapidly change environment. It is a practice that helps the enterprise to become a learning organization, what Peter Senge has described as an organization that is continually expanding its ability to create its future. (Senge, 1994)

Metaphor and Analogy Provide a Language of the Whole

In his landmark book, *Images of Organization*, Gareth Morgan (1986) explores how strategic objectives are embedded in dominant metaphors that guide the organization.

Organizations enact metaphors. To manage an organization as if you were operating a mechanism, steering a ship or wielding a weapon is to embody that metaphor in action. Managers may unwittingly construct a reality they dread through an incapacity to reflect upon the metaphor in use.

Senior managers give voice to a company's future by articulating metaphors, symbols, and concepts that orient the knowledge creating activities of employees. These images shape the organization's possible future. Shift in strategy often requires a shift in guiding image.

Strategic dialogue becomes a forum for exploring these guiding images and the deeper assumptions which give rise to them. In strategic dialogue, the language of metaphor and analogy helps us move from tacit or implicit knowing to the explicit realm where, together, we can see relationships and strategic opportunities that were not evident before. As Susan Bethanis points out, "Metaphors make language come alive: language becomes action." (Bethanis, 1994)

THE SPIRIT OF INQUIRY

Our leadership team gathered for the dialogue in the large library of a nearby inn. The comfortable chairs and warm tones created an atmosphere of relaxation and informality as we sat in a circle to begin. I opened the conversation. "Strategic dialogue may help us chart new territory and make new maps. We have all our trip equipment and supplies—ourselves and our previous experiences with the dilemmas we are facing as well as all the information and data we could ever want. Let's go for it."

Then I introduced Carlos, a skilled facilitator, and Janis, a specialist in visual language and systems thinking. Janis would use the large wall panels that surrounded us on several sides to record in words and images the linkages and patterns of our key ideas as they emerged. To begin, Carlos asked us each to "check-in" around the circle by first reflecting on the following and then sharing our thoughts.

If there were one core question that underlies all the strategic challenges you face, what would it be? Why is that question important to you?

Carlos asked us to listen carefully to each person and notice when our own question (or a better one that arose as we listened) could link to or build upon what we were hearing. He asked us to notice when we felt uncomfortable or disagreed since that could be a sign we were bumping up against our own assumptions. He emphasized that strategic dialogue is not about agreement or consensus. Rather, it's about listening for deeper understanding and insight.

And that's not easy. I was surprised at how uncomfortable I felt with the ideas of several other members. I realized how hard it was to listen fully without jumping in with my own reactions.

As we were checking in, Janis was recording our questions with colorful graphics on the large wall panels. After the check-in we were invited to go on a "gallery tour" to begin to get a "feel" for the questions which had been contributed. People seemed intrigued and started to comment on common threads.

As we adjourned for the evening we knew that whatever happened, this was going to be an important conversation. I could tell that people weren't yet saying all that was on their minds but this opening session had been different and engaging. People left curious to see what would happen when they gathered the next morning. Many went to the lounge to continue talking.

Creating a Spirit of Inquiry

One of the fundamental goals of the early phases of strategic dialogue is to create a climate of discovery, questioning, and exploration—even of mystery and adventure. Without this *spirit*, it is more difficult to move through the tension that often accompanies the process of strategic dialogue. Engaging this spirit of inquiry is important to reaching the deeper understanding of underlying assumptions, organizing images, and core beliefs that are crucial to strategic thinking. In the early stages of a gathering there are several key elements that can help "create the context" and evoke the spirit of inquiry:

- Choose a setting where the normal distractions can be minimized.
- Encourage informality, relaxation, and personal relationships.
- Assure that all voices are heard and "in the circle" from the very beginning. Create opportunities early for members to discover what they have *in common*. For example, it is useful to hear the ways in which people despite their differences, *care* about the challenges they face together.
- Honor the knowledge that is alive in the people present. Evoke initial questions that will enable members to look toward the "heart of the matter" from their own experience of the situation.
- Focus on questions which create curiosity, "wondering" and anticipation rather than abstract lists of issues or topics.

- Acknowledge that it is normal for people to experience uncomfortable as well as comfortable reactions to others' perspectives.
- Demonstrate innovative and interesting tools, like visual language and graphic recording which enable people to begin to "see" the connections between ideas.

The Art of Strategic Questioning

The properly shaped question always emanates from an essential curiosity about what stands behind. Questions are the keys that cause the secret doors...to swing open. What is behind the visible?

Clarissa Pinkola Estes

Strategic questioning plays an important role establishing that the deeper insight we seek is “findable” through the dialogue. Fran Peavey, a pioneer in the architecture of powerful questions, shows how they serve to energize a “resonant field into which our own thinking is magnified, clarified and new motion can be created.” (Peavey, 1994)

Continuing to focus on questions rather than answers in a strategic inquiry has a paradoxical impact on the evolution of both individual insight and collaborative discovery. Clear, bold, and penetrating questions which elicit a full range of dynamic responses and energy tend to open the social context for learning. They enable individual members to discover that we need not be limited by our individual isolated positions or static political alliances.

Questioning together begins to demonstrate that as individuals we have the capacity to become part of something larger than ourselves. Those in the dialogue begin to *share* a concern for deeper levels of shared meaning. People begin to realize "If we continue to think like we've always thought, we'll continue to get what we've already got." It rapidly becomes clear that, in these dynamic and turbulent times, “what we've already got" will not create the kind of future we desire.

Paying Attention to the Words and the Music

Inquiring into our most critical challenges and simultaneously noticing the way we think about them has the potential to yield insights which neither alone makes possible. As members experiment with strategic dialogue, they realize that the way we think about things is in large measure the source of fragmentation, reactivity, and competition in modern organizational life. Most interestingly, the organizational community begins to discover that they, together, have the power to change these modes of thinking into more coherent, integrated, satisfying, and effective ways both of being and of doing. (Kofman and Senge, 1993)

TO IMPROVE THE QUALITY OF OUR THINKING TOGETHER

We can shift our awareness and notice

- **not just the** *ideas themselves*
- **not just** *conflicting views*
- **not just the** *topics discussed*
- **not just** *approval or disapproval*
- **but** *connections between ideas*
- **but** *differences bringing new insight to the whole*
- **but the** *unspoken questions and issues arising*
- **but** *inner tension as clues to underlying assumptions*

THE DYNAMICS OF DIALOGUE

The next morning we began to delve more deeply into the core strategic questions which we generated the previous evening and added others as they arose. We established a rhythm of work in which we periodically “stopped action” to reflect on our own working process and to notice the principles and practices of the dialogue itself as it unfolded. Carlos encouraged us to notice both what was happening within ourselves as well as among the team as a whole.

We did not dampen or “cool down” passionate stances as too dangerous to handle. We learned to see each other’s passion and advocacy not as an indicator of one person being closed to others but as a sign of deep caring about a question. Rather than “cooling it down” we were encouraged to “slow it down” so that we could “listen into” the varied perspectives that were being expressed.

We were asked to listen underneath the tone and style and even the words to search for the special contribution that might be present in each person’s offering to the conversation. At one point, a member of the group who had been silent through most of the morning commented, “I’m just realizing as I try to listen to what we’re saying here that even though we’re all from the same company we speak different languages. We don’t mean the same thing even when we use the same words. No wonder we have trouble thinking together.” Another added, “I’ve been noticing that too. Maybe we shouldn’t just accept things at face value and decide if we agree or disagree, but really ask each other what we mean by what we’re saying as we talk together. That way we can be sure we’re really getting it before we jump to conclusions.”

That started us on a path of exploring more deeply what people were saying—the distinctions and interpretations embedded in the language we used—the meaning beyond the positions. All the while, the graphic recorder was capturing key ideas and images and the group began to help the recorder, making sure that what she was capturing reflected the essence of what we thought was being shared. “It’s really amazing how Janis seems to be building a kind of web out of our different viewpoints,” the Director of Operations commented.

But, it wasn’t easy. People felt frustrated as they got stuck in their long held certainties. At times, things got polarized. Slowly we learned to see polarization as a resource to the group, an opportunity to see how we identify positions with people and then “take sides.” At one point Carlos asked, “Is there some common pattern underneath the apparent irreconcilable differences here?”

That did it. We began to see that what we had in common was our rigidly held assumptions and beliefs. No matter how apparently “right” they seemed to one or more of us, our “noble certainties” were inhibiting our capacity to see new possibilities for strategic leverage and coordinated action. Like peeling an onion, we began to “unpack” the assumptions underlying the different positions and the perspectives being explored.

The language of the group began to shift. The early expressions of certainty yielded to the language of discovery. “I think that we really should . . .” and “my position on this has always been . . .” started shifting toward:

"What is the underlying belief that's the source of how we've thought about this?"

"What if we imagined that....."

"What is it about this assumption that's really important to our understanding?"

"If we had to draw a symbol or a picture of what this all means, what would it look like?"

"I'm intrigued by what I just heard and I'm wondering....."

"This is so important maybe it would be good to hear briefly from everyone "

By this time, the conflicts which flared up earlier and the differences that seemed to divide people began to take on a new tone. People began to metaphorically place their different points of view into the center of the circle or graphically onto the wall panels to be "held by all." Our frustration and fragmentation was yielding to a new level of coherence and collaboration as began to "think together."

Weaving a Web of Connections

Dialogue is a process of collaborative conversation. Bill Isaacs, Director of the MIT Dialogue Project, emphasizes that it differs markedly from the casual discourse of daily life, persuasive discussion, negotiation or formal debate.* Dialogue is most useful for learning about complexity where no one has "the answer." Rather than trying to understand an issue by breaking it into its parts, the practice of dialogue draws attention to the whole. As each person offers a unique contribution to the conversation, the intent is not to persuade but to explore from another perspective. Together people in dialogue weave a *web of connections* between their own thoughts and what has been said before. The process of strategic insight that emerges is always dependent upon *reciprocal connectivity that can never be predicted and controlled.* (Morgan, 1986)

Embracing Diverse Perspectives

Like a photographer exploring a situation, each comment offers a picture from a different vantage point in an effort to tell the whole story. The whole picture in soft focus brings better understanding than detailed pictures of fragmented parts. Each person adds to the common pool of ideas rather trying to prove or persuade from their own point of view. Partners in dialogue are challenged to find a *coherent interpretation of their multiple perspectives.* Each comment is seen as

true in its own right and as a valuable clue essential to revealing the mystery of the whole. This expectant attitude can ignite the sparks of insight that bring about innovation.

Noticing the Dialogue Within Us and Between Us

In the practice of dialogue, participants focus both on the dialogue within and the dialogue among ourselves. When we hear another speak from their unique perspective, we typically notice a process of comparison that goes on within the listener sensing whether or not the other's meaning matches our own. Agree or disagree? Disagreement is often felt as tension within the body and is expressed as defensive reaction or restatement of our own preferred view. Agreement usually leads to head nodding and statements in support of the other. This judgment generates the usual argument or debate, but strategic dialogue goes deeper. We move from advocacy to inquiry and from evaluation to exploration in service of the whole. When feeling disagreement, we search instead for differences in the assumptions or core beliefs underlying our views. It is this practice that deepens the conversation into dialogue. As each of us reflects on and shares our underlying assumptions it becomes clear that some of those we strongly hold are inconsistent with one another. Other people have constructed their own knowledge in a another way, evolving sets of assumptions different than our own.

Allowing Listening to Transform Us

Listening deeply and taking in the other's meaning, we choose the risk of being changed by what we hear. In this sense, listening is a radical act. It is the willingness to allow this process to unfold that gives dialogue its transformative power. We cannot enter into the mutuality of dialogue while maintaining defensive and reactive postures. It requires humility, softening our certainties, allowing ourselves to learn and change in the company of one another. Through mutual reflection, dialogue begins to clarify the places where our assumptions are tangled or seem to contradict themselves. David Bohm suggested that dialogue can function like the immune system in the body. It clears up material that cannot be assimilated into the existing pattern of dis-ease. At a social level, dialogue recognizes and clears up the incoherence of our thought. (Bohm, 1989) This happens both within us and between us. Dialogue is a core process for improving our own "pictures of the world" as well as refining and extending the

shared mental models that guide decision-making for the business. As a community of colleagues, we make shared meaning of our diverse perspectives and experiences by surfacing, testing, and improving our collective thinking in the context of a changing environment. This is the dynamic that makes concerted action possible. It is difficult to dance together from different sets of assumptions.

Making Meaning Together

As we listen into different perspectives, valuing them for their own uniqueness rather than insisting they be the same as our own, we begin *linking our thinking*. The conversation becomes a *web of connections* between our assumptive worlds—we enter into dialogue and it enters into us. The word dialogue comes from the Greek *dia-logos* "the flow of meaning through or among us." The web of connections links core concepts and ideas into a common language and stories that are the basis for shared meaning.

Mihaly Csikszentmihalyi (1990), in his research on psychological satisfaction, has described the sense of total involvement in a satisfying activity as the experience of *flow* through which each of us integrates conscious experience into a meaningful whole. Extending this same concept to the level of interaction among us, it seems that dialogue allows a similar integration of experiences into a coherent whole -- synthesizing collective patterns of thought from which we make sense of things and carry out committed action. Nonaka (1991) points to the importance of this process for team learning in today's organizations.

Teams play a central role in the knowledge creating company because they provide a shared context where individuals can interact with each other and engage in the constant dialogue on which effective reflection depends. Team members create new points of view through dialogue and discussion. They pool their information and examine it from various angles. Eventually, they integrate their diverse individual perspectives into a new collective perspective.

Using Visual Thinking

The integration of the verbal with the visual is very important to the emerging practice of strategic dialogue. Our minds make meaning through analogy, symbol, and metaphor. (Lakoff and Johnson, 1980) Graphic recording and the

use of visual as well as verbal language during strategic dialogues assists in clarifying the underlying metaphors, symbols and core images that are at play in a strategic inquiry. Visual recording helps illuminate the group's perspective on the whole because they are literally surrounded by the larger picture as it emerges around them in the room. It enables relational thinking to emerge organically from the conversation.

Visual recording and the interdependencies it highlights often become the platform for more formal learning regarding systemic patterns and underlying structures influencing desired outcomes. Computer microworlds and other systems dynamics tools then serve as powerful and exciting vehicles for deepening the organization's strategic capability. (Senge, Kleiner, Roberts, Ross & Smith, 1994) The combined verbal and visual approach also allows incoherence, fragmentation, and polarities to be noticed and experienced more immediately and acutely. "This just doesn't make sense" "What's the pattern here?" "How come the pieces don't fit together?" "There's a hole in our thinking and the missing piece is over there in the upper right hand corner."

SHIFT HAPPENS

By this time the room was alive. The tone was spontaneous, playful, irreverent. The team was beginning to have "serious fun." Several of the walls and the large panels surrounding the circle were covered with drawings, diagrams, and key phrases reflecting areas of connection or need for further exploration. There was a special wall panel which held areas where people felt they had reached a common perspective or a greater sense of clarity. These were not agreements or decisions but rather key leverage areas where we had come to share a new frame of reference within which to see our challenges and core strategic questions. It was not the shift of "content" but rather the shift of "context" that seemed to make all the difference and opened new possibilities.

It had become clear that no one had all the answers. One of the guys said, "Whew! I thought I had it all figured out before I even came in here the other night, but I think we've got to deepen our understanding and explore the larger picture. I don't think we've ever really gotten this close to the heart of it before." One of the women in the group said, "You know, we've all been really humming together. It's great but we've been at it now for several hours non-stop. It's amazing how time has seemed to dissolve. Maybe we should take a little walk and get out in the fresh air. Let's just take some alone time to see what new ways of thinking might come up.

When we reconvened, people were very thoughtful. There had been pauses in the conversation before, but this time the silence seemed to have a different quality. The tension of earlier times in the conversation was gone and people simply sat together, enjoying the quiet.

One of the members spoke up, "Something different is happening here. It feels like we are all a part of something important that is larger than just ourselves in this room." The Finance Director added, "I really believe that the questions we have been exploring are going to make a difference not only for the company's bottom line but also for us personally. The head of Sales added, "This kind of thinking together can also make a difference for our employees, our customers and suppliers and the larger community. Somehow, we've come to another level together." The marketing guy commented, "I have confidence in the direction we are sensing here but it's important to now explore these questions and insights with others. We need to continue these meeting ourselves and also begin these kinds of conversations with larger circles of people who have a stake with us in the future of the company."

The Pot Thickens

We feel a shift of mind when learning happens—Aha! Learning in community means getting to "aha" together Peter Senge (1994) has said, "Through learning we re-perceive the world and our relationship to it...A learning organization is a place where people are continually discovering how they create their reality and how they can change it."

What are the conditions that make this shift possible? Strategic dialogue is like making a good stew. At first the broth seems watery and thin. We add ingredients with different textures and flavors while spices bring their special aroma to the mix. We continue to stir. As we keep the heat on, there is often a moment when we notice that "the pot thickens" and what only a few moments ago appeared to be a thin mixture, has now become rich and fulfilling without losing the unique qualities of its original ingredients.

It's that way with strategic dialogue. We place our core questions and strategic issues into the "stew," looking at them from different angles and perspectives. Simultaneously we become aware of the "heat" as we examine our own reactions and discomfort with others' perspectives and try to suspend the certainties and rigid assumptions that tend to hold us in their grip. No one loses their

individuality or unique contribution to the stew. As the pot thickens, we discover we are a community sharing deeper understandings which feel rich and fulfilling.

The “ahas” come as we recognize that a new integration is occurring. Like a kaleidoscope, where pieces of colored glass hold a pattern until a slow turn of the barrel causes them to suddenly cascade into a new configuration, generative learning creates coherence at a new level of complexity. The strategic insight that emerges out of complexity and chaos enjoys a simple elegance. It satisfies and creates the energy required for committed action.

Getting to the Heart of the Matter

(Insert graphic “El Meollo”)

In Spanish, there is the word *el meollo*. *El meollo* means the *essential nature or substance of that which is being seen or explored*. In strategic dialogue the search is for the essence, the source, the heart of things. It is symbolized by the center of a conch shell that has been cut to reveal the spiral pattern of growth. In the dialogue we sense a spiraling downward as we follow underlying assumptions and discover how they are linked. The conversation deepens. Silence seems full rather than empty. And from this depth of reflection we return as the energy shifts releasing upward new insights and creative opportunities.

In dialogue, the process of change feels like giving birth to new meaning, out of which we realize creative possibilities for action. Then we know what Rilke (1954) recognized: "That which we call the future goes forth from within...the future enters into us in order to transform itself long before it happens."

This is the unfolding of the implicate order that the physicist David Bohm described. It brings the profound realization that the way we have linked concepts in our minds gives rise to patterns of thought and feeling as well as

perception of the world and thus our actions in daily life. If we have difficulties, they are *our* difficulties, and the resolution of them often lies in re-conceiving with one another our pattern of thought itself. These cognitive structures prefigure the issues we perceive and our sense of what is worth doing. They are not simply personal constructs but the product of social learning in communities of practice that makes possible the synchronization of complex efforts through time.

THE OPPORTUNITY AND THE CHALLENGE

There are innovative efforts underway in many parts of the world exploring transformational management practices for the 21st century, including those of the MIT Organizational Learning Center, the Institute for Research on Learning initiated by Xerox PARC, the Aspen Institute, and the Institute for the Future. The exploration of strategic dialogue which focuses on the meaning making process through which we co-create the future, forms part of this growing body of knowledge and practice.

Strategic dialogue can provide a vehicle for focusing and deepening the ongoing conversations that Webber (1993) has identified as critical for organizational success in the growing knowledge economy. The opportunity is for strategic dialogue to serve as one key approach for initiating and linking generative conversations and creative action throughout the organization. The challenge is to recognize innovations in thinking as they occur and to integrate them into an increasingly effective set of core assumptions and guiding images which enable the development of coherent strategy.

An organization's strategy is carried forward in *communities of practice*, the networks throughout an organization where learning occurs and knowledge is shared. (Brown, Duguid, and Haviland, 1993) Strategic dialogue helps create environments where members of the organizational community can experience interactive learning as a re-weaving of shared meaning at deeper levels of integration. Strategic dialogue can help uncover patterns in apparent chaos, resolve strategic dilemmas and open new possibilities. This type of learning expresses itself as *knowing in action* which does not require the level of formal planning and control that characterizes traditional hierarchies. Strategic

dialogue encourages the kind of self management required by the more flexible and responsive organizations that are now emerging.

As the conversations expand, larger numbers of stakeholders are encouraged to join the growing circles of informed participation and empowered action that form the foundation for a democratic society. (Brown, Duguid, and Haviland, 1993) New discoveries lead to new questions. New questions lead to new discoveries. A community of inquiry and commitment begins to form. Excitement and forward movement in the service of a shared vision for a positive future begins to emerge.

Strategic dialogue can extend beyond the organization to include unions, customers, suppliers, and other stakeholders. It holds promise for conversations during the formation of strategic alliances and mergers. Strategic inquiry may be able to support more creative negotiated resolutions of intense regional conflicts like those in Bosnia and southern Mexico. It may provide forums for engaging broader perspectives in the renewal of health, education, and government institutions.

With patience and discipline, the practice of strategic dialogue can become part of a dynamic and reinforcing process which helps create and strengthen the “communities of commitment” (Kofman and Senge, 1993) that lie at the heart of learning organizations capable of leading the way toward a sustainable future.

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