

# Strategic conversation quality and engagement: assessment of a new measure

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*When considering organization strategy-making and execution from a learning perspective, the role of conversation and engagement is of critical importance, yet little research has been conducted in this area. Recent publications have suggested an increasing role for conversation and dialogue in strategic planning processes. The present study provides initial validity and reliability scores of an instrument for measuring individual conversation quality and engagement skills in a strategic planning context. Participants were managers (n = 204) from four organizations. Results indicate an instrument with highly accurate and consistent measurement scores. Implications for practice and future research are briefly discussed.*

The effectiveness of scenario planning is thought by some to be based on the ability of facilitators to engage organizational members in genuine conversation (Chermack, 2005; Chermack & van der Merwe, 2003; Georgantzas & Acar, 1995; Schwartz, 1991; Senge *et al.*, 1994; Van der Heijden *et al.*, 2002). Many would agree that effective conversation and communication between and among organizational decision-makers is important (Georgantzas & Acar, 1995). In this view, scenario planning is a tool for fostering the strategic conversation – an ongoing dialogue about possibilities, oppor-

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tunities and change/execution (Manning, 2002). The more skillful this conversation can be, the more effective joint action can be (Centre for Innovative Leadership, 1995). Quality conversation, skillful conversation and dialogue are closely connected to each other and are used here interchangeably. While there is much conceptual work that outlines how dialogue contributes to performance in theory, there has been no careful study of the phenomenon and there have been no attempts to assess the quality of strategic conversations as a valuable component of planning in organizations.

### **Purpose of the article**

The purpose of this article is to provide an analysis of an instrument for measuring internal organizational conversation as the key to strategy-making and execution. Little has been published in this area as it is an emerging component of strategy, however similar domains such as storytelling, and dialogue are clearly connected. A brief review of conversational aspects of organization strategy-making and execution from the scenario planning literature is provided in the next section.

### **The strategic conversation**

The strategic conversation is a phenomenon that has been described as the simple conversations, interactions and dialogues that occur among organizational members in everyday formal and informal situations. Van der Heijden (1997) is commonly credited for coining the term in his book *Scenarios: The Art of Strategic Conversation* in which he wrote:

The crux of the institutional aspects of the processual paradigm is conversation. The learning loop model shows the interwovenness of thinking and action. If action is based on planning on the basis of a mental model, then institutional action must be based on a shared mental model. Only through a process of conversation can elements of observation and thought be structured and embedded in the accepted and shared organizational theories-in-use (p. 41).

Furthermore his description points towards integration within the strategic conversation of strategy-making and strategy-execution.

### **Development of an instrument to measure strategic conversation quality and engagement**

An instrument to measure strategic conversation quality and engagement began with a need to understand the communication abilities of scenario planning participants in practice during the process of strategy-making. It was also essential to understand the communication abilities at job level during the strategy execution and review stage also known as performance management. The basis for the instrument was developed from key works in the counseling literature, the transformational change literature, and the action science literature.

### **Theoretical background of the instrument**

The foundations of the instrument include: (1) Carl Roger's work (1959; 1961) on communication theory; (2) Nunnally's work on communication in families (Miller, 1971; Miller *et al.*, 1976, 1982; Nunnally, 1971; Nunnally & Moy, 1989); and (3) Argyris' work on advocacy and inquiry (Argyris & Schon, 1996; Bolman & Deal, 1997), and Lewin's work on group dynamics (Lewin, 1948, 1951).

#### *Rogers' work on communication theory*

Carl Rogers (1957) spent much of his career focusing on individual experience. He eventually posited three conditions for relational health, namely, (1) congruence, (2) unconditional positive regard, and (3) empathetic understanding. By using the term 'congruence' Rogers meant 'a match or fit between an individuals' feelings and outer

display' (p. 97). 'Unconditional positive regard' was simply an attitude that Rogers consciously tried to hold toward people and found that he experienced deeper levels of trust by doing so (Rogers & Skinner, 1956; Rogers, 1961). Rogers' third condition, empathetic understanding, was about listening. A willingness to explore what it is like to be another person was a skill that Rogers found brought him closer to those he was trying to help (Rogers, 1961). These three components are reflected in several of the items on the original instrument, such as 'I use active listening to understand another person's point of view', and 'I encourage others to make choices that support engagement in the conversation'.

#### *Nunnally's work on communication in families*

Nunnally has developed a large body of work (with common co-authors Miller and Wackman) in the area of communication among family members and in interpersonal relationships. These works (Miller, 1971; Miller *et al.*, 1976, 1982; Nunnally, 1971; Nunnally & Moy, 1989) feature the self-awareness wheel as the primary contribution that informs the instrument that was developed. The self-awareness wheel helps individuals recognize their own sensations, feelings, intentions and actions in the context of how they relate to others (Miller *et al.*, 1976). Items such as 'I know my personal patterns of behavior and "hot buttons" and can intervene effectively and make choices' and 'I do my best to be explicit about the assumptions under my opinions' reflect this work from the counseling literature.

#### *Argyris & Schon's work on advocacy and inquiry*

Argyris and Schon (1996) have argued for a balancing of advocacy and inquiry in organizations. Best known for differentiating Model I and Model II learning loops, Argyris and Schon (1996) have proposed that a shift takes place when individuals begin to pay attention to their own behavior and evaluate it as they would another person's behavior. Emphasizing common goals, shared interests, and group efforts to achieve them, this work contributes reflection on the learning process to the theoretical background of the instrument and this reflection is known as Model II learning, or double loop learning. These ideas can be seen in items such as 'I define personal and organizational boundaries and review them when necessary' and 'I constantly question my opinions with intent of reaching observable data'.

#### *Lewin's work on group dynamics*

Lewin's famous t-groups were a breakthrough in understanding communication among members (1951). The key contribution arose when researchers allowed a participant to be present for an analysis of her observed behavior earlier in the day (1948). The participant happened to be a woman and she argued directly with Lewin about his inaccurate interpretations of things she did (1951). Conversation ensued and a new method of intergroup skills training was born. 'I maintain balance between asking questions and stating my opinions' and 'I paraphrase what is said to ensure deeper understanding' are examples of items that draw from Lewin's research.

## **Method**

The following sections describe the sample, instrument, and analysis techniques used in this research study.

### **Sample**

The sample for this study included 204 managers from four manufacturing firms in the Northeastern United States. Participants were selected based on convenience, ease of access, and willingness to participate in this research. 400 questionnaires were mailed, of which 204 were returned yielding a response rate of 51 per cent. Follow-up with non-respondents was not attempted for this exploratory study. The target population for this study is managers in general, and while the sample size is not adequate for

generalizing our findings to that population, we have followed the general recommendation of including ten participants for each variable or item (Fabrigar *et al.*, 1999; Yang, 2005). Under these conditions, Fabrigar *et al.* (1999) suggested that a sample size of 100 is adequate.

### Instrument

The instrument used in this study is the Conversation Quality and Engagement Checklist (CQEC). The CQEC is intended to assess participant conversation and communication skills in the context of scenario-based planning and strategy execution (in the performance management context). The instrument contains 20 items that were developed over 30 years of use and relate to individual communication skills, as well as interpersonal communication skills. Each item is ranked on a 5-point Likert scale (1 = Never, 2 = Sometimes, 3 = Often, 4 = Usually, and 5 = Always). Over the last five years, the instrument has been reviewed by over 25 scenario-planning practitioners in a variety of settings and items were modified based on their feedback. This study is the first attempt to examine the accuracy and consistency of the instrument and its ability to measure the intended characteristics.

### Analysis strategy

Exploratory factor analysis was chosen as the analysis strategy based on our intent 'to discover a set of a small number of latent constructs (i.e., factors, or components) for a given larger number of observed variables' (Yang, 2005, p. 182). A major choice in analysis was between a common factor analysis and a principal component analysis. Principal component analysis (PCA) was chosen because the purpose of the study was to transform the data into a smaller set of unrelated variables (Yang, 2005).

The data analysis included PCA as the default extraction method. Because PCA does not differentiate between common and unique variance and assumes measured variables are adequate, we did not change the extraction method. Additionally, oblique (promax) rotations were used since it is generally unrealistic in this context to assume the items are completely unrelated even though the statistical analysis may separate them into different components (Yang, 2005). The data were analysed using the Statistical Package for the Social Sciences (SPSS) 14.0 and items were retained if they loaded more than 0.40 on a single factor or component.

### Limitations

There are two key limitations to this research. First, the instrument is a self-assessment based measurement. Self-assessment tools are generally recognized as the least consistent forms of assessment and future research should be undertaken to link the CQEC to objective behaviors. Second, because the items on the instrument have been modified based on the advice of scenario planning experts, a question arises in terms of the adaptability of the instrument in varied and diverse contexts. Additional research can also explore this limitation by further study that includes participants from these diverse contexts. Both of the key limitations to this research can be overcome with additional research in the future. Limitations such as these are also expected as this is an exploratory study, examining the validity and reliability of measurement scores for the first time.

### Results and discussion

PCA on the CQEC revealed two components (Table 1). Although there were total of 5 eigenvalues greater than one, the scree plot and extraction results suggested that the two-factor solution was meaningful and interpretable. These two components explained 61 per cent of the total variance (Table 2). Based on the pattern matrix and a careful review of each item, we labeled these components (1) active leadership and

Table 1: Pattern matrix

Items	Component	
	1	2
I take a stand and express outcomes while remaining engaged with the conversation at hand	0.96	
I encourage others to make choices that support engagement in the conversation	0.90	
I stay engaged to identify events that could assist in understanding underlying patterns of behavior and structural aspects	0.89	
I do my best to be explicit about the assumptions under my opinions	0.89	
I confront others constructively when I disagree with their opinions	0.89	
I understand the origins of my behavioral patterns and 'hot buttons'	0.82	
I paraphrase what is said to ensure deeper understanding	0.65	
I apply conflict resolution skills as required	0.53	
I listen to what is being said and am self aware when judging	0.45	
I use active listening to understand another person's point of view		0.92
I constantly question my opinions with intent of reaching observable data		0.87
I use open-ended questions to clarify the patterns and structures		0.85
I use concrete examples to describe behavior, sensing, feelings and impact		0.79
I use applicable coaching skills such as deep listening, empathy, respect concreteness, and genuineness as appropriate		0.70
I know my personal patterns of behavior and 'hot buttons' and can intervene effectively and make choices		0.69
I make informed choices about personal behavior by balancing the purpose of the discussion, desired result and current reality		0.68
I maintain balance between asking questions and stating my opinions		0.67
I avoid third party involvement by dealing directly with others with the issues at hand		0.63
I define personal and organizational boundaries and review them when necessary		0.62
I take responsibility for myself by using 'I' statements		

Extraction method: principal component analysis.

Rotation method: Promax with Kaiser normalization.

Rotation converged in three iterations

Note: These questions are used with express permission from the Centre for Innovative Leadership (CIL). No part of this instrument may be used without the written permission of CIL. Contact details for CIL are as follows: Web: [www.cil.net](http://www.cil.net), E-mail: [info@cil.net](mailto:info@cil.net), Tel: +31 (0)70 302 39 80.

Table 2: Descriptive statistics, reliability coefficients, and correlations between two components of strategic conversation quality and engagement

	M	SD	1	2
1. Active leadership and engagement in conversations	3.17	0.73	(0.89)	
2. Awareness of individual communication tendencies	3.01	0.60	0.54	(0.87)

M = Mean; SD = standard deviation.

engagement in conversations, explaining 46.61 per cent of the total variance and (2) Awareness of individual communication tendencies explaining 14.82 per cent of the total variance.

We removed item Tak\_res (I take responsibility for myself by using 'I' statements) from the instrument based on the fact that the loading value was below 0.40 and thus, it did not sort into either of the two components. Upon further review of the correlation matrix, it was evident that this item was not even moderately correlated with any of the other item scores.

Once the items were separated into two factors, the internal consistencies of scores for each factor were computed. Cronbach's alphas were 0.89 for component 1 (Active leadership and engagement in conversations), and 0.87 for component 2 (Awareness of individual communication tendencies), both significantly high for a new instrument and well over Nunnally's (1970) 0.70 criterion for reasonably strong reliability of scores. Eigenvalues and total variance explained are shown in Table 2. Component means, standard deviations, reliabilities, variance explained and individual item loadings are presented in Table 3.

In short, the analysis found a highly reliable set of instrument scores measuring two key components that have been labeled (1) Active leadership and engagement in conversations and (2) Awareness of individual communication tendencies – the major components of conversation quality and engagement skills in a planning context. These components appear to be critical to the effectiveness of internal organizational strategic conversation and this validation procedure lends some credibility to the instrument.

### Implications for practice and research

The research has resulted in a slightly revised instrument with reliable and valid measurement scores that assess participant conversation quality and engagement skills in strategic contexts. Practical uses of this instrument include application in strategic planning processes as well as in performance management processes. That is, the instrument could be used to assess levels of conversation quality and engagement skills in strategic planning participants. Additional training in communication skills could be sought in the event of low scores in line with theory that suggests improved dialogue and communication among the planning team members will positively impact performance. Research suggestions are included in the limitations, however. To briefly summarize, the instrument validity and reliability scores need to be explored in a variety of diverse contexts and cultures. In summary, the instrument seems a valuable measure of individual conversation quality and communication skills in the context of organizational planning and performance. Continued examination of the reliability and validity properties of its scores is needed in order to apply this tool in a variety of settings and circumstances.

Table 3: Component means, standard deviations, reliabilities, variance explained and item loadings ( $n = 205$ )

Components and items	Item loading	Variance explained
Component 1 – Active leadership and engagement in conversations		46.61%
I take a stand and express outcomes while remaining engaged with the conversation at hand	0.96	
I encourage others to make choices that support engagement in the conversation	0.90	
I stay engaged to identify events that could assist in understanding underlying patterns of behavior and structural aspects	0.89	
I do my best to be explicit about the assumptions under my opinions	0.89	
I confront others constructively when I disagree with their opinions	0.88	
I understand the origins of my behavioral patterns and 'hot buttons'	0.83	
I paraphrase what is said to ensure deeper understanding	0.65	
I apply conflict resolution skills as required	0.53	
I use active listening to understand another person's point of view	0.47	
Component 2 – Awareness of individual communication tendencies		14.82%
I listen to what is being said and am self aware when judging	0.92	
I constantly question my opinions with intent of reaching observable data	0.87	
I use open-ended questions to clarify the patterns and structures	0.85	
I use concrete examples to describe behavior, sensing, feelings and impact	0.80	
I use applicable coaching skills such as deep listening, empathy, respect, concreteness, and genuineness as appropriate	0.70	
I know my personal patterns of behavior and 'hot buttons' and can intervene effectively and make choices	0.69	
I make informed choices about personal behavior by balancing the purpose of the discussion, desired result and current reality	0.67	
I maintain balance between asking questions and stating my opinions	0.67	
I avoid third party involvement by dealing directly with others with the issues at hand	0.63	
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