

# In First Person: Scott Beardsley

As Dean of the University of Virginia Darden School of Business and as a former Senior Partner at McKinsey & Company, **Scott Beardsley** is familiar with many approaches to values-based leadership. *People + Strategy* guest editor **Mary Gentile** spoke with him about listening to differing viewpoints and the skill of asking questions.

## Balancing Differing Views in Decision-Making

**P+S:** Why did you choose to embrace *Giving Voice to Values* as a core focus in your experiences?

**Scott:** Most top organizations must have a moral compass, and learning how to express your values—or how to live them—is an active pursuit. Values only come to life if you live them, and part of living them is learning how to talk about them, because oftentimes they are about nuance and understanding *why* things happen. Some people struggle to talk about issues that may be sensitive or controversial and that may come across as making a judgment about someone. Learning how to talk about sensitive issues that relate to what you believe and learning how to express company values in an acceptable and effective way is a skill set that people need to acquire. *Giving Voice to Values* helps people learn how to express themselves in a responsible way, to live up to their values, and to learn how to have a conversation that might be difficult or that might not happen at all. Sometimes the biggest risk is the conversation that never happened, because if it had, there might have been a better outcome.

**P+S:** I like your emphasis on a skill set, as opposed to simply a set of rules or analytic framework. However, senior leaders sometimes feel they don't need

to work on this skill. They feel they wouldn't be executives if they didn't know how to voice their views. How do you engage organizational leaders?

**Scott:** Effective leaders in values-driven organizations have the obligation to learn how to have those conversations with their organization, to model what they believe in by showing that they're willing to have that conversation, and to create the environment in which others feel comfortable talking about these issues. A good place to start is by asking open-ended questions and authentically listening to the answers.



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**P+S:** At McKinsey you engaged senior leaders to tell their “learning stories”—to publicly share their own struggles dealing with some values conflict—as a form of role modeling as well as teaching.

**Scott:** Teaching moments and storytelling can often reveal why the decision was made or what you can do in a complicated situation that has multiple dimensions to it. One effective tool is talking through how different values may be at tension with each other and having somebody explain how they work through them. This is part of what I view as an apprenticeship model and teaching through precedent.

Learning from the past is important, and it's very difficult for a new employee to understand everything that may have gone before them. Storytelling can be a way to share lessons learned. Some things can be absolute right or wrong, illegal or not, but many conflicts are not so clear cut and involve putting different elements and values at tension. For example, at McKinsey, there were often tensions between putting the client first while creating an unrivaled environment for talent; at times, what was right for the individual person's development was at tension with the client's preferences. There are many examples of tensions, and learning how to talk them through is essential.

**P+S:** Sometimes people misunderstand the idea of voicing values, and they view it simply as asserting your values—and that can lead to more divisiveness rather than progress. But voicing and enacting our values does not mean that we stop learning new ideas or perspectives; rather, it actually means we must learn.

**Scott:** Giving Voice to Values is analogous to the ability of leaders in today's culture to have civil discourse. One of the real challenges in today's society and in the working world is the ability to actually have a civil conversation about very complicated issues and to be willing to acknowledge that among reasonable people, there are different dimensions to complicated issues. Most individuals do not appreciate it when someone takes the attitude "When I want your opinion, I will give it to you."

I teach a course on stakeholder management with Darden Professor Ed Freeman, and we emphasize the ability to see different points of view on the same topic and to understand that you need to be able to hold opposites in your mind at the same time. There may be some degree of truth in multiple points of view and then we ask, "How do you come to some sort of a resolution around a decision that may still involve a 'yes or no' response? How can you articulate the reason the decision was made, how you arrived at it, and how you explored the issues?"

Being able to have that discussion is a critical skill for any leader who has multiple constituencies, which would apply to almost every leader in any institution, whether it has ten employees or thousands. Leaders are very likely to have stakeholders with different religions, different nationalities, different points of view, different politics, different interpretations of current societal issues.

The ability to understand that there are those multiple points of view and to be curious enough to explore them and civil enough to listen to someone else's point of view might allow you to come to a better decision. *How* you end up making the decision around a values-oriented situation matters a lot. The process of arriving at the decision often matters as much as the decision itself.

**P+S:** We know from research on procedural justice that people are more willing to accept a decision, even if it differs from their opinion, if they believe the process was fair, if they feel they've been heard. Yet, people will ask if I engage in the sort of listening and nuanced decision-making you describe, aren't I abdicating my own values?

**Scott:** I don't think so. If one of your values is related to tolerance or diversity or empathy or curiosity, you have a responsibility to yourself to explore other points of view to come to an informed decision.

Part of an informed decision means that you've been willing enough to hear different voices and to consider different facts and different points of view in establishing your decision. That doesn't mean that you have to enter the process with no hypothesis or with no initial point of view.

I'm willing to listen and at least consider what they have brought to me.

**P+S:** You suggest that listening for the minority voice is critical because it may be right and truly hearing an alternative perspective may give you a clue about how to script your decision, how to frame your point of view in a way that will resonate with that person. You can better understand how to neutralize or at least diminish the risks or the cost involved for the other person in accepting your position.

**Scott:** Many organizations talk about a diverse and inclusive environment. Part of inclusion is including other points of view into a process or discussion. Sometimes decisions have to be made that result in a yes or a no, but if the process has at least provided a way to consider different points of view, the buy-in to that decision may be a lot

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But if it is abdicating your values to consider anyone else's point of view or any new facts, then you're basically in the business of confirmation bias in which your approach to the world is to just look for confirming evidence that your personal value system or point of view is correct. Some of today's technology algorithms in social and online media reinforce the point of view that individuals may be seeking. What steps are you taking to ensure you are not becoming part of an echo chamber?

Good decision-making involves a deeper consideration of alternatives. Sometimes the consensus opinion may be X, but I try and listen for the minority voice—the person who has a different point of view—because they may be right, and I need to be open to it. If somebody on my team is willing to speak up or a student is willing to come into my office and have the courage to speak up, it is a test of my values that

stronger. This approach can reflect well on the organization's culture or leaders' leadership style and ability to enact further changes.

The situations that spark the most controversy often occur when there are a number of pieces of evidence or points of view that are ignored or purposefully shut out. Another risk is that the alternative hypothesis is not explored.

At McKinsey, that is why we felt it was so important to uphold the company value of "the obligation to dissent." If you think about the work of a typical consultant, a lot of it involves solving complicated problems, and the young consultant who may be running the model or gathering the information has a very strong connection to the facts. They may say to a senior partner, "You have this hypothesis, but actually my model is not showing that your hypothesis is correct—the facts are showing

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something else.” You need to listen to that person because they may know something that you don’t know.

**P+S:** Have you developed strategies to encourage that openness among some of the senior executives or faculty you’re working with?

**Scott:** If you value empathy or a willingness and ability to listen, and/or a leadership style that’s collaborative and inclusive, a leader can articulate that these are some of the values they care about. This can come to life in the way that people are evaluated. At Darden, I put a great emphasis on collaboration and working together as a team and so that’s the first thing that I talk about in evaluations. It can also be talked about in everyday life and when a decision has to be made.

Of course, not every decision requires input by everybody. If you work in an organization with thousands and thousands of stakeholders, it’s not practical to get everybody’s input on everything. Not everything is a democracy; endless debate on every single tiny decision is unproductive and unnecessary. However, it is important to have some touchpoint for the basic principles and values that are used to operate an organization. If there aren’t any, the organization risks having no moral compass.

It’s also important to acknowledge that there are inherent tensions between different values that people have. Agreement on everything doesn’t happen in practice, but process mechanisms can be created for periodically stepping back and considering the tensions. For example, simply ask, “What values are in play here?”

**P+S:** Your insight reminds me of training I did for a company in Nigeria. They brought their senior leadership team to the training along with a group of middle managers. After being introduced to the Giving Voice to Values methodology, we gave them all the same scenarios about

ethical conflicts at the company. The middle managers talked among themselves about how to raise the issue to a senior manager effectively. The senior leaders talked about how a middle manager could raise the scenario with them in a way that makes easier for them to respond appropriately. When the two groups debriefed, the middle managers explained what they needed from senior leaders in order to be more likely to raise issues, and senior leaders talked about how lower-level employees could raise the issues more effectively. They ended up with a set of commitments at both levels that would enable that kind of voice.

**Scott:** There are two important things here. One is that middle managers or lower-level employees can learn how to ask good open questions, like “Could you help me understand this?” or “How does this decision fit in with the company value of X?”

We can teach individuals in an organization how to ask legitimate questions in a respectful way. Otherwise, the question may not be asked, and the consequences can be devastating. How do you enable people to ask questions or teach them how to ask questions? That’s a skill set.

The second point is that many corporations operate in a global environment. They have employees and customers who come from different countries, and the company may operate in dozens of countries; each country has its own culture, values, and laws. That creates a need in a global environment to be willing to understand the cultures and the differences in laws that exist in the world.

If you’re running a global corporation, you’ve got to abide by the laws of each country in which you operate while still trying to find common ground on values that unify across these different environments, and it’s not so simple.

**P+S:** What would be the most important next steps for enabling more individual

leaders to excel at effectively Giving Voice to Values?

**Scott:** Leadership starts with yourself and is not something that should always be delegated upward. Every individual leader needs to understand that one of the most important skill sets they’re going to need to learn is how to deal with multiple stakeholders on controversial issues that often involve tensions between different value systems, whether it’s the corporation’s value system, the individual’s value system, or a country’s value systems. Giving Voice to Values equips future and existing leaders with the ability to better navigate an increasingly complicated world that tends to try and mete out judgment in 140-character soundbites.

If you look at the big challenges facing most leaders in corporations, many of the flash point issues are ones that would make a case study on Giving Voice to Values. For these leaders, some of the real stress-point issues you have to deal with are from unexpected areas. For example, when I became the dean at Darden, I was not expecting white supremacists to storm Charlottesville and to march past my front door on the historic Lawn of the University of Virginia. When unexpected incidents occur, you have to address them.

The types of skill sets that Giving Voice to Values helps to develop are among the more important skill sets you can have. The ability to attract, develop, excite, and retain great talent is imperative for any high-performing organization. Increasingly the filter talented people use using to determine whether or not they’re interested in that corporation is whether or not the company is “a good place to work.” Is it a company that does the right thing and has values? The current generation and a lot of talent in the world increasingly want to voice their own values and commit to mission-driven organizations. I think that purpose, mission, and values are increasing in importance in today’s world. ■■