



Leadership through Influence

APICS North Shore Chapter PDM

8 March 2016

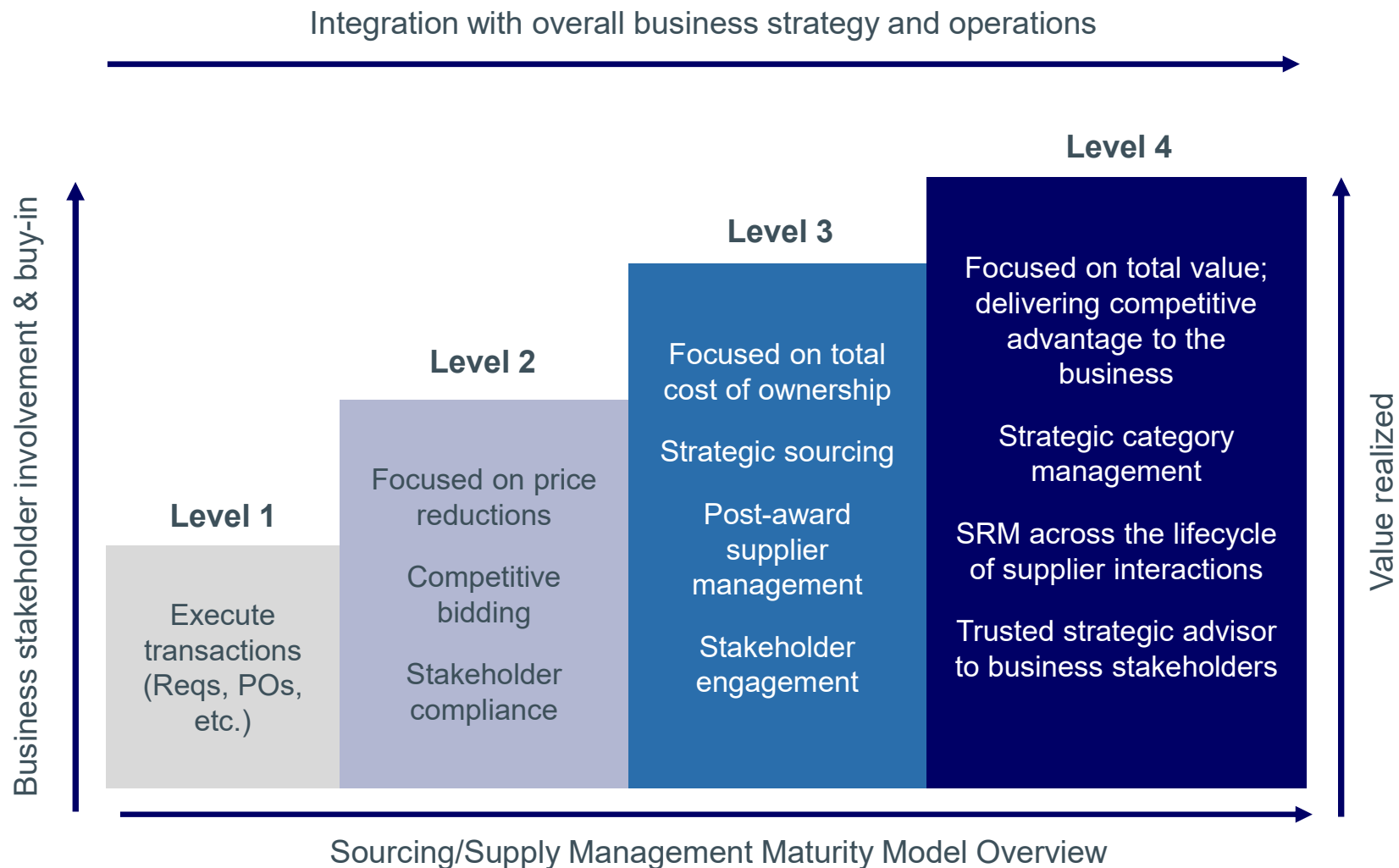
vantage partners

Vantage Partners overview



- Mission: Drive measurable business results by transforming the way individuals, teams, and organizations negotiate and work together
- Focus: We provide strategic advice, hands-on coaching, and training to help clients with their most critical negotiations, external business relationships, and internal collaboration challenges
- Practice Areas
 - ▶ Sourcing & Supply Chain Management
 - ▶ Sales & Key Account Management
 - ▶ Alliance Strategy & Enablement
 - ▶ Organizational Transformation & Change Management
 - ▶ Enterprise Learning Solutions

Sourcing & supply chain management maturity levels



The evolving role of procurement

Traditional Procurement

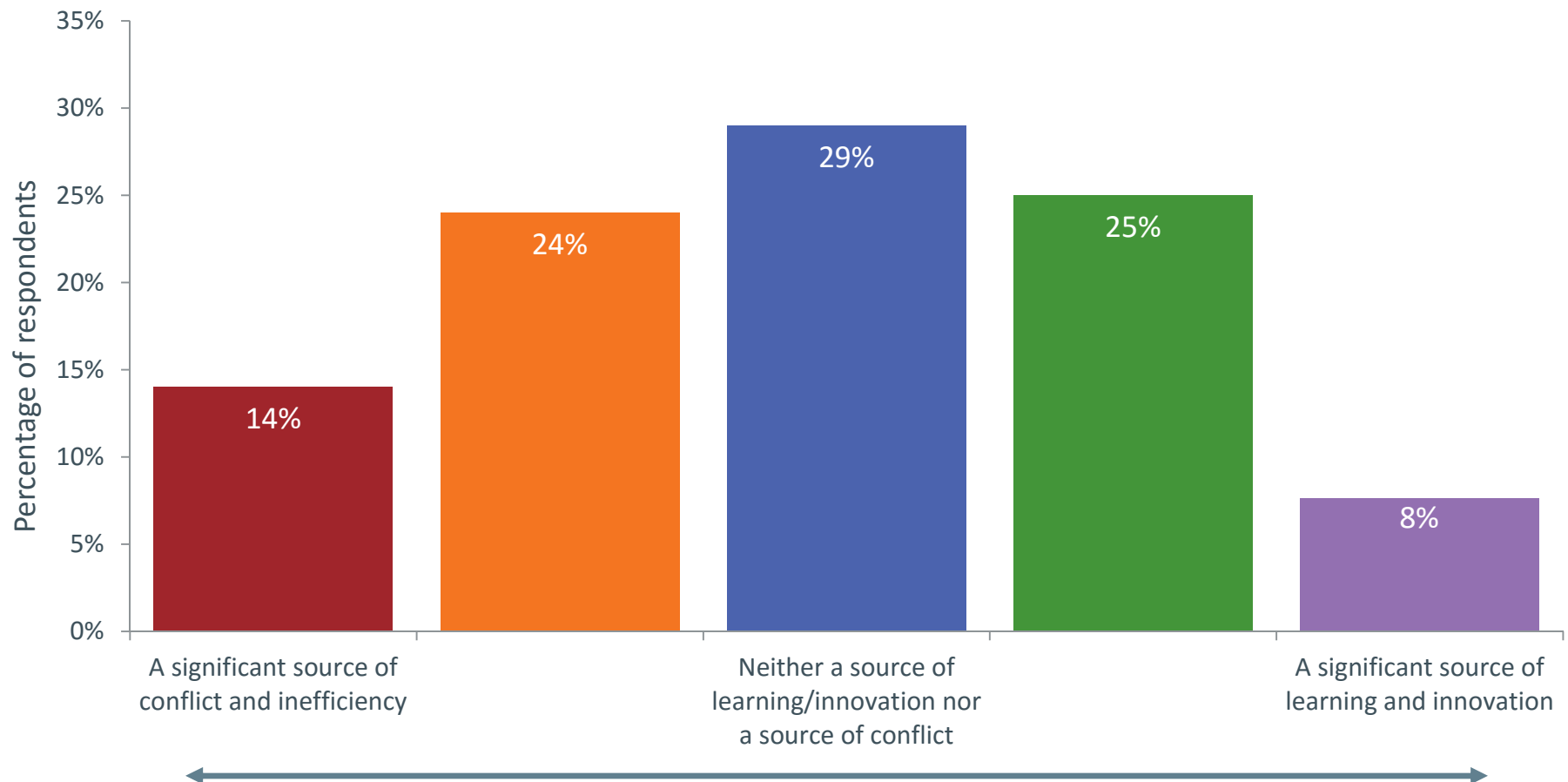
- Leverage over suppliers
- Focus on internal stakeholder compliance
- Analytical skills
- Primary value is cost reduction/management
- Manage transactions
- Source goods and services
- Own/execute

New Procurement Paradigm

- Engagement with suppliers
- Trusted advisor to internal business partners
- Soft skills
- Primary value is competitive advantage
- Manage relationships
- Solve business problems
- Facilitate/enable

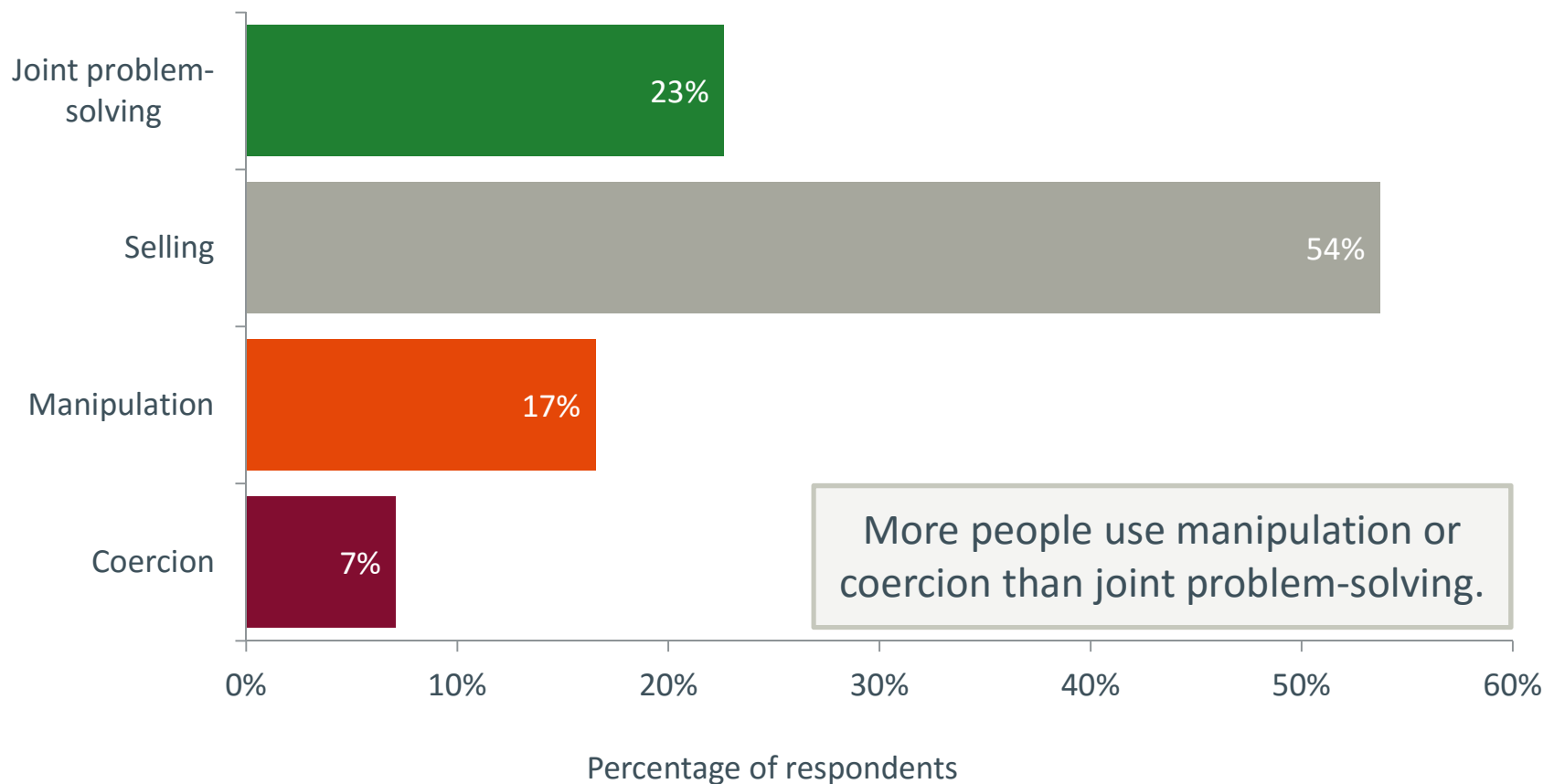
Impact of organizational differences

“To what extent are differences in your company (different goals, strategies, competencies, etc.) a source of learning and innovation (as opposed to a source of conflict and inefficiency)?”



Prevalence of different approaches to influence

“Which response best characterizes the most common approach taken by people in your company when they need to influence others?”



Cognitive biases are a major impediment to effective influence and leadership

- The brain's architecture creates tendencies to process information in predictable ways
- These tendencies revolve around heuristics that are extremely computationally efficient
- These tendencies are highly adaptive under many problem-solving and decision-making scenarios – especially those common during our evolutionary history
- These tendencies are also notably counter-productive under many contexts that are common today
- Cognitive biases are often unconscious and deeply ingrained



An example

- Researchers Strack and Mussweiler asked people the following question: “How old was Mahatma Gandhi when he died?”
 - ▶ For half of their research subjects they prefaced this inquiry by saying, “Did he die before or after the age of nine?”
 - ▶ For the other half they said, “Did he die before or after the age of 140?”
- Obviously, he died later than nine, and the oldest person who ever lived died at 122. So what impact did these ridiculous prefaces have on people’s answers?
 - ▶ The first group guessed an average of 50
 - ▶ The second guessed an average of 67
 - ▶ Gandhi was actually 78 when he was assassinated

Explaining the enigmatic anchoring effect: Mechanisms of selective accessibility. Strack, Fritz; Mussweiler, Thomas. *Journal of Personality and Social Psychology*, Vol 73(3), Sep 1997, 437-446.

Anchoring effects



The mind gives disproportionate weight to the first information it receives

■ What to do?

- ▶ Ensure a wide frame of reference by involving many people, and seeking information from many sources
- ▶ Structure analysis and decision-making so that individuals involved review diverse and comprehensive information from the outset; minimize opportunities for people to form opinions based on initial encounters with limited information
- ▶ Ensure each person involved in problem-solving/decision-making reviews data on their own before group discussion takes place (to avoid group-think – another common bias)

Framing bias in action



A Jesuit and a Franciscan were seeking permission from their superiors to be allowed to smoke while they prayed.

The Franciscan asked whether it was acceptable for him to smoke while he prayed. His request was denied.

The Jesuit asked the question a different way: "In moments of human weakness when I smoke, may I also pray?"

And the answer was...?



Framing bias



When the same problem is framed in different ways, people choose differently

- What to do?
 - ▶ Surface and explicitly articulate the assumptions embedded in the way/s a problem is framed; then test/debate those assumptions
 - ▶ Reframe the problem in different ways and notice how the different frames impact diagnosis and evaluation of possible solutions
 - ▶ Throughout the decision making process, (re)assess how your thinking would change if the problem was framed differently
 - ▶ Continually review and remain focused on your fundamental objectives; make sure the framing of the problem helps you advance your objectives

Keeping with the status quo



We display a strong bias toward alternatives that perpetuate the current situation

- What to do?
 - ▶ Always assess your alternatives up against your objectives
 - ▶ Avoid exaggerating the effort or cost of switching from the status quo
 - ▶ Rigorously test the status quo
 - ▶ Don't default to the status quo because you are having a hard time choosing between many alternatives

Example

The transcript of a radio conversation between a US naval ship and Canadian authorities off the coast of Newfoundland in October 1995



US Ship: Please divert your course 0.5 degrees to the south to avoid a collision.

CND reply: Recommend you divert **your** course 15 degrees to the South to avoid a collision.

US Ship: This is the Captain of a US Navy Ship. I say again, divert **your** course.

CND reply: No. I say again, you divert **YOUR** course!

US Ship: **THIS IS THE AIRCRAFT CARRIER USS CORAL SEA*, WE ARE A LARGE WARSHIP OF THE US NAVY. DIVERT YOUR COURSE NOW!!**

CND reply: This is a lighthouse. Your call.

Confirmation bias

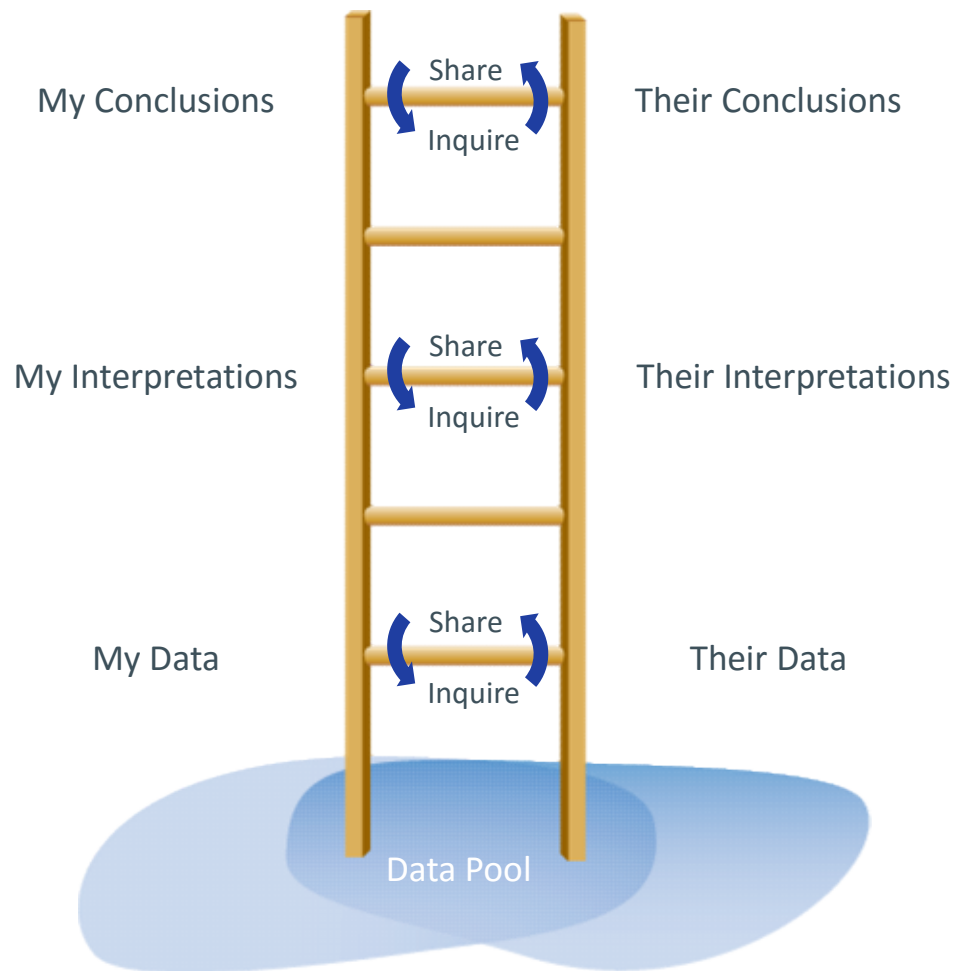


We seek out and/or focus on information that is consistent with our beliefs, and ignore or discount information that isn't

■ What to do?

- ▶ Assign someone a formal “devil’s advocate” role to argue against the decision people are leaning toward
- ▶ Actively seek out conflicting and disconfirming information
- ▶ Subject evidence that supports current thinking to as much scrutiny as conflicting evidence
- ▶ When seeking advice from others, ask open-ended curious questions, not leading questions

The Ladder of Inference



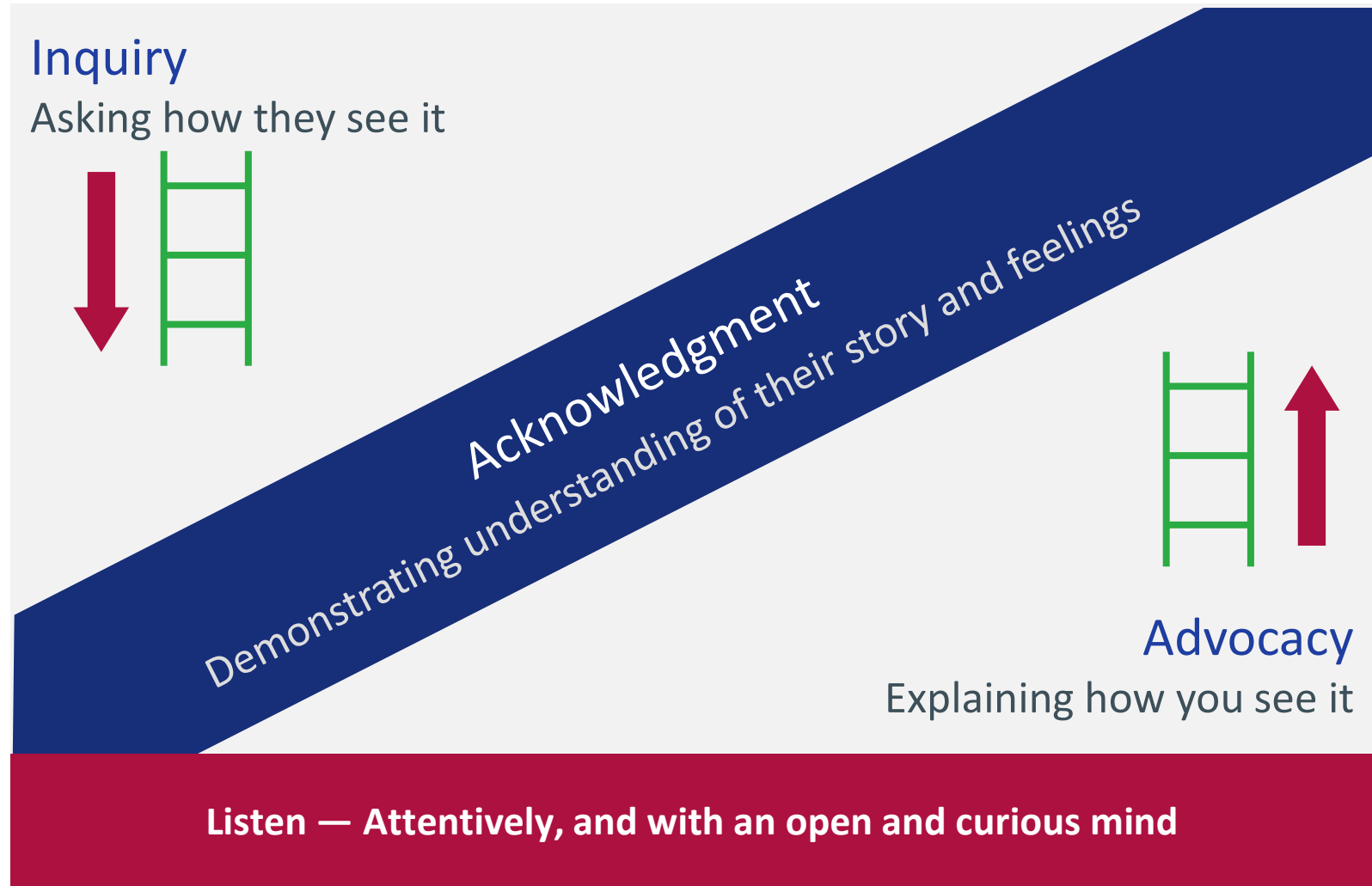
Think about how you reached your conclusions. What data are you focused on? How do you reason from that data to your conclusion? Inquire into the reasoning paths of others.

In your discussions, move “up” from data to interpretations to conclusions. Expose your data and reasoning to challenge.

The Ladder of Inference is based on the work of Argyris and Schön. See C. Argyris, R. Putnam, and D. Smith. *Action Science: Concepts, Methods, and Skills for Research and Intervention*. San Francisco: Jossey-Bass, 1985.

The Ladder of Inference is based on the work of Chris Argyris and the partners of Action Design.

Model for balanced, two-way communication



In the face of different opinions or perspectives, first work to understand each other's story

- Each of us tells a story based on
 - ▶ Different information
 - ▶ Different interpretations of ambiguous information
 - ▶ Different assumptions about missing information
- Different conclusions are inevitable
- Debating conclusions is unpersuasive, escalates conflict, and damages relationships
- Seeking to understand (and combine) different stories generates new insight, resolves conflict, and strengthens relationships
- “And” accurately captures this complexity; “but” denies it

Key insights about leading and influence

- You can't change someone's mind unless you know where their mind is
- When faced with a "No," there is nothing more disempowering than assuming the person you are trying to influence is stupid, crazy, or evil
- People do what they believe is in their best interests (regardless of whether you think it is a good idea or not)

Currently Perceived Choice (CPC) tool

Decision maker: _____

Question: _____

If “Yes”		If “No”	
—		+	
—		+	
—		+	
—		+	
+		—	

Currently Perceived Choice (CPC) tool

Decision maker: Regional Leader

Question: Shall I this day give into a pushy, disrespectful global leader who is only thinking about their own job and impose dramatic change on my region at a sensitive time in the business?

If “Yes”

- Support change that may not work
- Disrupt business at a sensitive time
- Take focus off key priorities
- Upset local team
- Lose control of key processes in your region
- Reward disrespectful behavior
- Set a precedent
- + Makes Corporate happy

If “No”

- + Keep local providers who are more responsive
- + Stand up for yourself
- + Save face with team in region (by avoiding unwanted change)
- + Keep control, for now of key processes
- + Avoid potential disruption
- + Maintain the status quo
- + Make functional leader build more support first
- + Stay focused on key priorities
- Not a team player

Two models of “influence”

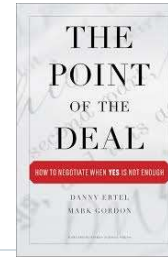
Influence Model I

- I see the whole “picture”
- There is a right answer: different opinions indicate that someone is wrong
- My job is to get those who are wrong to “see the light” and agree with me
- To persuade others, I need to preempt or “handle” their concerns / objections
- Resistance from others indicates ignorance or bad faith

Influence Model II

- I have something to learn from those who see things differently than I do
- A complex situation can generally be interpreted in several valid ways
- To be persuasive, I need to be open to persuasion
- My job is to work with others to identify/develop the best solution – not to get them to agree with me
- To be successful, I need to invite, respect, and explore the concerns and objections of others

Background



Vantage Partners



The West Point Negotiation Project



Mercy Corps (Conflict Management Group)



The Harvard Negotiation Project



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A spin-off of the Harvard Negotiation Project, Vantage Partners helps companies achieve breakthrough business results by transforming the way they negotiate with, and manage relationships with, their suppliers, customers, and alliance partners — and enhancing collaboration across internal organizational boundaries.