

It's more beneficial (and less expensive) to *cultivate a culture of empowerment and responsibility* toward solving problems as they surface. Such a culture is characteristic of those that constantly learn. It's what Chris Argyris calls *double-loop learning*. He notes that learning involves the "detection and correction of error." Where something goes wrong, most people look for a way to respond to the problem *within* the paradigm of the organization. In Argyris' words, "goals, values, plans and rules are *operationalized* rather than questioned." He calls this *single-loop learning*.

An alternative response is to subject accepted goals, values, plans and rules to critical scrutiny and correct error. This *double-loop learning* may lead to changes in the established paradigm, creating a shift in the way problems and solutions are framed, expanding possible solutions, and providing a better chance of ensuring that the problem will not reoccur, since the system in which it occurred is now changed.

Beyond knowing *you need to ask questions* and *what questions to ask*, you must be aware of *how you ask questions*. If the way you ask questions makes others feel *confronted* rather than *supported*, you won't get desired results. Your *intention* is the difference between *coaching* and *coercing*. While each of us has an inner wisdom that can give us the guidance, it is often obscured by inner and outer interference. Good coaching helps individuals work through this interference.

To *become an effective coach*, you need to: 1) ensure your intentions are not coercive; 2) help the coachee to understand the situation, not fix it for them; 3) ensure you're not just trying to make yourself look good—the goal is for the team (organization) to win, not to be the star player; 4) ensure you're asking clarifying questions and helping them to come up with the answers; 5) be open to questioning your assumptions and beliefs; and 6) recognize when a *question* is advice or suggestion disguised as a question.

Mastering *the art of asking good questions* will make you more effective at managing and developing others, and contribute to *improved problem-solving, better decision-making, and increased capacity for learning and agility*. The biggest personal payoff may be the increased time you realize in your day once your employees start solving problems and making decisions without you. LE

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ACTION: Master the art of asking questions.

McKinsey 7-S Model

It continues to benefit leaders.



by Tom Peters

IN 2008, SOME 28 YEARS after *Business Horizons* birthed (in its June 1980 issue) *the 7-Ss* in an article by Bob Waterman, myself, and Julien Phillips, former McKinsey & Co. Managing Director Rajat Gupta said: "As global leaders continue to refine approaches to organizing their enterprises to ensure profitability and sustainability, there is surely no *one size fits all* solution that can guarantee success. However, I find that *the 7-S framework* offers a sound approach to combining all of the essential factors that sustain strong organizations: *strategy, systems, structure, skills, style, and staff*—united by *shared values*."

This article came three years after I, fresh from receiving my Ph.D. in OB at Stanford, was summoned to the firm's New York office and handed a fascinating assignment. Relatively new McKinsey Managing Director Ron Daniel was launching a priority effort to renew McKinsey's intellectual capital. I was asked to look at *organization effectiveness* issues in an inconsequential offshoot project nested in McKinsey's rather offbeat San Francisco office.

I began my work with a tour of McKinsey offices and business schools worldwide. I then pondered my findings and began making tentative presentations. Progress was slow until **Bob Waterman** was assigned as my putative boss. Bob was an excellent consultant with broad tastes and an inquiring mind—and he enlisted **Tony Athos**, a professor at Harvard Business School, to help us turn our ramblings into something crisp, memorable, and user-friendly.

At a two-day *séance* in San Francisco, Bob and Tony and I, and Tony's cohort **Richard Pascale**, arrived, more or less full-blown, at the *7-S framework*. The only alteration became Tony's beloved *superordinate goals* morphing into *shared values*. Tony insisted that we develop an alliterative model. It was a move of genius, as it *made the model memorable*.

The shape of the *model* was also of monumental importance. It suggested



that all seven forces needed to somehow be aligned if the organization was going to move forward vigorously. As we put it, "At its most powerful and complex, the framework forces us to concentrate on interactions and fit. The real energy required to re-direct an institution comes when all the variables in the model are aligned."

The other seminal idea—that there were *Soft Ss* and *Hard Ss*—emerged as well and lasts to this day. I continue to say, over 30 years later, that the power of the 7-Ss and *In Search of Excellence* (1982) and my subsequent work can best be captured in six words: **Hard is soft. Soft is hard.** That is, it's the plans and the numbers that are often *soft* (the sky-high soundness scores that the ratings agencies gave packages of dubious mortgages). And the people (*staff*) and *shared values* (*culture*) and *skills* (core competencies) that are truly *hard*—that is, the bedrock upon which the adaptive and enduring enterprise is built.

We included the *Hard Ss* (*Strategy, Structure, Systems*) in our framework, then added the *Soft Ss* (*Style, Staff, Skills, Shared values*—or *Superordinate goal*); and insisted that there was no precedence among them. *Deal with all seven, or accept the consequence—less than effective implementation of a project or program.*

At one point, there was a movement to oust me from my office when an Op-ed I wrote appeared in the *Wall Street Journal* in June 1980, emphasizing the *primacy of the Soft Ss*. Bob

Waterman saved me, as he often had to do. My favorite certification of our approach came 20 years later from the ultimate *Hard S* guy, McKinsey alum Lou Gerstner summarizing his IBM turnaround effort: "If I could have chosen not to tackle the IBM culture head-on, I probably wouldn't have. My bias coming in was toward strategy, analysis and measurement. In comparison, changing the attitude and behaviors of hundreds of thousands of people is very hard. Yet I came to see in my time at IBM that *culture* isn't just one aspect of the game—it is the game."

While the *Soft S* emphasis has been my life's work, I admit to astonishment when coming across a quote by Rajat Gupta—suggesting three decades of staying power for our little model. LE

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ACTION: Apply the 7-S model in management.

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