EXECUTIVE SUMMARY

Virtual Masterclass with
Amy Edmondson

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Virtual masterclass with **Amy Edmondson**

On 1st June 2021, DenkProducties organized a virtual masterclass with Harvard professor Amy Edmondson. The half-day course focused on the power and importance of psychological safety in organizations.

Amy divided her presentation into three different parts. Part 1 focused on the basics: what is psychological safety and why does it matter in modern organizations. The second part offered insights into failure. Part 3 stated practical tips and tools for leaders to start enhancing psychological safety in their teams and organizations.

This summary provides a written overview of the course highlights. In addition, you find visual summaries of each part drawn by Monique van Rooyen.

Part 1

The Power of Psychological Safety

Why Fear Fails

Amy began by explaining that fear might have worked as a motivator in the past. To demonstrate that she gave an example of the classic automobile company Ford. Back in its early days, fear was a leadership tool as the work was standardized, individual, and objective; it was easy to spot if someone didn't do his or her part.

"Today, we are far more likely to have work that requires judgment, collaboration, and coordination. The quality of that work is at least partly subjective and may take some time." This type of work is far harder to lead and motivate through fear. "I suggest that fear fails for most of us in the work we do in a modern organization".

Why Psychological Safety Matters

The world we live in today is volatile, uncertain, complex, and ambiguous. Amy refers to this as the VUCA world. She recommends that we start taking this seriously. By acknowledging the fact that the environment in which we operate can be described with these 4 words, we internalize the idea that "anyone's voice can be mission critical".

Fear often stops people from voicing their ideas and opinions. No one wants to look ignorant, incompetent, intrusive, or negative. The way we avoid looking that way is by not asking questions, by not admitting our weaknesses or mistakes, and by not offering our ideas. That's when the company's learning, innovation, and progress are at risk.

The consequences of people not voicing their thoughts not only hold the company back from innovation and progress. It can also, in some cases, be disastrous for the organization. But naturally, it's not always that something critical happens if people don't speak up. However, what Amy highlighted is that even those times when nothing happens, the person who withholds his or her opinions and ideas, starts to disengage. So, in the long run, that becomes a problem too.

What Is Psychological Safety?

"Psychological safety is not a function of organizational culture." Why? Amy stated that studies have shown that psychological safety varies between teams in the same organization. So, the bad news about this fact is that it is very hard for any company to simply decide to have psychological safety in their entire organization. "But the good news is that wherever you work, you have the opportunity to create psychological safety in your team."

But to take a step back, Amy still wanted to define what psychological safety actually means as sometimes people understand it the wrong way. According to Amy, psychological safety is "a belief that the context is safe for interpersonal risk-taking - that speaking up with ideas, questions, concerns, or mistakes will be welcomed and valued".
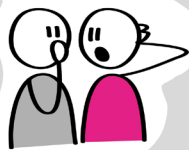
Psychological safety is not about being nice, a guarantee that all your ideas will be applauded, freedom from conflict, permission to slack off, or the goal. Amy underlined that indeed the goal can be anything from innovation to high performance, and psychological safety is a necessary means to reach that goal.

Psychologically Safe Employees Are Engaged Employees

Next, to dive a little deeper, Amy listed 4 dimensions of psychological safety. Psychological safety consists of beliefs about:

- **Inclusion and diversity.** When team members see the team as inclusive, they are more inclined to speak up and contribute to the work.
- **Willingness to help.** When team members see each other as willing to help, they will speak up when they are unsure about something.
- **Attitude to risk and failure.** When team members believe the team blames people for mistakes, they will not try new things or report problems.
- **Open conversation.** When team members believe that open and candid conversations are possible, they tackle hard problems together.

What Amy finally underlined in this first part of the masterclass, was that through psychological safety organizations can reach high performance. "But it's not enough. Psychological safety needs to coexist with motivational drivers." In order to reach high performance, employees need to find passion, purpose, get feedback, etc. She demonstrated this through the table below.

"In the VUCA world, without both motivation and psychological safety it's pretty hard to achieve high performance. You need both."
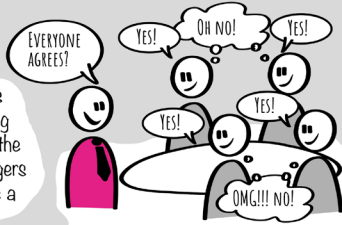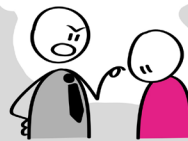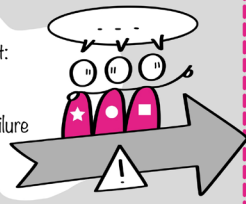
UNDER CONDITIONS OF UNCERTAINTY & INTERDEPENDENCE

THE POWER OF PSYCHOLOGICAL SAFETY
Amy Edmondson

Part 2
The Science of Intelligent Failure

The Role of Failure in Today's Organizations

To begin with, Amy shared three famous quotes about failure:

• "The only man who never makes a mistake is the man who never does anything." - Theodore Roosevelt

• "I've missed more than 9,000 shots in my career. I've lost almost 300 games. Twenty-six times I've been trusted to take the game-winning shot and missed. I've failed over and over and over again in my life. And that is why I succeed." - Michael Jordan

• "I have not failed. I've just found 10,000 ways that won't work." - Thomas A. Edison

According to Amy, these types of popular quotes already give us some idea that failure is not a topic we should be allergic to. "But, we all know it's not that easy." Failure often is a double-edged sword that has both good and bad aspects to it.

The problem is that the classic management paradigm falls short in today's uncertain world as it assumes predictability, emphasizes efficiency, and sees failure as a sign of incompetence. "Today what we need far more often is what I call innovation logic." Amy explained that this logic assumes uncertainty, emphasizes speed and experimentation, and sees smart failing as essential to progress.

The Different Types of Failures

Failure, like many things, comes in various shapes and forms. Amy underlined that it's important to make a distinction between the different types. First, Amy talks about the different words we use for failure.

"Failure is an outcome that deviates from expected and desired results." Amy stated that failure and error are not synonyms as errors are unintended deviations from pre-specified standards as rules, procedures, and policies. Some failures are due to errors, while others are not.

She then presented the 3 quintessential types of failures:

• **Simple failures (= mistakes).** These failures are the ones where we know how to do it right, but for some reason, the process didn't go right.

• **Compex failures (= accidents).** In these failures, a set of factors come together in a novel way despite the reasonably familiar contexts.

• **Intelligent failures (= discoveries).** These are the undesired results of thoughtful forays into new territory.

The key according to Amy for any organization would be to get good at distinguishing among

these different types of failures. Furthermore, we should learn how to celebrate the discoveries while figuring out ways to minimize the number of mistakes and accidents.

What it Means to Fail Well

"Failure is not all bad ..but failure is not all good either." Despite the fuzz and buzz around failure, Amy emphasized that not all failure is good. As she stated by distinguishing the different types of failures, the aim should be to get good at intelligent failures.

But what then is an intelligent failure? Amy actually presented 6 elements of intelligent failure:

1. The opportunity explored is significant. "You need to be looking at taking risks in something that matters for your mission."

2. The outcome will be informative. "The outcome is such that you will learn from it."

3. The cost and scope are relatively small (just large enough to be informative). "This is important; the cost and scope need to be as small as to still be informative."

4. Key assumptions are explicitly articulated. "You have to specify what you are testing or interested in figuring out."

5. The plan will test those assumptions. "The experiment you are doing needs to test the assumptions you have articulated."

6. The risks of failing are understood, and mitigated to the extent possible. "In terms of the organizational culture, the higher-ups need to be blessing these kinds of experiments."

Amy further underlined that in order to understand failure and fail well, we need to understand success. "In order to have a deep appreciation of failure, we have to have a better, more nuanced, understanding of what success means. And realize that the answer to that question depends on the context."

Success might equal efficiency, it might be driven by safety and quality, or it could mean innovation or discovery; it varies between organizations. The more your success is related to innovation or discovery, the more uncertainty it will prevail. And when uncertainty goes up, so do the failure rates. So, always start by asking: "Where is this work/project/team on this spectrum?"

Amy then presented her suggestion for a smart failure strategy:

Failure *Necessarily* Rises with Uncertainty

Factory	Hospital	Research & Development	Laboratory
ROUTINE PRODUCTION	COMPLEX SERVICE OPERATION	PROJECTS	BASIC SCIENCE
Efficiency	Safety & Quality	Innovation	Discovery

uncertainty →

failure rates

| <1% | 2-5% | 15-50% | 60-80% |

1. Reduce simple failures. You need to make sure that the basics are in control. "Do this through training, aspiration, and helping people."

2. Anticipate and mitigate complex failures. You need to be aware and be vigilant. "This is what higher liability organizations do: despite the possibility of failure around every corner they are on top of it."

3. Promote intelligent failures. You need to embrace and encourage these types of failures in your organization. "We want more of these, not fewer."

However, remember that no matter what type of a failure you experience, "it is still absolutely crucial to learn from it".

Learning from Failure

The key to learning about failures is to think about what caused the failure. It's clearly very different if the failure was caused by deliberate violation whereas if it was an outcome of a brilliant experiment. According to Amy, the potential causes can be experimentation, uncertainty, complexity, incompetence, inattention, and deliberate violation. While the first ones mentioned are praiseworthy, the latter ones are more blameworthy.

The crucial thing here is that in an organization the failures are treated accordingly. If failures that are actually praiseworthy get treated as blameworthy it gets in the way of a smart failure strategy.

Finally, Amy provided some practical tips on how to respond productively to learn from failures. So, no matter what the failure or the cause of it:

• Appreciate messengers when they speak up.

• Focus forward - keep the focus on solving the problem.

• Always find the lessons from past failures and do thoughtful after-action reviews:

• What did we set out to do?

• What actually happened?

• What was the difference and why?

• What will we do next time?

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Part 3
Creating a Fearless Organization

How to Set the Stage for Psychological Safety

To illustrate ways to enhance psychological safety in an organization, Amy showed a video where Alan Mulally, the former CEO of Ford Motor Company explains how he tried to save the company. The reason for showing that clip was that she felt Mulally well illustrated all three of the fundamental leadership actions that foster psychological safety.

The behaviors that Amy referred to are:

1. **Setting the stage.** Frame the situation you are in and the work you are doing. Also, set the stage by emphasizing purpose.
2. **Inviting participation.** Use inquiry, set up structures and processes.
3. **Responding productively.** Express appreciation, destigmatize failure, and sanction clear violations.

"This is the way we need to work in a VUCA world." Next, Amy explained each of those behaviors in detail.

Framing the Work

"Framing the work is a crucial skill to master."

As stated before, the first leadership behavior that fosters psychological safety is framing the situation.

First of all, you need to recognize that we all have cognitive frames - these implicit beliefs that shape how we make sense of a situation and influence how we act and respond. These cognitive frames are basically mental models that we take for granted and that guide our activity.

Framing the work is also about reframing the work. In other words, it's about saying and doing things to build a shared understanding that influences behavior.

To make this clear in practice, Amy suggested using framing statements. In general, framing statements create a rationale for voice - they answer the question 'why should I speak?'. Statements like "catching a flaw early is invaluable", "problem-solving is a team sport", or "our success depends on our ability to integrate diverse perspectives" are a way to frame the situation. "Whatever you choose to emphasize, the goal is to frame what lies ahead as in need of everyone's input."

Inviting Participation

The next thing in fostering psychological safety is to invite participation - to build confidence that voice is welcome. "You need to be proactive and actually ask people about what's on their mind."

By inviting people to participate, you can recognize the basic human challenge. And what is that? "The basic human challenge is that it's hard to learn if we already know. "We are hardwired to have this experience of knowing." When we look at the world, we think we see reality. Actually, we see a reality that is filtered with our own biases, background, and expertise. So what do you do? "Be a don't knower. We need to overwrite this cognitive error and remind ourselves that we don't know."

After acknowledging that you don't know, you need to ask questions. Amy stated that good questions focus on what matters. They also invite careful thought and give people the room to respond. Amy then listed some examples of great questions.

To broaden the discussion, you can use questions such as:

- What do others think?
- What are we missing?
- What other opinions could we consider?
- How would our competitor approach this?
- Who has a different perspective?

Whereas to deepen the conversation, you can use questions such as:

- What leads you to think so?
- What's the concern that you have about that?
- How would that work in action?
- Can you explain that further?

- What do you think might happen if we did X?

Responding Productively

The third behavior that leaders need to engage in is to respond productively; you need to have an orientation towards continuous learning.

Putting this into practice, Amy underlined that when someone experiences a failure, the productive response is not to focus on 'how did it happen' but rather 'what can we do to help'. "It's always important to do after-action reviews but that cannot be your first instinct."

The productive response is first and foremost appreciative and forward-looking.

3 Leadership Stances

Finally, Amy explained that the three behaviors that help you create psychological safety in fact come down to three simple leadership stances. Fundamentally, these behaviors are all about humility, curiosity, and empathy.

- **Frame the work = humility.** Framing the work means building a shared understanding of the complex, uncertain, or novel nature of the work - and what it takes to do it well. "It's the stance that says 'I'm ambitious, I care about what we do, but I know we live in a VUCA world and we don't have a crystal ball'. That's a stance of humility."
- **Inviting participation = curiosity.** Inviting engagement is about asking good questions and making silence costly. "This is about saying 'I see only a partial reality, and I'm deeply curious about what others are seeing'."
- **Responding productively = empathy.** Responding productively requires appreciation, listening, and focusing forward. "This is about saying 'I could be in your shoes and I feel for this person as a human being'."

The Leaders Toolkit

Category	Setting the Stage	Inviting Participation	Responding Productively
Leadership tasks	**Frame the Work** • Set expectations about failure, uncertainty, and interdepence to clarify the need for voice **Emphasize Purpose** • Identify what's at stake, why it matters, and for whom	**Demonstrate Situational Humility** • Acknowledge gaps **Practice Inquiry** • Ask good questions • Model intense listening **Set up Structures & Processes** • Create forums for input • Provide guidelines for discussion	**Express Appreciation** • Listen • Acknowledge and thank **Destigmatize failure** • Look forward • Offer help • Discuss, consider, and brainstorm next steps **Sanction clear violations**
Accomplishes	Shared expectations and meaning	Confidence that voice is welcome	Orientation toward continuous learning
Stance	Humility	Curiosity	Empathy

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Amy then presented a "Leadership Toolkit" to help you embrace these three behaviors:

At the end of the course, Amy gave a few concluding suggestions. If you were to take one thing with you from this course, Amy would advise it to be the importance of asking questions. "All of us can benefit from asking more questions and asking good questions."

Secondly, Amy underlined that we live in a VUCA world, and everyone needs to recognize that. According to Amy, there are a few things that can help you operate in this volatile, uncertain, complex, and ambiguous world.

1. **Aim high.** "Be ambitious. Motivate yourself and your colleagues to do great things."

2. **Team up.** "You can't do it alone. You need different expertise and different perspectives, so you need to come together."

3. **Fail well.** "You can't avoid failure. So, have as many intelligent failures as possible, and try to mitigate and eliminate simple and complex failures."

4. **Learn fast.** "Every day is an opportunity for more learning. Learn from your own experience, learn from your colleagues' experiences."

5. **Repeat.** "Aim high, team up, fail well, learn fast, and repeat. Learning never stops."

Questions to consider

Throughout the course, Amy suggested some questions for you to ask yourself. Here, we list all of the questions.

Think of a time at work, at any point in your career, in which you held back on speaking up with a potentially important work-related idea, question, or concern. Think of who was present, what was being discussed, and what did you momentarily consider saying?

- *What was the primary cause of your withholding?*
- *What was the primary consequence of your holding back?*

To what extent do these statements hold true in your workplace?

- *In my company, I feel empowered to take risks.*
- *My organization has a healthy mindset around failure.*
- *Hitting your targets is the only way to get ahead.*

Think of a recent failure at work that you observed or helped create

- *What was the context? (Where did it happen?/What was the goal?)*
- *What were the primary causes of the failure?*
- *Who knew about it?*
- *How much was learned from the failure?*

Recall the failure you identified earlier.

- *Consider the context and the primary causes of the failure.*
- *How would you characterize the context?*
  - *Routine*
  - *Complex/Customized/Variable*
  - *Innovation/Discovery*

What percent of failures in your organization are caused by blameworthy acts? What percent of failures in your organization get treated as if caused by blameworthy acts?

How might you, "frame the work" keeping the following features of the work in mind: uncertainty, interdependence, what's at stake, the role of failure?

What will you say to build a shared understanding that anyone's voice might matter?

What good questions can you ask in your next meeting?

When should you push for breadth? When should you probe for depth?

A my C. Edmondson is the Novartis Professor of Leadership and Management at the Harvard Business School, a chair established to support the study of human interactions that lead to the creation of successful enterprises that contribute to the betterment of society.

Edmondson's work on psychological safety has been groundbreaking. Her blueprint on creating a fear-free culture is essential, she argues, for organizations to be able to thrive in today's knowledge economy in which new ideas and critical thought are essential to success. She has also explored the concept of teaming in dynamic work environments, and demonstrated how cross-organizational teaming can impact the building of smart cities.

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