Assessments, Values, and Possibilities

Introduction

Before saying a word about this paper, we will give you a prelude about our approach to language and management.

Our management theory belongs to a philosophical tradition[1] in which peoples' language is explored in its generative capacities. In other words, language is never understood as a device to describe an external or independent reality. On the contrary, language is explored in its capacities to configure the world and realities we live in.[2] In very practical terms, opportunities in our business worlds are brought forth in the languages people speak and listen to.

For that reason, we will be explicit and repetitive in this text in showing that the meaning, the value, or the significance of a particular utterance always will be resolved in the contingent relation between listener and speaker. The utterances will show up as mattering (or not) for a concrete community of buyers and sellers, leaders and followers, investors and entrepreneurs that will listen and ascribe value to it. All their linguistic propositions will always exist in conversations as part of an already vast world of shared practices, discourses and narratives.

In this brief document, we will introduce a preliminary articulation of the notion of *assessments*, which are pivotal to create new possibilities in multiple domains including training, product development, innovation, or quality assurance. There is a broad vocabulary to denote the action performed when *assessing* a particular event. Frequent words, or *performative* verbs,[3] naming this action, each with some subtly different flavor, are "evaluate," "appraise," "valuate," "estimate," or "judge."

Frequently, business commonsense is not sensitive about what we do when we judge or assess a particular event, someone's performance, or a specific style of doing things. Even more problematic, people often act *as if* we are extremely clear about what we are doing when we assess or judge something.

To a certain extent, the confusion is maintained because in English grammar, no difference is made between propositions such as "This is a

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[1] *Heidegger phenomenology.*

[2] Winograd, Terry and Fernando Flores. <u>Understanding Computers and Cognition</u>. Norwood, NJ: Abiex Publishing Corporation, 1987.

[3] Austin, J.L. <u>How to Do Things with Words.</u> Oxford: Oxford University Press, 1965.

water molecule," and " This is a stable and robust molecule," or propositions like "She is an Executive Vice President," and "She is an innovative executive." In both cases, the verb "to be" is used and no differentiation is made between the adjectives in each sentence. As we will see later, in normal contexts, those propositions can be interpreted as extremely different actions. The initial ones will be interpreted as an assertion, and the second ones will be interpreted as assessments, bringing forth two completely different demands on the speaker of each of the propositions.

Another plausible reason for this insensitivity (or misunderstanding) is that most managers, executives or researchers are almost always quite competent to make the distinction between the assertive action and the evaluative action in their specific domains of expertise. At the same time, their skills in that particular domain are entirely transparent to them (they do not know what they know). Therefore, when they move to act in a different domain distant to the domain of their own expertise, they, without even noticing it, will lose their capacity to distinguish those types of acts. Meanwhile, they often keep their ungrounded confidence (they do not know that they do not know). This situation is what we call Cognitive Blindness[4], because it is a situation in which we are *ignorant about our ignorance*, and we obliviously act as if we are fully aware of what we are doing.

In accordance with this preliminary diagnosis, our first task will be to attack these oblivious behaviors about making and listening to assessments. Our aim is to adjust the way people listen—so that when a particular speaker makes an assessment, a loud alert will be triggered in the listening of their audience which will orient their conversational flow to deal effectively with that particular assessment.

We will do that primarily by distinguishing and making visible the action we perform when we judge, evaluate, or assess. Articulating the distinction will allow us to build a shared observer of the phenomenon to be observed—making and listening to assessments—and later on to create some practices to make it more efficient and valuable.

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[4] Cognitive Blindness is a situation in which we are ignorant of our ignorance: we do not have any sensitivity to become aware of it. Basically, our nervous system is not able to react in a valuable way to a particular situation.

Assessments as Action

Assessments as Commitment

While acting in the middle of a business operation, we ask for "efficient solutions," we look for "lean project management," or we organize initiatives to "remove waste." These utterances, in the moment they are listened to, bring forth what is positive (efficient or lean), and what is negative (waste). "Efficient", "lean" and "waste" do not define any specific action to perform, ask, or offer; however, they call for the invention of what is going to be considered positive or negative. These linguistic acts orient people toward future possibilities not yet fully articulated. This phenomenon is what we call assessments.

Assessments are a commitment made by a particular speaker in order to bring forth new possibilities for a community of listeners.

We claim that assessments are a particular kind of *commitment* that people working, researching, or leading organizations utter and listen to quite often. By *commitment, we mean a particular consensual interpretation of a binding, between the speaker and the listeners of the utterance, to perform some actions in the future*.

What is specific to the binding that assessment produces in any community is that:

    1. The speaker of the assessment obliges herself, and confers onto others the right to demand her to *articulate the possibilities she is accountable for bringing forth* with the particular assessment she utters.

    2. The speaker of the assessment obliges herself, and confers onto others the right to demand her *to ground her assessment.* She will be responsible for creating the circumstance in which the community involved can observe past events and criteria she uses to claim the validity and value of her assessment.

Therefore, the action that is brought forth for a particular speaker, in the very moment of making an assessment, is *to create new possibilities*—possibilities that would have not been available for that particular business community without having been called forth by that particular assessment.

How to make a particular assessment will depend on the particular situation. Assessments do not need to be accurate, feared, pondered, or balanced. Assessments need to be performed in such a way that they unsettle current interpretations of a particular situation, and bring forth new valuable possibilities.

Our Habits in Making Assessments

There are many habits and misinterpretations about what we do when we make an assessment. We will mention some of them.

First, it is worth noting that for the vast majority of occasions, we do not make an assessment, the assessment happens to us. Its happens before any reasoning. We do not make a conscious decision, the assessment just occurs to us in advance; before we are able to notice it, it has already framed the situation in which we will act. In other words, we already listen from some background assessments that we seldom review, despite the fact that those background assessments systematically orient our actions.

The habit of skipping listening to our own listening, and to our own automatic assessments (pre-judgments), is a habit that perpetuates rigid approaches, ill-oriented emotional patterns, and maintains the attachment to an increasingly irrelevant scope of possibilities.

Second, we have the tendency to use assessments as if they were *descriptive*, as if they were revealing features—observable characteristics of something—or defining actions. Assessments like "intelligent," "innovative," "proactive," " dynamic," or "reliable" do not describe anything. They just show some positive valuation of something that is still unrevealed. Proliferation of assessments in a conversation, without engaging in the process of grounding, declaring specific possibilities, and committing to action (with already agreed conditions of satisfaction) is a clear sign of weak listening, potential misunderstanding, and coordination waste.

Third, there is no certain thing called an "objective" point of view, or "objective" assessments. Points of view are always already articulated stories of a particular speaker, embodying a set of concerns. Points of view do not exist in a void, or in an abstract "neutrality". Each time a speaker utters what is consensually interpreted as an assessment, she is speaking out of some specific background concerns. Instead of trying to hide the sun with a finger, we propose to see what the sun's light reveals (and conceals in the shadows). In other words, we propose to inquire about the

background concerns, to ask questions about them, to articulate them as much as is possible in a given situation. This can start with just a "feeling," and then a metaphor; and so on and so forth, gaining resolution until we are able to specify what is missing. The speaker's background concerns can be fully shared, partially shared, or they can be extremely controversial in a particular working situation. Nevertheless, a speaker's concerns cannot be "erased", ignored, or denied without damaging trust and communication. The illusion of "objectivity" is a *cul de sac* which closes the path to engage in conversations in which background concerns are made visible and can be negotiated and shared by a working team or any other business collective.

Speaking in the name of "objectivity" is often just a grotesque intent by the speaker to hide her concerns and her responsibility in bringing forth the assessment. However, it can also be a recognition that the assessment was made based in previously agreed practices for grounding. While the first case produces a sort of stagnation in the conversation flow, the second case rapidly opens the flow of action to new relevant shared possibilities. We will expand on this in our upcoming section on grounding assessments.

Temporal Structure of Assessments

Assessments as Risks

Assessments are verdicts in the present, based on past events, which open and/or close future possibilities.

Each time that an assessment is made in the present, something is also said about the past and about the future. In some sense, each time that we make an assessment we are implying a narration that goes something like: "Given my observation of such and such events in the past, in which you played such and such a role, I judge today that if I name you in this new role, I can expect you will open and close such and such possibilities for me, and for this project, in the future." Thus, in making the assessment, we are making a verdict on future possibilities based in past experiences.

Each time we make an assessment, we are bidding on some probable scenarios. No matter how much experience the speaker of the assessment has in a particular domain, making the assessment will always imply taking a risk. Being an expert in a particular domain means that when experts make the assessment, and take the risk, the odds are in their favor. That is

why when experts in a particular field make assessments, their audiences listen very carefully to what they say.

The link between past events and future possibilities is always a hypothesis. It can be a highly probable hypothesis, but a hypothesis all the same. When high stability is observed between past events and future possible states, scientists speak of causal relations, or causal laws. When the relation is less stable, and the context harder to control, they speak of stimuli and responses, action and reaction, or motivations and behaviors.

Assessments as Opening Possibilities

We insist on this as a risk-taking act, because it shows that the force of the assessment does not come from the amount and variety of observations of past events related to it, but from the authority granted by the community of listeners to the speaker that commits herself to a particular assessment. No matter what is the sphere of action in which the assessment is made—aesthetic (tasteful-distasteful), ethical (value-vice), moral (right-wrong), management (efficient-inefficient), or any other—in the moment the assessment is made, the speaker of the assessment ascribes a positive or a negative quality to a particular event. Ascribing a negative quality means that the particular event does not fit with the kinds of actions and expected outcome we are willing to produce—those that open possibilities for improvement, change, learning and so forth. Ascribing a positive quality means that the particular event fits with the kinds of actions and expected outcome we are willing to produce—those that open possibilities for immediate action.

In disclosing previously unavailable possibilities, assessments trigger emotional responses and produce new orientations to action.

A fundamental quality of disclosing previously unseen possibilities, conferred to the act of making an assessment, is the capacity to trigger emotional reactions. If a particular assessment, performed by a particular speaker, is listened to as closing possibilities, it may produce emotional reactions such as frustration, anger, or anxiety. If a particular assessment is listened to as opening possibilities, it may produce emotions of excitement, enthusiasm, or security. What is usually overlookd is that any assessment, positive or negative, always opens and closes possibilities simultaneously.

Grounding and Coming to Terms in Assessment Conversations

Grounding Assessments

Each time someone is listened to as making an assessment, she exposes herself to answer a particular demand from the listeners, in a form like, "Why do you think so?" or "Why are you saying so?" Those questions are in the style in which the community of listeners demand what we will call *grounding for the assessment*.

Given that assessments are not descriptive, as we mentioned before, they need some context in order to make them intelligible. In particular, it gets harder when there are new assessments—assessments trying to produce previously unexplored possibilities. Producing that intelligible context is what we call *grounding the assessment*. In general, grounding assessments has the following structure:

1. Declare the space of action being assessed by the speaker: By space of action, we mean the area of performance in which the speaker of the assessment is committing herself to show a new possibility for the listener, or listeners, of the assessment. The narrower the area of action under examination, and the sharper the boundaries of it, the easier it is for the listener to focus her attention on a concrete world of action. Lack of clarity in defining the boundaries of the space of action produces insurmountable complexity. Key questions to check your declaration about the space of action are: "What is the area in which the assessment you are making is significant?" and "Which are the areas that you want to explicitly exclude from your assessment to avoid listeners' puzzlement?"

2. Declare the sign of the assessment: By the *sign* of the assessment we mean declaring if the assessment is *positive* or *negative*, as described in the previous section, and producing the effect of a positive or negative assessment in the listener. There are many misleading interpretations about making assessments that produce waste. In most conversations, managers do not want to make negative assessments because the listener can be "hurt", react in a defensive way, get resentful, get distrustful, etc. Because of these reasons, the typical action recipe is simple: avoid uttering negative assessments (while keeping it privately for oneself), and perpetuate the miscommunication. Some ways people avoid uttering negative assessments are: using innocuous wording, making it unclear if the assessment is positive or negative, and trying to be "fair" and blend all sorts of positive

and negative assessments in a confusing mix. With this practice, however, the result is: the speaker keeps her unchallenged or unchanged assessment, the listener never gets informed about the assessment, the opportunity for the listener to change the speaker's assessments is negated, there is an accumulation of waste and distrust, the organization gets stuck and no change is possible. Key questions to check the verdict of your assessment are: "Is your assessment positive?" "Is your assessment negative?" and "Can you transform the gray into black and white?"

Assessments can only be grounded asserting past actions that reveal what is considered positive or negative

3. Provide assertions of past events and actions that support the speaker's assessment: In asserting past actions, the speaker of the assessment informs the community of the kind of actions that she would like to expand (if the assessment is positive) or that she would like to eliminate or substitute (if the assessment is negative). An assertion of past events that support the assessment is made with the purpose of illustrating new possible actions and to sketch new possible scenarios.

Assertions are commitments to provide verifiable evidence that a particular event occurred in a given place and time

We distinguish *assertions* as a commitment to provide verifiable evidence that a particular event occurred in a given place and time. To assert a particular event requires some prior agreements in the collective, or community, in which the assessments are made:

1. The specification of the distinction that will allow us to observe the phenomenon or event.

2. The procedure and approved technologies to witness the event.

3. The qualified witness that has the skills and capacities to witness the event.

If the speaker succeeds in providing verifiable evidence based in the prior agreements, the assertion is True (or False depending on the original claim). If there is no agreement on what is verifiable evidence, the assertion is temporally inconclusive.

Now, lets go back to our point on grounding assessments. Under no circumstances, can assessments be grounded with:

More assessments: "You are innovative," "You did a creative proposal, and you are thoughtful, insightful, out of the box thinker…"

Generalizations: "You always…" or "You never…"

Explanations: "You are innovative because you use the left part of your brain, and you use your emotional intelligence…"

None of these kinds of propositions address the demands of intelligibility brought by a particular speaker's assessment. Assessments can only be grounded by asserting specific past actions that reveal what is considered positive or negative.

4. Declare the standards for making the assessment: Each time we make an assessment, we are already acting with others in the middle of a network of people and business roles that we are willing to orient to specific possibilities. That is why practitioners of a discipline or managers, declare institutional standards, quality standards, or performance standards, and spend time and resources in informing, communicating and training people on those particular standards. If the standard is clear and shared, soon people will know if a particular performance is outstanding or unacceptable, and they will be oriented to effective decision making to correct deviations. For example, the Six Sigma approach to quality assurance suggests a set of statistical standards to assess and improve manufacturing quality. The Carnegie Melon CMMI approach to software development defines a set of standards to assess the maturity of a software development engineering organization. Physicians and CHP use standards (tables of age, height, weight) to assess obesity in a population. In any domain in which vast networks of stable and recurrent coordination are developed, led, and managed—such as manufacturing, service delivery, software testing, or public health—people are trained, educated and coached to embody a rich repertoire of performance standards that express themselves in their emotions and strong automatic orientations (pre-rational know-how). A standard is the border condition necessary to ascribe the positive or negative verdict to a particular action, performance, or way of doing things.

Producing New Standards and New Assessments in a Collective

However, while going up in an organizational structure, the central activity of executives is not just to assess the operational stable recurrences of the corporate performance. On the contrary, the network of executives and team members spend most of their time inventing new languages of assessments and new standards, re-orienting different company roles, or tweaking, adjusting, improving or innovating key business practices. Change and innovation start with new challenging assessments that unsettle current established standards and propose new ones. It is not the case that the old standards are necessarily wrong, or a mistake, but that inviting others to subscribe to new ones has the potential to help them create significant value.

The validity of a particular assessment rests upon the authority of the speaker of the assessment.

The authority of the speaker is conferred to him by the particular community in which the assessment is listened to.

Change and innovation start with new challenging assessment that unsettle current established standards, and propose new ones.

New standards are always specified in terms of the specific action capacities that the organization is willing to expand or willing to eliminate. For instance, companies willing to be more adaptive to their markets declare standards regarding the percentage of their revenues coming from new products; companies willing to be ecologically sustainable, declare standards for energy consumption of specific devices.

The challenge of many contemporary corporations is how to build this practice of making powerful assessments on a large scale, and how to develop practices that can successfully manage the proliferation of assessments, proposals, and business opportunities across business organizations. Google is an extreme example of a business culture that encourages decentralized open discussions and assessments on strategic matters. Open Source software development strategies are another case in which controversial assessments are welcomed, nurtured and in which they drive action. The style of commercial relations promoted by Amazon, eBay, Netflix, and the internet environment, has multiple devices and practices to make assessments on products, service delivery, vendors, etc. all of which are conducive to improving benefits, creating identities, and avoiding wastes.

Whatever the case, executives needs to be effective in setting up the circumstances in which new assessments are going to be made, and to be perseverant in gaining the authority of the community (when not initially granted) to accept a new standard as valid. Many wasteful frictions are produced when new assessments are made without asking or building the space in which those assessments are going to be listened to. This is especially relevant in the case of new assessments, or when the assessments being made transgress corporate culture and unspoken rules.

For instance, in the case of new assessments, we need a previous discussion upon the specific standards to be used in grounding the particular assessment, in order to avoid lack of respect; or we need a conversation to grant authority to the speaker of the assessment to define a particular standard for the organization, in order to assure the validity of the assessment.

If the four conditions we established for grounding assessments are met in the interpretation of the collective, then the network of organizational roles is in good shape to evaluate possibilities, make decisions, and act.

To claim that a particular assessment is grounded *is an assessment about an "assessment"*. In other words, it already implies some previously agreed-upon standards about how to ground a particular kind of assessment. As we mentioned earlier, Six Sigma, CHP, or CMMI are

examples of business practices in which criteria for accepting assessments as grounded are carefully established.

The power of a particular assessment does not rest in the rigor of the grounding, but in the possibilities it discloses. The fact that a particular assessment is declared grounded, only shows that a particular business collective shares a way of listening to an assessment in terms of intelligible possibilities for action. It does not necessarily imply that the assessment is worthy of attention, valuable, or powerful enough to make decisions and mobilize action.

A virtuous cycle of the grounding and coming to terms conversation goes: The speaker observes some specific performance, the speaker makes a positive or negative assessment, the speaker declares the space of action in which the assessment is relevant, the speaker illustrates the assessment in specific past events that can be witnessed by the community of relevant listeners (team members, customers, etc), the speaker declares/proposes the standards to ground the assessment, the assessed listener becomes aware of new potential actions of adjustment to current actions, she commits herself to introduce some changes, she reports completion of those adjustments, the initial speaker of the assessment accepts the report of new practices and new level of performance, and the initial speaker of the assessment changes/retracts his original assessment and commits himself to a new assessment.

A vicious cycle of the grounding conversation goes: The speaker makes a confusing assessment, the listener does not ask for a positive/negative declaration, the listener does not ask for an assertion of past actions that support the assessment, the listener instead responds with a different assessment, speaker and listener are incapable of seeing what each other's assessments are pointing to (and they do not see that they are not seeing this), there is an unarticulated disagreement and defensive *blah-blah-blah*, the flow of action gets interrupted or becomes stagnant in some area, distrust, waste and a negative mood are produced, and each party gets frozen in their original assessments and they use the assessments they made as if they were features that had the causal property to explain behaviors. (In other words, instead of using the assessment to assess actions, they use the assessment to "explain" the action.) In this last conversion of an assessment of action into an explanatory causality of action—the world turned upside-down—the ossification of the evaluation gets fixed as an inherent and unchangeable feature of someone's essence.

Framing and Assessing

Historical events, like day-to-day events, can be revealed out of a wide variety of assessments. Although those assessments may look conflicting, they may also be perfectly grounded.

In the last quarter of the 18th century, a group of members of the thirteen American colonies made the assessment that the relation the crown was maintaining with their colonies lacked reciprocity and respect. Officials from the colonial power made the assessment that the colonies were disloyal and rebellious.

In the late sixties, the government approved funding to start the implementation of the ARPANET (currently the Internet). At the start, one of the key expert engineers that built it assessed that the initiative was a senseless project. Bob Taylor, from the governmental agency that founded the project, assessed the initiative to be a practical project to improve efficiency in advanced research.

Radically different assessments about a situation are not right or wrong; but they show different background concerns, and different background narratives bringing forth the situation individuals act in.

Different observers of a situation observe from different background narratives. These background narratives define observers' concerns as well as the space of potential assessments to be made. Radically different assessments about a situation are not right or wrong; but they show different background concerns, and different background narratives bringing forth the situation in which we act.

Examining the Background Narratives Framing an Assessment

To explore the full relevance and power of a particular assessment, we not only demand the examination of its grounding, but also the examination of the background narratives that *frame* the space in which the assessment is made.

Often it is significantly more productive to orchestrate and collectively develop the background narratives that define the space out of which assessments are made, than to exclusively discuss foreground assessments that are framed by the still unrevealed narratives.

If we examine the situation of a typical executives' meeting, we will find that each of the participants already has many more assessments on the tip

of her tongue than assessments she will be able to make. She needs to establish priorities to manage her conversations and to focus on the assessments which will create more value.

This decision is about choosing among:

1. The background narratives that better articulate the business concerns of a particular speaker.

2. The key sets of assessments sustaining that narrative.

3. And the grounding she will provide.

Listening to other people's assessments, and metaphorically putting yourself in "her shoes," basically consists of asking oneself (and the speaker) about what background narrative is framing her assessments. You can discover that the overall narrative is inadequate or misleading, and you can suggest to replace it with a new narrative that has more potential value and that will open a space for different kinds of assessments.

Alternatively, you can be surprised by an unusual background narrative, and discover a whole new space of possibilities. Then, you can offer to replace your previous background interpretation in favor of the new one. This is a very common practice in high-trust, high-performance teams that share a multidimensional strategic narrative. On the other hand, this is a very alien practice for bureaucratic hierarchies with big personal agendas, no commitment to a shared strategy, and low trust.

Designing Assessment Conversations

Assessments are not always welcome or easy to make, even though, as we mentioned before, assessments are critical for developing skills and capacities, as well as for innovating and producing exemplar results. In short, assessments are tricky, because they can affect our possibilities and our identities. This is a claim that is obvious in the pharmaceutical industry, in which market assessments about drug effects, and particularly, assessments about how those undesired effects have been managed, can ruin a company in the blink of an eye. On the individual level, in normal

situations, a few assessments may not make a big difference, but in particular circumstances, a few assessments, uttered by key speakers, can make the whole difference.

Consequently, we will propose to you some basic conversational moves that may contribute to creating the right context for conversations in which assessments are going to be made. This is not an exhaustive procedure to produce universally good results. It is an illustration, a starting point to create the right context for the particular right conversation.

1. Before making any assessments, ask for the conversational space (place and time, participants, desired mood of the conversation, etc.) to make the assessments, and then ask for the listener to commit herself to listening, even if she does not initially like your assessments.

2. Be clear in showing the kinds of possibilities you are looking for with the assessment you are making, and then proceed with the grounding.

3. If you are not clear about the grounding, ask for help from the listener of the assessment. Ask her about past events she can remember that can fit what you are talking about. If you discover that you cannot succeed with the grounding task, just ask for extra time and work on it, so you can have a new conversation in the future. Not succeeding in grounding your assessments on the first attempt does not mean that there is not value in the assessment.

4. Keep your assessment restricted to the right community. An assessment that is done in a team that shares a rich background of trust and experience will not make sense to a foreign listener. Most likely it will be misinterpreted and will damage future coordination or identities. Keep the team assessments for the team. Assessments belong to the specific communities in which they are made.

5. Be perseverant in going from assessment to inventing possibilities, from inventing possibilities to action, and from action to new different assessments: keep yourself in the virtuous circle.

6. Take care of the emotional background. If frustration or disappointment show up, ask about them, listen to previously unnoticed concerns, make those concerns legitimate, and manage future conversations about them in the proper context.

7. The most critical aspect of a successful assessment conversation is repairing, maintaining, and expanding the background of trust. Here are

two simple pieces of advice, among many others, for expanding trust: first, before asking about another's mistrust, make explicit your own mistrust, and your grounding for it; second, commit yourself to deliver on concrete promises with clear conditions of satisfaction, and be sure to end with your customer satisfied with them.

Analogously, if you are the one that is receiving the assessment, even from someone that has been never trained in making assessments, you can organize the conversation by:

1. Asking the speaker of the assessment if what she is making is intended to be an assessment or not.

2. If the answer is positive, you can ask her which are the concerns she is trying to take care of with the assessment, and what are the possibilities she wants to open.

3. Then, you can ask her to ground her assessment (domain of action, sign, assertion of past events, standards). You may help her with the grounding, or maybe invite her to change the standards she is using for making that particular assessment.

4. If you succeed in grounding the assessment, and the assessment discloses interesting possibilities for action, then you are in good shape to create a plan for action. If the assessment is grounded, but not as valuable as other assessments you may suggest, then you invite your counterpart to explore your own assessment, and you repeat the same flow of conversations again.

Values and Assessments

There is an ample business literature on the subject of corporate values and corporate culture. Companies are concerned with cultivating specific values, when those values encourage systematic behaviors relevant for the business. Companies are concerned with cultural change when the values of their culture, already embodied by their executives, employees and networked management practices, orient the company to stagnation and poor performance. The capacity to mutate corporate values is what the

management scholar John Kotter[5] characterized as "adaptive cultures" or "healthy cultures," even though he never provided an explicit and rigorous distinction of what *values* are.

Values are embodied patterns for making assessments.

We will build the linguistic distinction "value," based on what we have already distinguished as assessments. Therefore, we will distinguish values as embodied patterns for making assessments. By this, we mean that assessments are not really made, but are acted. The assessments are expressed in emotional patterns and dispositions to act in specific ways.

Reinterpreting Kotter thus, a "healthy culture" is a culture that can invent, cultivate, and embody new kinds of assessment that have the potential to expand business value. A rich example of this phenomenon is the revolution produced by the Toyota Production System and the Lean Manufacturing Movement. They did major reinventions on the assessment of coordination waste, and they produced massive changes in manufacturing practices and roles in accordance with this new family of "lean values."

Making Assessments in Unfamiliar or Unknown Domains

We would like to say few words about a very common situation we find ourselves in when producing innovations, or when we are dealing with situations about which we do not have previous experience—for instance, a project in a new field or an uncommon disease. Let's work with the second case as an illustration of a flow of actions, interpretations, and learning.

First, let's suppose you go to the physician. He makes the diagnostic assessment. You do not have a point of reference to discriminate if the assessment is powerful or not. What do you do?

Second, you go to other physicians. They give you new diagnostic assessments. You do not have a clue about how to discriminate if the assessment is powerful or not. You become more confused.

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[5] Kotter, John. Organizational dynamics: diagnosis and intervention. Reading, MA: Addison-Wesley Publishing, Co., 1978.

Third, you repeat the cycle again. Now you have additional concerns regarding your budget and research time. You contact people in similar situations. You spend time on the internet. You explore emerging marginal approaches. Your understanding of your situation gets richer, along with your understanding about the potential risks of your *unknown ignorance*.

Fourth, unexpectedly, you discover that you have been encountering and meeting interesting people, inventing a networked conversation in which none of the participants have a definite answer. There is no right answer for the situation. And you discover that the only way to improve your capacity to discriminate among the different assessments is to keep nurturing the conversation, expanding the right controversies, articulating the appropriate disagreements, while at the same time managing your budget, your risks, and the outcome of your experiments.

Fifth, you are moving in an uncertain territory, with the right speakers and listeners, taking calculated risks. You have a clear map of controversial assessments and speakers' identities, which are orienting you towards prudent actions. The networked conversation is keeping you alert to changes in context that can produce new levels of resolution.

In summary, making assessments in unknown domains of action requires you to be able to organize and nurture a networked conversation in which a multiplicity of speakers (from multiple backgrounds, theoretical discourses, disciplines, and experiences) expand your ignorance, increase your capacity to make new grounded assessments, and reveal possibilities of action.

Final Words

Conversations in which assessments and structures of assessment are invented, in order to assess performance and economic value, are the basis of high performance and innovation.

Assessments are acts performed by individuals about other individuals, in conversations with those individual and others.

Assessments work at the level of specific interactions between people performing business roles. Making assessments in executive conversations can be easy, highly valuable, fun, and self-challenging.

It can unfold unforeseeable possibilities for team members, customers, or yourself.

The only thing you need are a few linguistic distinctions, inventing some practices, and a relentless focus on performing and adjusting to overcome nonsensical habits. Very simple.