

**From Sensing to Signaling: How Signal and Response Clarifies the Interpersonal Dynamics
of Theory U**

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Author's Note: In the forthcoming Signal and Response: How Biology and Behavior Shape Leader-Follower Synchrony, I propose that leader-follower interaction can be understood as a continuous reciprocal process in which individuals send signals, interpret the signals of others, respond, and subsequently adjust their behavior. When considered alongside Scharmer's Theory U, this framework may provide an additional interpersonal explanation for how the conditions necessary for sensing, openness, and generative listening are created and sustained.

Abstract

Organizations often treat familiar problems as known patterns and respond from prior experience. Scharmer's Theory U names this as downloading and argues that complex change requires deeper observation, sensing, openness, and learning from what is emerging. This article asks a prior interpersonal question: what allows people to sense the system accurately in the first place? Drawing on the forthcoming Signal and Response framework, it treats leader-follower interaction as a continuous reciprocal cycle of signals, interpretation, response, and adjustment. Much of what leaders need to sense exists inside other people and becomes organizational information only when it is communicated. Communication depends on accumulated relational cues of safety or threat, often before words are spoken. A leader may suspend judgment and still receive a filtered picture of reality if prior responses have taught others that candor carries a cost. The resulting paradox is that threat increases the need for accurate information while decreasing the likelihood that people will provide it. Generative listening is therefore reciprocal. Listening behavior itself sends signals that expand or shrink what the other person will reveal. Theory U and Signal and Response operate at complementary levels. Theory U addresses movement beyond habitual patterns. Signal and Response specifies the interpersonal conditions that make collective sensing possible. Accurate sensing requires signals. Accurate signals require relational conditions for candor. Those conditions form through repeated signals and responses.

Keywords: Theory U, Signal and Response, organizational sensing, leader-follower synchrony, generative listening, interpersonal signals, downloading

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Introduction

Organizations frequently encounter problems for which past experience provides a useful guide. Established policies, professional expertise, institutional memory, and learned patterns allow individuals and organizations to recognize familiar circumstances and respond efficiently.

Problems emerge, however, when the present *only appears* to resemble the past. In complex and changing environments, familiar interpretations can cause individuals to impose “yesterday's understanding” upon circumstances that have fundamentally changed.

This problem is central to C. Otto Scharmer's Theory U. Scharmer (2016) argues that individuals and organizations can become trapped by what he describes as "downloading": perceiving and responding to current circumstances through established patterns of thought and experience.

Theory U proposes that meaningful change requires a deeper process of observing, sensing, suspending habitual assumptions, presencing (being present), experimenting, and learning from what is emerging rather than merely reproducing solutions from the past.

Signal and Response, however, raises an important interpersonal question within this process:

What allows people to sense the system accurately in the first place?

Theory U emphasizes the *quality of attention* from which individuals and groups operate (Scharmer, 2016). *Signal and Response* complements this perspective by focusing attention on the reciprocal interpersonal processes through which information becomes available, or unavailable, to those attempting to understand the system. People continually send subconscious behavioral signals, interpret the signals of others, experience varying degrees of safety or threat, and adjust their subsequent behavior accordingly, frequently before words are even spoken.

Consequently, organizational sensing is not simply an act of observation. It is a socially constructed process influenced by the relationships through which information travels.

Viewed together, Theory U and *Signal and Response* suggest that learning from an emerging future requires more than suspending one's own assumptions. It also requires creating interpersonal conditions in which other people are willing and able to provide the signals necessary to challenge those assumptions.

The Problem of Downloading

Scharmer (2016) describes downloading as a mode of attention in which individuals perceive circumstances primarily through existing assumptions, judgments, and patterns. In familiar environments, this can be highly functional. Human beings cannot continually analyze every situation from the beginning. Experience provides mental schemas, patterns, and heuristics, which allow rapid interpretation and action.

The difficulty occurs when experience moves from being a source of information to becoming a constraint on perception. An experienced leader may encounter a performance problem and quickly recognize what appears to be a familiar pattern:

Declining performance → inadequate supervision → reinforce expectations → provide training → increase accountability.

If the present circumstances resemble those encountered previously, this interpretation may be entirely appropriate. But suppose the current performance problem is produced by an interaction of factors among staffing shortages, fatigue, organizational distrust, technological change, fear of making mistakes, changing employee expectations, ineffective communication, and employees' reluctance to challenge senior leadership.

The visible symptom *may resemble the past* while the *underlying system has changed*.

Theory U therefore asks individuals to interrupt the tendency to move directly from recognition to established response. Rather than immediately imposing existing categories upon the situation, participants move toward deeper observation and sensing. Scharmer's model ultimately seeks a shift from reacting to past patterns toward recognizing and acting upon emerging possibilities (Scharmer, 2016, 2018). The crucial point is that experience does not become irrelevant. Instead, **the past experience now becomes a hypothesis rather than an answer.**

Sensing Requires Access to the System

This is where *Signal and Response* can provide additional explanatory value. Scharmer (2016) emphasizes that moving down the left side of the U involves opening the mind and heart, suspending habitual judgment, observing more deeply, and sensing the larger system. Theory U explicitly recognizes that the quality of attention and listening influences what individuals and collectives are capable of perceiving.

Yet sensing an organizational system presents an unavoidable interpersonal problem: **Much of what leaders need to sense exists inside other people.**

A leader cannot directly observe an employee's concerns, uncertainty, distrust, interpretation of events, moral reservations, or willingness to challenge an existing course of action. Those conditions become organizational information only when they are somehow communicated. This means that organizational sensing depends partly upon the signals provided.

Employees may know that a strategy is failing before senior leaders recognize it. Frontline employees may recognize operational problems that are invisible at higher organizational levels. Followers may perceive ethical concerns, emerging conflicts, community reactions, unintended consequences, or weaknesses in an implementation plan. But possessing information and communicating information are two different phenomena. Whether people communicate what

they know may depend substantially upon what they anticipate will happen when they do based on the signals that either signal safety or threat.

Signal and Response: The Interpersonal Layer

Signal and Response conceptualizes leader-follower interaction as a continuous reciprocal process rather than a simple transmission of information from one person to another. Individuals continually send subconscious and conscious nonverbal, behavioral, relational, and contextual signals sometimes before words are even spoken, and then apply those to what verbal message is sent. Other people interpret those signals, experience responses to them, and adjust their subsequent behavior. Those adjustments then become new signals to which others respond. The interaction can therefore be represented conceptually as:

Signal → Interpretation → Response → New Signal → Adjustment → Continuing Interaction

Over time, repeated interactions contribute to expectations about the relationships. People learn whether disagreement is welcomed or punished, whether mistakes can be acknowledged, whether uncertainty can be expressed, whether bad news can travel upward, and whether leaders genuinely want information that challenges their existing assumptions. It doesn't take long for these patterns to become expectations.

This has direct implications for Theory U.

A leader may sincerely attempt to suspend judgment and listen. However, employees do not respond merely to the leader's present intention. They may also respond to accumulated signals from previous interactions. If prior experiences have taught employees that disagreement produces defensiveness, embarrassment, exclusion, retaliation, or loss of opportunity, a leader's

invitation to "tell me what you really think" may be insufficient to overcome the established relational pattern. The leader may therefore believe that sensing is occurring while receiving *only a filtered representation of organizational reality*.

The Paradox of Organizational Sensing

This produces an important paradox: **The more threatening an organizational environment becomes, the more important accurate information becomes, and the less likely people may be to provide it.**

Imagine that a senior leadership team has committed significant resources and the organization's reputation to a major initiative. Employees closest to implementation begin noticing serious problems. Senior leaders call a meeting specifically intended to assess progress and invite candid feedback.

- From a Theory U perspective, leaders might attempt to suspend their assumptions, listen carefully, and sense what is occurring.
- But consider the signals employees encounter during the meeting.

A senior executive interrupts the first person who raises a concern. Another leader explains why the criticism is probably based on incomplete information. Someone who questions the implementation timeline receives a visible expression of irritation. A third employee offers a more positive assessment and receives enthusiastic approval. Nothing in the organization's formal communication has changed. Leaders may continue saying:

"We want honest feedback."

But the subconscious social cue message is simultaneously being transmitted through behavior:

"Providing positive information is safer than providing problems or criticism and challenging

information." Employees respond accordingly and begin to self-censor and remain quiet. The organization has now created a feedback loop:

Leader behavior → perceived interpersonal signal → employee interpretation → employee response → filtered information → leader perception of reality → subsequent leader behavior

The leader may subsequently conclude that most employees support the initiative because few objections were raised. Ironically, the absence of overall dissent becomes evidence supporting the very assumptions that suppressed dissent.

This is where *Signal and Response* can sharpen our understanding of Theory U. **The capacity to suspend one's own assumptions does not guarantee access to information capable of challenging those assumptions.** Other people must be willing to reveal what they see.

From Psychological Openness to Relational Conditions

Theory U already recognizes the importance of the "social field" and of creating conditions characterized by deeper listening and openness (Scharmer, 2016). Scharmer has described sensing as involving the collective body of experience and emphasized the importance of listening without judgment in creating conditions for presencing. *Signal and Response* helps make this process more behaviorally explicit.

An individual's openness is partly an internal condition: **Am I willing to reconsider what I believe?** But collective sensing introduces a second question: **Does my behavior allow other people to believe that I am genuinely willing to reconsider what I believe?** These are not necessarily the same thing.

Intent alone is insufficient; it must be communicated. A leader can internally value dissent while behaviorally signaling defensiveness. A supervisor can sincerely want honest communication

while routinely interrupting employees. An executive can believe that mistakes should become opportunities for learning while responding visibly with irritation when someone reports one.

Intentions are internal. Signals are observable.

Other people must make decisions based largely upon what they can observe. Thus, *Signal and Response* adds a relational dimension to the movement down the U: “**I must become open to what I do not know,**” becomes, “**I must become open to what I do not know, and interact in ways that make it possible for others to show me what I do not know.**” That distinction is significant.

Generative Listening Is Reciprocal

Scharmer's levels of listening further illustrate the relationship between the frameworks. Theory U distinguishes progressively deeper forms of listening, moving from downloading toward factual, empathic, and ultimately generative listening (Scharmer, 2016, 2018). Generative listening involves openness to possibilities that did not previously exist within the listener's established understanding. *Signal and Response* suggests that generative listening should also be considered reciprocally; it is not just a leader function.

Listening is not merely something Person A *does to* information provided by Person B. Person A's listening behavior simultaneously sends signals back to Person B. Factors such as eye contact, attention, interruption, facial expression, tone, speed of speech, questioning, silence, curiosity, defensiveness, acknowledgment, and follow-up behavior can all influence whether Person B continues communicating. Listening therefore becomes part of a dynamic feedback system:

**A communicates → B responds → A interprets B's response → A adjusts
communication → B responds to that adjustment. (The cycle continues)**

Consequently, the quality of information emerging from a conversation may change *during the conversation itself*. A person who initially offers a cautious observation may reveal considerably more after receiving signals of genuine curiosity and acceptance, signaling it is safer to provide more candid information. Conversely, someone who initially intends to speak candidly may withdraw after perceiving defensiveness or irritation. The listener is therefore not merely receiving organizational reality. **The listener is participating in creating the conditions under which organizational reality becomes visible.**

Safety, Threat, and the Accuracy of Organizational Information

This interaction becomes especially important when considering perceptions of safety and threat. People continually assess interpersonal environments for cues indicating whether speaking, questioning, admitting uncertainty, acknowledging mistakes, or challenging authority is likely to carry social or professional risk or costs. These assessments do not require explicit threats. They are perceived by the Vagus nerve and automatically transferred to the Amygdala, the threat detection center of the brain. They can emerge through accumulated patterns of interaction. A leader who responds constructively to difficult information may gradually signal: **“You can tell me what I need to hear, even when I do not want to hear it.”** Repeated experiences consistent with that message can increase the likelihood of future candor because they create a sense of safety to even give negative information. Conversely, repeated defensive responses can signal: **“Disagreement carries a cost.”** Employees may then adapt through silence, conformity, impression management, avoidance, or selective communication.

From the Theory U perspective, this creates a fundamental problem. The organization may be attempting to sense emerging reality while simultaneously suppressing the signals through which

that reality could become known. The resulting failure is not simply a failure of listening. It is a **failure of the interactional system.**

Signal and Response as a Clarification of Theory U

Signal and Response should therefore not be understood as replacing Theory U. Theory U addresses a broader process of awareness, collective sensing, presencing, experimentation, and systemic change. *Signal and Response* focuses more specifically on the interpersonal mechanisms through which people continually affect and adjust to one another's social cues, co-regulation, which helps create trust and synchrony. The frameworks operate at different but complementary levels.

- *Theory U* asks: How can individuals and systems move beyond habitual patterns and perceive what is emerging?
- *Signal and Response* adds: What happens between people that makes accurate collective sensing more or less possible?
- *Theory U* asks participants to: Listen more deeply.
- *Signal and Response* asks: What signals does my listening send to the person I am listening to, and how do those signals affect what that person communicates next?
- *Theory U* asks individuals to: Suspend assumptions.
- *Signal and Response* asks: Have previous interactions created sufficient trust for someone else to challenge those assumptions?
- *Theory U* encourages collective sensing.
- *Signal and Response* asks: What interpersonal conditions determine which signals actually enter the collective sensing process?

This provides a potentially important clarification. An organization cannot accurately sense what people are unwilling to reveal and frequently it is subconscious.

From Individual Awareness to Reciprocal Awareness

Combining these perspectives also shifts attention away from an exclusively leader-centered understanding of organizational change. The process is reciprocal.

Followers send signals that leaders interpret. Leaders respond. Followers interpret those responses and adjust. Those adjustments become additional signals. Groups observe how other people are treated and modify their own behavior accordingly. Over repeated interactions, *patterns develop that may facilitate or constrain* communication throughout the organization. Thus, organizational awareness is not produced solely by enlightened leaders becoming better listeners. It emerges through a network of reciprocal interactions. *This means the movement through Theory U may itself depend upon the quality of those interactions.*

- **Sensing requires signals.**
- **Accurate signals require sufficient relational conditions for candor.**
- **Those relational conditions emerge through repeated signals and responses.**
- **Those responses influence subsequent sensing.**

The two frameworks therefore form a reinforcing conceptual reciprocal relationship.

Implications for Leadership Practice

The combined perspective has practical consequences for leaders confronting complex problems. When a familiar problem appears, leaders should certainly ask whether previous experience offers useful guidance. But they should simultaneously ask whether circumstances have changed

sufficiently to invalidate previous assumptions. They should also examine the interpersonal system through which they receive information.

Diagnostic leadership questions might include:

- Who sees this situation differently?
- What information might not be reaching us?
- What would make someone reluctant to challenge the interpretation?
- How have we responded previously when people delivered unwelcome information?
- What signals are we sending when someone disagrees?
- Are employees telling us what they actually perceive or what they believe is safest to communicate?
- What assumptions are we carrying forward from previous situations?
- What would we notice if our current explanation were wrong?

These questions shift leadership away from merely obtaining more information and toward examining **the conditions under which information is produced, transmitted, interpreted, and acted upon within a reciprocal leader-follower relationship**. That distinction becomes increasingly important as organizational complexity increases.

Conclusion

Theory U provides a powerful framework for moving beyond habitual responses and learning from emerging circumstances rather than continually reproducing patterns derived from the past. Its emphasis on attention, sensing, openness, presencing, and experimentation challenges leaders and organizations to reconsider not merely what they know but how they come to know it. *Signal and Response* complements this framework by drawing attention to the reciprocal interpersonal processes underlying collective sensing. Leaders do not encounter organizational

reality directly. Much of that reality reaches them through other people, and those people continually decide, consciously and unconsciously, what to communicate based upon the social signals and subsequent responses they receive from others.

Consequently, the ability to "sense" an organization cannot be separated completely from the interactions through which sensing occurs.

Theory U reminds us: **Do not allow yesterday's assumptions to prevent you from seeing today's reality.**

Signal and Response adds: **Your ability to see today's reality depends partly upon whether your interactions allow other people to reveal it.**

Together, the frameworks suggest a more relational understanding of organizational learning.

Effective leadership in complex environments requires more than an open mind. It requires reciprocal interactions that make openness observable, credible, and sustainable.

The future may be emerging, as Scharmer proposes. But organizations can only respond to that emerging future when the signals and responses revealing it are allowed to travel.

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