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Learn or Die: Building a High-Performance Learning Organization

Learn or Die: Is this just a snappy title or is it a business truth? My research, teaching, and consulting with private and public companies has led me to believe that now, more than ever, organizations and individuals must either be continuously learning, adapting, and improving, or risk professional obsolescence.¹ Why—and why now?

First, many organizations rely on operational excellence—getting better, faster, and cheaper—as the key part of their business models; many also rely on innovation to drive growth. The former requires relentless, constant improvement; the latter requires discovery and experimentation. What is the fundamental process underlying both efforts? It is learning.

Both operational excellence and innovation are dependent on learning.

Second, organizations cannot learn unless the individuals within them learn. Individuals must continuously learn to stay relevant and competitive—jobwise—in a fast-paced, dynamic, global environment characterized by high levels of uncertainty, ambiguity, and change.² This environment requires exploration, invention, experimentation, and adaptation, all of which require learning.

Third, globalization and technology continue to increase the speed and reach of change. Today new competitors can arise almost anywhere in the world and, through technology, can reach your customers from thousands of miles away. Technology, especially SaaS (software as a service), reduces the capital needed to start and build businesses, thereby diminishing

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another historic barrier to entry. Technology empowers consumers to buy—with a few clicks—from anyone, anywhere. Such developments necessitate faster adaptation, and adaptation requires institutional learning processes such as critical thinking, critical conversations, and experimentation.

This increasing pace of change creates volatility that diminishes the life cycle of most competitive advantages, products, and public companies, as well as the tenures of public company CEOs. As a result, strategy making necessarily becomes more dynamic and distributed. Data-driven decision making becomes necessary to manage risks.

In more volatile environments, organizations need institutionalized learning processes to enable speedier adaptation.

The amount, accessibility, and speedy creation of data require an organization to constantly learn to stay relevant. The more data, the faster knowledge is created, and the more unlikely it is that only one person has the answer. Organizations need processes for collaboration and constructive debate that rise above politics and egos. Thinking better, communicating better, making better decisions, and having a healthy regard for what one doesn't know are essential.

The organizational response to changes requires better and faster learning by more people.

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The Science of Learning

This book is about learning. How do people learn best? What types of organizational environments enable or inhibit learning? What are required learning processes? What capabilities do individuals need in order to learn

better and faster? *Learn or Die* was written for individuals, team leaders, managers and leaders of any organization, and can be read from two different perspectives. First, from an individual's perspective: "How can I become a better learner?" Second, from an organizational perspective: "How can I enable better learning in others and within my company?"

The concept of a business learning organization is not new. It has been around at least fifty years. Its big boost came after the publication of Peter Senge's landmark 1990 book *The Fifth Discipline: The Art & Practice of the Learning Organization*,³ and there have been scores of books published on the subject since. So why do you need this book?

The answer is that in the past twenty-five years, the science of learning has advanced materially, especially in the fields of neuroscience, psychology, and education, and—from an applied perspective—in areas of study surrounding high-reliability organizations and high-velocity, change environments. Those advances in the understanding of how people learn, the role of emotions in learning, and the environmental factors that inhibit or enable learning need to be brought more fully into the business world in an accessible applied manner. That is the purpose of this book. *Learn or Die* aims to synthesize that science and answer these two questions:

1. How does one become a better and faster learner?
2. How does one build an organization that is more adaptable and learns better and faster than the competition?

This book is not an academic treatise. It does not attempt to present a comprehensive review or summary of every stream of research that touches on learning. Instead, it presents syntheses of the key concepts that relate to two questions set forth above. With that in mind, I made judgments about relevance and importance in deciding what material to cover and include. Those judgments were based on my years of study and a review of over 450 academic articles and sixty books across the applicable disciplines, and were also influenced by my educational experience in the fields of cognitive and educational psychology and my thirty years of experience in the business world. They were further informed by my twelve years of teaching, researching, writing, and consulting with executives and managers to help them improve their organizations' learning and effectuate change in their organizations. Finally, the content was reviewed by two leading cognitive psychologists: one a leading academic researcher and author; the other a leading applied researcher and author. Overall, my goal is to present the most relevant findings across academic silos, with a focus on the

information that you can implement and act on in your day-to-day operations and strategic planning.

Because *Learn or Die* is about learning, let us start with a question. Guess what CEO made the following statement: “We live in a much more competitive . . . environment. This means that we have to learn faster and better than our future adversaries [competitors]. Stated a bit differently, we must prevail in the competitive learning environment.”

Before you guess, let’s consider the content of this quote for a moment. What data supports the notion of faster overall business volatility? Here are a few data points to consider:

- In 1980 the average tenure of a company listed among the S&P 500 was over thirty years. Today it is about eighteen years and projected to continue declining.⁴
- In the past decade almost one half of the membership in the S&P was replaced.
- Today the average holding period of corporate stocks is less than twelve months.⁵
- Today the average tenure of a Fortune 500 CEO is only 4.6 years.⁶

Add to this data the dominance of “short-termism” in the capital markets and you have some powerful trends at work.

So who said it? You may have thought it was the CEO of a tech company, or an investment firm—but it was General Martin E. Dempsey, chairman of the Joint Chiefs of Staff, when he was commanding general, U.S. Army Training and Doctrine Command.⁷ The Army has been funding major applied research for at least ten years to operationalize the concept of “Adaptive Leaders”—leaders who can continually learn. As this example suggests, learning organizations can be present in any industry. I believe that every organization, small or large, for profit or not for profit, public or private, in any industry or sector, would benefit from becoming a better learning organization. I suggest that the statement could have been made by any of the CEOs of the organizations examined in this book.

Building a Learning Organization

My objective with this book is to give you a blueprint by which you can improve your learning and your organization’s learning and build or transform an existing organization into a learning organization. Through a synthesis of the

research on learning, management, and education, and building on my own experiences and on the established science of the field, I've come up with a formula for building what I call a High-Performance Learning

HPLO = Right People +
Right Environment +
Right Processes

Organization (HPLO). An HPLO requires the right kinds of people, in the right learning environment, using the right learning processes, to continually learn faster and better than the competition.

Part I of the book focuses on the science of learning and research in other fields. It helps us answer the questions of who are the right people, what are the key elements of a good learning environment, and what are some of the key thinking and communicating processes that increase learning. We will look at learning from a cognitive, emotional, motivational, attitudinal, and behavioral basis. We will focus on our natural proclivities not to learn, and find out how to mitigate them. We will explore good learning behaviors and discuss the organizational system that can generate those behaviors. That will require us to look at the motivations, attitudes, and behaviors of organizational leaders and managers, and to examine the practices of learning organizations like IDEO, W. L. Gore & Associates, Room & Board, and the U.S. Army. The last chapter of part I presents an interview I did with Dr. Gary Klein, a scientist with more than forty years of experience as a research psychologist. His research and reflections on decision making and learning shed new light on many of the topics I discuss throughout part I.

Part II takes an in-depth look at three exemplary learning organizations—all different, and all with different lessons. The first company explored in chapter 9 is Bridgewater Associates, LP (Bridgewater), the largest hedge fund in the world and the consistent market leader in producing high returns for its investors. The chapter goes into depth in describing the unique learning “machine” that underlies Bridgewater’s stellar success. Bridgewater is probably the most advanced learning organization I have studied—by that I mean that its learning culture and processes are consistent with what is known in the science of learning. Bridgewater has confronted our “humanness” better than most organizations I have studied or worked with; the only other organization that I have found that relies as heavily on the science of learning is the U.S. Army.

Chapter 10 is about Intuit, Inc. (Intuit). Intuit is also an interesting story—one of a consistently high-performance company that has decided to become an even better learning company by changing its culture and

leadership model to facilitate a decision-making model based on learning experimentation. What fascinates me about this is that Intuit was not motivated to undertake this major transformation by any kind of crisis—rather, it did so simply because it realized a transformation was necessary to continue to excel in the rapidly changing business environment. Intuit has taken on a difficult task of changing behaviors that have worked well in the past in order to work better in the future. We will focus on how that has required its most senior leaders to change their behaviors, too.

Chapter 11 is about United Parcel Service, Inc. (UPS), a more than 100-year-old behemoth of operational excellence. The company's culture and employee-centric policies have driven continuous adaptation and relentless constant improvement over ten decades of existence. In this chapter we will explore how UPS has created that type of organization.

These three companies demonstrate that there are different ways to build a learning organization. While the foundational science and principles are the same, the implementation is more like a work of art sculpted by the leaders (artists) of the organization.

A Way to Learn

I expect that many of you believe you are good learners. This book may raise questions about that. As you read about our reflexive ways of thinking, the rigidity of our mental models, and the strength of our ego defense systems, I ask that you keep an open mind. I expect that the science of learning will challenge many of your beliefs about how to learn and how to enable learning in your organizations. At the end of each chapter you will find three reflection questions. A book on learning should follow learning best practices, and taking the time to reflect and record one's reflections when confronted with new ideas is a practice that has been shown to encourage learning.

As you read through the book, you will encounter several consistent themes. Two of those themes are (1) learning individually and organizationally is a change process that has to be facilitated emotionally and by the institutionalization of critical thinking and collaboration processes; and (2) the quantity and quality of learning is impacted greatly by the attitudes, beliefs, and behaviors of leaders and managers. My hope is that there is something here that will capture your attention and can help you learn more and be more.

Stay curious, my friends!