II

Building a Learning Organization

In part I, we focused on the science of learning and asked: How do people learn? What environmental factors enable or inhibit learning? What learning processes promote learning?

In part II, we take an in-depth look at how three very successful companies have operationalized the "science" of learning. These companies range in size from 1,300 to nearly 400,000 employees. Two are public companies and one is private. All are very profitable, consistent market leaders. Their business models range from innovation to operational excellence. Two of the companies are service companies and the other is more of a product company. In two of the companies, the founders are still actively involved; in the third, the late founder's legacy is very much alive.

So, we have these three very different companies all seeking to learn faster and better than the competition. The first company, Bridgewater, is trying to institutionalize its learning culture through learning processes. The second company, Intuit, is trying to change its culture and its leaders' behaviors and make learning by experimentation its business decision model. The third company, UPS, is an operational excellence behemoth. How it maintains its operational excellence edge is the focus of the last chapter.

The purpose of part II is not to suggest that your organization should "copy" these organizations, but rather to illustrate how the science of

learning can be implemented in different types of organizations. Chapters 4, 5, and 6 provided "tidbits" about other learning organizations (i.e., Gore, IDEO, Room & Board, and the U.S. Army), but the following chapters look at this question in a much more thorough, detailed way.

As we continue into part II, I hope you'll keep the following questions in mind: As an individual, what can I do to become a better learner? As a team member, manager, or leader, what can I learn to help my organization be a better learner? To help with that analysis, let's first summarize what we've learned so far about individual and organizational learning.

We learned in part I that by their inherent nature, organizations are resistant to change because they are dominated by the drive for predictability, standardization, reliability, and the eradication of variance. Such behavior inhibits learning. People, likewise, are resistant to change. We all have built-in, emotional and cognitive proclivities to seek validation of our existing views of the world (mental models) and our self-worth (egos). These too inhibit learning.

The human mind is a speedy, highly efficient validator that operates on autopilot most of the time. Learning requires deliberate, higher level thinking that challenges and changes an individual's existing views of the world and/or the self. Although we all strive to be rational and logical, we are not rational beings. Emotions impact and influence almost every step in the cognitive and communication processes necessary for learning.

In chapter 1, I stated that one of my objectives was to lay out a blueprint for creating a learning organization. The blueprint starts with a leader—either of a company, a business unit, or even a team—who is not a Theory X leader but rather is a people-centric Theory Y leader who treats people with respect. The next step is defining the learning behaviors necessary for the organization. With these in place, one must then design a "learning system" that seamlessly aligns the culture, structure, leadership behaviors, HR policies, measurements, and rewards to enable and promote those desired learning behaviors. You will read examples of how such a learning system is constructed in the Bridgewater, Intuit, and UPS stories.

An organizational learning system works best if it's based on an understanding of the following principles: better learning results from intrinsic motivation and is a means of meeting our needs for autonomy, effectiveness, relatedness, affiliation, and personal growth; learning occurs best when we feel authentically cared for and trusted; and trust and accountability must be mutual—leaders and the organization must earn the trust of the "learners" and be accountable, too. All of this can result in an implied contract as evidenced by Gore and its employees ("associates") whereby in

exchange for high performance, Gore owes its associates the opportunity to grow and develop to their highest potential.

Learning requires people and organizations to change. Change is cognitively and emotionally hard. It's hard for an individual to overcome his mental models and ego defenses by himself. Thus, learning is a team activity. Structuring a learning organization—whether at Gore, IDEO, or the U.S. Army—requires a small team or unit focus. It is through teams that individual needs for autonomy, relatedness, and effectiveness can be met. Bonds of trust can be built that enhance the willingness to learn and the effectiveness of learning. In order to change, people have to overcome their fears and feel safe in admitting mistakes, weaknesses, and ignorance to teammates. Permission to speak freely and honestly can only work in environments where people feel cared for and safe.

The next component is having the right critical thinking and learning conversation processes institutionalized in the organization. A culture of searching for truth facilitates a conditional view of one's beliefs and an acceptance of the limits of what one truly knows. Fundamentally, none of us are as smart as we believe we are, nor are we as good at thinking or communicating as we think we are. That is why processes help. Root cause analysis, unpacking of assumptions, experimentation, PreMortems, visualizations, and After Action Reviews are all basic learning processes. Being mindful, authentic, and humble are important learning behaviors—especially for managers and leaders.

Learning requires three good "meta" self-management skills: metacognition, metacommunicating and metaemotions. We have to be aware (mindful) of when we need to take our thinking and communicating to a higher, more intentional and deliberate level—and by role modeling this behavior, leaders can encourage it in those they manage. We need to be aware of the messages we send through our emotions, body language, and voice. We likewise need to help people manage their fears of failure, punishment, and not being liked that inhibit critical inquiry, debate, collaboration, and learning. Permission to speak freely and permission to fail so long as there is learning (or there is an observed "waterline" like at Gore) are common themes in this book.

Another key conclusion of the research we discussed in part I was the congruity of findings between the field of education regarding the type of environment that fosters high engagement learning and that of a business regarding high employee engagement. Those findings can lead one to conclude that high employee engagement, as defined by the Gallup Q12, is required to be a great learning organization.

The power of positivity also comes through, loud and clear, from the research. An emotionally positive environment enables learning, and positive individual emotions enable personal learning. The U.S. Army's major initiative to bring positive psychology into its training of more than 1,000,000 soldiers is once again a leading indicator of where businesses must look if they want to maximize employee adaptability, learning, and resiliency. High performance, high accountability, and positivity are not mutually exclusive.

Learning basically is the process by which each one of us creates meaningful stories about our world that are more accurate or truthful such that we can act more effectively. That learning process is enhanced by three mindsets. First, we have to accept the magnitude of our ignorance. Second, we need to view everything that we think we know as conditional and subject to change based on new evidence. Third, and most important, we have to define our self-worth not by what we know, but rather by striving to be the best learner we can be.

As you read the following stories, I suggest that you think about how well each leader has addressed the capabilities listed in Figure 9.1.
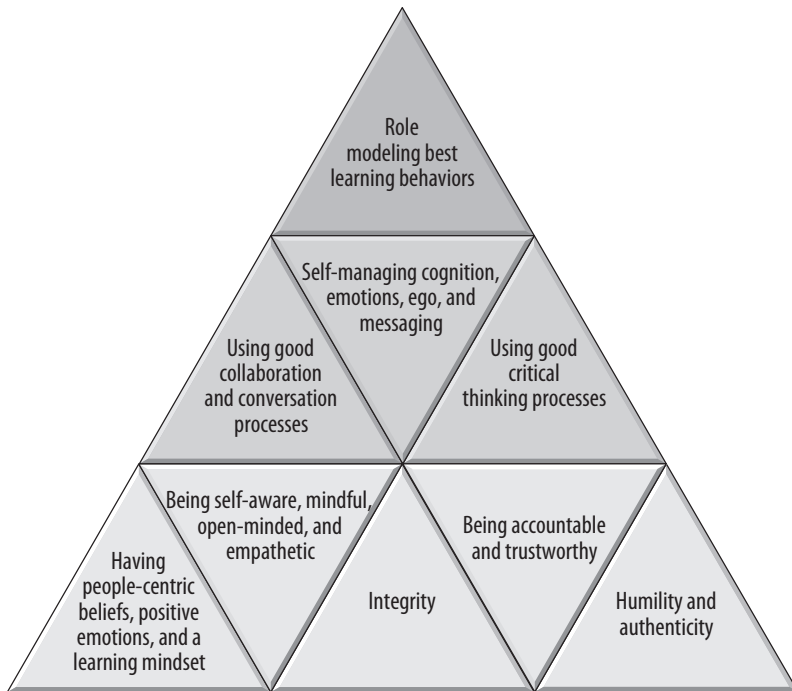

Figure 9.1
Learning Leader Capabilities.

Also keep in mind the checklist for a High-Performance Learning Organization that is provided at the end of this introduction to part II of *Learn or Die.*

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High-Performance Learning Organization Checklist

☐ Does the CEO "own" (not unilaterally) the learning culture and "walk the talk"?

☐ Has the organization put in place a culture, structure, leadership behaviors, HR policies, measurements, and rewards to enable and promote learning behaviors?

☐ Are the organization's leaders Theory Y leaders who are mindful, open-minded, accessible, empathetic, trustworthy, authentic, transparent, and humble?

☐ Has the organization created an emotionally positive work environment?

☐ Does the organization have high employee engagement?

☐ Does the organization have a learning culture evidenced by "permission to speak freely"?

☐ Does the organization have a learning culture of "permission to fail so long as you learn from your mistakes"?

☐ Does the organization have processes to promote System 2 critical thinking and learning?

☐ Has the organization established processes for high-quality learning conversations and collaboration?

☐ Does the organization have processes to mitigate individuals' ego defense systems?

☐ Is the organization paranoid about complacency and not knowing?