LEARNING: YOU MUST REMEMBER THIS

Again and again we must remind ourselves of a basic truth: competitive success is the result of superior learning. If our competitors learn faster and better than we do, then they win and we lose. This is especially so in times of turmoil and crisis. Here we set out a simple model of learning, and the "must-do" steps that ensure success.

Our starting point is: Learning is the process by which the person, team, and larger units acquire new ways of looking at important tasks, new knowledge and new methods to adapt successfully to the changing environment. Figure 1 represents a simple learning cycle.

The *decision/action* stages are where most managers spend most of their time. But, very few individuals can make major steps in learning while they are busy *deciding and doing*. To learn – that is, to see things differently, to get new ideas and to develop new methods – most people need time-out from their regular activities. They can begin to ask:

> "What should my new priorities be if I am to accomplish what is both desirable and feasible?"

The outcome of such reflection is a new perspective on new possibilities, and the productive applications of knowledge and techniques. There is a fresh view of key challenges and how to handle them.

This opens the way to decisions about how to proceed productively. For example, in terms of resource allocation, the manager must determine new allocations of time and energy to what tasks and when. Such decisions lead back to the action phase, in which new methods and practices are enacted for higher quality results. Managers must lead their teams or units through this learning cycle.

But the majority of executives we observe are trapped in the decision-

Preston Bottger
IMD Professor of Leadership and Management Development
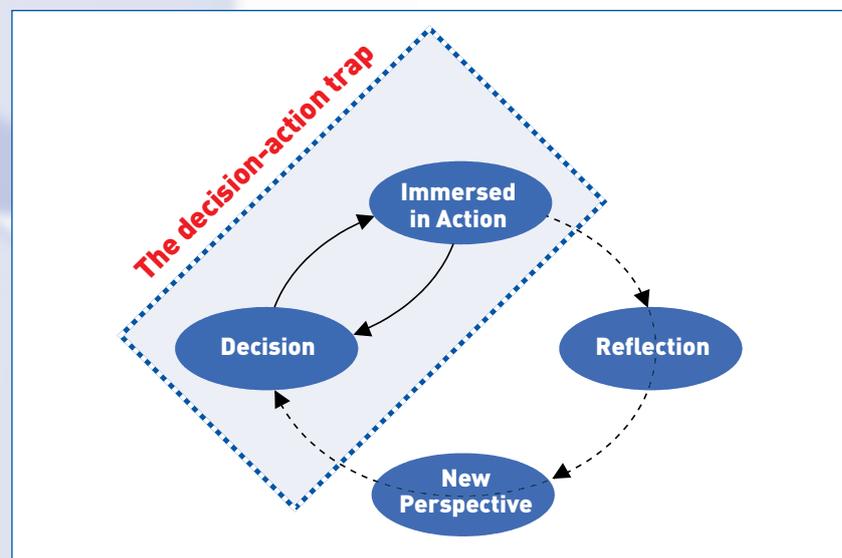
Jean-Louis Barsoux
IMD Research Fellow

Figure 1: *The learning cycle*

action sub-phase: quick fixes and incremental adjustments. It is a rare executive who can see things differently or get new ideas when vigorously oscillating between these two poles. In Figure 1 on page one, we call this the decision-action trap.

From action to reflection

Over time, we can become fully absorbed by everyday activities. We lose sight of the big picture, the "reasons why", and the necessity for upgrading "methods how". For success we must stop and then validly answer these key questions:

- What have we learned?
- Is what we are doing taking us in the right direction with the right benefits at the right costs?

Re-assessment of previous commitments and work methods is always easier when there is imminent danger in the current situation. But can we re-assess before the calamity? How can we develop the hunger for such learning within our teams? Answer: Hot feedback from suppliers, customers, and competitors can provide valuable diagnosis of what needs improving.

Two practices can help with this:

1. **Imposing time-outs:** we are often over-confident in the team's current aims and methods or ignorant of what could be done better or differently. We must reserve time in advance for listening to feedback, reflecting on the implications – positive and negative, and then re-thinking goals and methods. But we must make sure that time for this is fixed in our schedules.

2. **Sharpening the discomfort:** Often, we must puncture the complacency of successful teams. This can be done by ensuring that a loud and legitimate "voice" is given to key stakeholders who rely on the units' outputs.

For example, R&D might learn more from end-users, especially dissatisfied ones. For marketing, dealerships and retailers can offer feedback on where improvements are necessary. And, manufacturing can learn from suppliers, and the accounting unit. Service functions, such as IT,

PR and HR can ensure they get similar criticism by canvassing internal clients. Critically, they should question line managers in the revenue-earning parts of the business.

And, benchmarking against top competitors and best-in-class performers is a strong stimulus to self-improvement. The unit must create robust mechanisms that force it to focus on its effectiveness – information that might otherwise be screened out.

From reflection to new perspective

Outside feedback and stimuli can generate learning only if the person or team is receptive. Insights from external benchmarking are often rejected on the basis of "not invented here". Useful ideas might be dismissed because "our business is different" – without consideration of the potential benefits.

Learning and new ideas can threaten established routines, skill sets and formal or informal hierarchies, challenging values and assumptions. Existing "theories" are critical determinants of what people see, hear, believe and can imagine.

There are two obvious ways that we can reduce such resistance. First, we can coach people to put their existing assumptions or preconceptions into "neutral". Second, we can encourage our people to strongly express their ideas.

1. **Shaping the learning context:** The context in which learning discussions take place will strongly influence the content and output of such discussions.

   To think beyond the boundaries of existing belief work patterns, the actual workplace is often too limiting. A new physical environment can stimulate different views and assessments of what is working and what is not, forcing team members to interact with one another in different ways.

   Important questions to be addressed: What will be the general mode of conducting the discussion, the degree of openness and risk taking, the kinds of and levels of conflict

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that will be encouraged, and the role of the executive in the meeting: chair, moderator, or equal participant with an external person acting as facilitator? At the simplest level, there are questions such as:

Are we on-site or off? Downtown or country setting? What's the dress code? What's the agenda? Does the boss speak first, last, or not at all?

2. **Modeling productive learning behavior:** How can we, as managers, best demonstrate our own commitment to learning? We must legitimize time-outs from immediate tasks by talking about learning, expressing odd ideas, and reporting on what we have recently learned from suppliers, customers, and other outside meetings. We must be passionate in the pursuit of "what causes what", not just when things go wrong, but also when they go right.

Also, if we are open in acknowledging our own mistakes, we send powerful messages to others about the legitimacy of learning from failures. In doing so, we help create a sense of "limited-risk" for others to admit errors, to float creative and possibly productive ideas and to keep learning.

From new perspective to decision

The reflection phase should lead to a fresh perspective, or vision, as it is often called. Concretely, what does a fresh perspective or vision comprise? There are three key parts:

- First, it proposes a breakthrough, more than just an incremental improvement, something that is rare and distinctive, if not unique.
- Second, it represents a major stretch, but it remains doable – both politically and technically.
- And third, a lot of people, especially the implementers and key stakeholders, stand to benefit from it in very major ways. Thus, the new perspective refreshes the sense of purpose, direction and focus, and signals the benefits for all stakeholders, including the doers.

Now, as we move towards decision time, two challenges can arise. The first is often the uncertainty about the availability of resources necessary to test a new idea. Restricted funding often precludes experimentation when results are uncertain. Critically, professional time is already over-stretched by the sheer number of on-going projects, task forces and change initiatives. People simply do not have the spare mental, emotional or physical capacities to contemplate another improvement effort. Sometimes, to get something new started, other projects must simply be postponed to free up the required energy.

The second major factor that can inhibit new action is the risk of spending a lot of money on an uncertain outcome. "Quick prototyping" is a way through this problem. Prototyping is often associated with products, but it applies just as well to processes. For example, a marketing team can run small-scale trials in test markets and HR can set up a pilot site of new ways to evaluate performance.

Prototyping enables the transition from thinking to productive action without deploying major resources in an irreversible way. It generates knowledge and feedback that allow people to focus on unresolved questions. To capture the learning from experiments, we can use a form of After Action Review. This is built on four simple questions:

1. *What did we plan to do?*
2. *What actually happened?*
3. *Why did it happen?*
4. *What are we going to do next time?*

The prototype might fail and the initiative might then be abandoned. But the lessons from this failure can guide the next round of prototyping, and show the way to robust final solutions.

From decision to action

Turning plans into action is now critical. Three tasks are key:

Re-aligning: Supervision and coaching is necessary for any improvements to be realized. For example, a typical error is to announce a new system whose success depends on new and different forms of collaboration among people,

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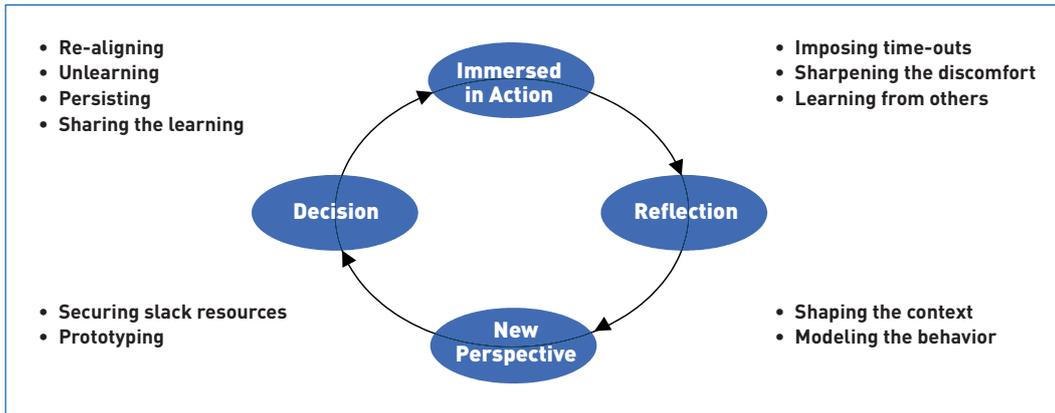
Figure 2: *The learning cycle - with countervailing measures*

but no supervision or coaching is provided. **Unlearning:** Supervision and coaching is required to ensure that people stop using the old, less effective methods. The old ways must be "forgotten"... **Persisting:** Supervision and coaching is required for persistence. It takes time and effort to re-groove behavior and make it stick. Absence of senior management involvement has sunk many an improvement project.

Full circle

Today in many companies, it is accepted that an effective learning culture is a critical competitive advantage. Managers do see the importance of reflection and the capacity to generate new perspectives. The chief challenge remains: "doing it". The learning cycle presented in Figure 2 acknowledges this practical difficulty and proposes some countervailing measures. The purpose is to provide managers with an alternative to ad-hoc and costly learning that might derive from unexamined experience, or the traumatic learning that is driven by crisis.

Many managers go on to implement their own version of this learning cycle. They take a disciplined approach, consciously taking control of their time-outs rather than waiting for circumstances to present a lull in the action . As one executive conceded:

"I hate these 'retreats' being in my diary because I know I can't afford the time. But when I get here, I wish we did them more often."

Ultimately, it is a matter of how much this method can reduce your pain! How long do you think you can carry on like this? Maybe you'll get by for a couple of years or even more. But is it sustainable for the next one to three decades? If you don't take charge of your own learning, who will do it for you? How will you stay fresh and energized over the decades to come?

To summarize: Superior learning is a necessary component of competitive success. It is a rare person or team which can achieve deep learning – that is, replacement of obsolescent beliefs, and the gaining of new robust perspectives- while immersed in the daily patterns of "action now".

Deep revisions of out-dated beliefs, and failing execution methods, requires that the person or team must break the decision/action loop, go off-line, and explore new possibilities – without the distractions of the typical daily demands for "action now". The results of effective off-line re-thinking will be superior results through better decisions in setting new priorities and the allocation of effort.

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