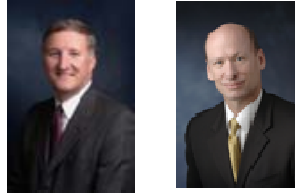


Leading - It's About Learning



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Organizations that not only survive, but thrive, are those that find a way to cultivate agility, the kind of agility that allows an organization to respond deftly to whatever challenge or opportunity appears around the next corner. When you hunt for synonyms of agility, you end up with words like dexterity, nimbleness, suppleness, quickness, alertness, and liveliness—words that conjure images that don't fit well with our usual experiences in large organizations. To build organizations that spawn the use of such adjectives and become truly agile takes leaders that focus on learning—their own as well as that of others.

A friend and colleague, Bonner Ritchie, enjoys suggesting that, *“whoever said learning is fun has either never learned, or never had fun!”* We may not be in total agreement with Bonner, but he makes a great point—learning often takes place on the frayed edges of our experience. We find out that that which governed our daily lives as iron-fisted reality is, at best, only partially accurate. And, all too often, we learn about how frayed the edge of our experience is when we run, face-first, into our next lesson. It is with that in mind that we frame our approach to leadership.

We love the statement attributed to Rita Mae Brown, *“Insanity is doing the same thing and expecting a different result.”* In short, if we want our organizations to produce different results, we're going to have to do things differently. And, if we're not careful, “doing things differently” will get framed as change and frankly, that may not be all that helpful. As leaders, we hear a lot about change—almost on a daily basis. Let's play with the notion of change.

We don't buy that people resist change blindly. The entire American political economy is based on the assumption that if people are exposed to the forces of the market, they will innovate—they will, in fact, create change. We are wonderfully adaptive creatures. Our approach builds on this hypothesis: It's not about change, it's about learning. Change is *done to us*—learning is *done by us*.

Change or Learning

Consider the Yir Yoront, an Aboriginal Tribe in Australia. Everett Rogers ¹ describes how, for centuries this tribe had used stone axes for their various chopping chores, including building their huts and chopping wood for fires. The stone axes were tough to make and didn't last long. They were both a tool and a symbol of masculinity and respect. While only men owned them, women and children

were the main users of the axes and borrowed them through a system of customs and ritual. Then visiting missionaries arrived and introduced the remarkable innovation of steel axes. They passed them out wholesale to members of the tribe as pay for work. While the direct impact was greater efficiencies, the unintended consequences included confusion of age and sex roles and the reliance of elders upon women without a tool to trade or offer for the women's work. In effect, the introduction of the steel axes led indirectly to prostitution, alcoholism, and insurrection. So many tribal rituals had grown up around making, borrowing, and using the stone axes that the mass distribution of the steel axes shredded the very fabric of their community. Change—even change driven by implementation of clearly superior technology—is not always *good* for the health of the organization. Sometimes change is simply *painful*, and other times it can be *irrelevant*.

Let's bring the change versus learning idea home to American industry. Consider the US Auto industry in the 80's—a time when the quality movement began to take a real hold among The Big Three. The industry was being hammered. Detroit had largely redesigned cars to meet the small-car initiatives that had caused their market share and their margins to plummet in the 70's, but the competitive field had moved. No longer was car size and gas mileage enough—now it was quality and time-to-market that mattered.

Xerox had faced similar challenges. Canon had begun produced copiers with twice the quality at half the price. Xerox, using a variety of strategies to reinvent themselves, including redesigning their processes, their products and redefining their markets, had begun to regain market share and increase revenue. Under the direction of colleagues of ours, a group of Ford executives visited with leaders of Xerox. After a full day of presentations, interviews, and Q&A sessions the executives had a blueprint of how Xerox had relearned their business.

Unfortunately, one auto industry executive summarized what a number of the visiting leaders took home with them: “*Yeah, but they're not in the auto industry—they're a different company than we are.*” They were looking for the cookie-cutter—the magical change initiative that could be replicated by a simple command from the C-suite. Not finding it, they were sure that the day had been a waste. Again, it's not about *changing* it's about *learning*.

In 1990, Kotter and Heskett² published an interesting piece of research about how culture—a culture based on learning and being close to critical stakeholders—impacts bottom-line performance. They tested three different hypotheses and used over 207 firms in 22 different industries as the data set. Over an 11-year period they found astounding correlations between culture and long-term financial performance. In short, Kotter and Heskett found that, in companies that are characterized by what we describe as thriving cultures—cultures based on closeness to stakeholders, learning, and innovation—revenues increased by 4 times, employment levels by 8 times, stock price increased by 12 times, and net income by 756 times (756 percent versus 1 percent) that of organizations which *did not* weave learning into their leadership and their culture. Cultures based on learning matter.

So, What's It All About?

Organizations that thrive find ways to foster learning. Period. And they don't retreat to classrooms and training programs to get it done!

So, as leaders, how do you foster learning as you lead the organization through its own adaptive

process? Let us suggest five specific principles that sit at the nexus of strategy, leadership, and culture.

- 1. Seek Feedback**—get close—close to the customer, close to your vendors, close to the employees, close to shareholders. Build your systems in ways that force you and your people to see, hear, and understand the adaptive messages of your environment on a daily basis. Let these stakeholders help you find your Achilles heal early and often.
- 2. Reaffirm Core Values**—be very clear about what remains consistent, even in the midst of difficult adaptive periods. Values provide the navigational stars in the night sky that allow all others in your organization to navigate without having to wait for the next set of orders to be barked from the helm. While you may learn a lot that will challenge your current operating paradigm, seldom should or will new lessons challenge core values.
- 3. Clarify Assumptions**—we all make them and organizations positively canonize them. The question is do you and your people recognize what drives the way decisions are made around here on a daily basis? If you don't, you better figure it out fast! Mental models are the mortar that connects human capital with the systems and processes of the operation and they are capable of driving competitive advantage or reproducing errors at unfathomable rates! So, they had better be accurate.
- 4. Transcend the Paradox**—this sounds too mystical. Let's simplify: if it was easy, everyone would be doing it. Learning is about finding unique solutions that make the organization distinctively adaptive and capable of meeting the competing demands of diverse stakeholder groups. Don't fall for the succor's bet, the false dichotomy that forces "either-or" thinking. Any time you hear an argument that can be reduced to, "we can do A or B, but not both," challenge it! Transcend the trap by looking for "both-and" solutions. (Can you have your cake and eat it, too?)
- 5. Stand on the Shoulders of Giants**—Get out of your box and make friends with those you find out there! Look for companies that have similar core processes in industries dramatically different than your own. Take your leaders to see them. Southwest Airlines is famous for having looked at and learned from NASCAR pit crews when they were busy trying to learn more about how to service and turn their aircraft at the gate more quickly. You don't know what you don't know and so go look for those who will help you discover ideas that you never would have generated without help. Spend some time standing on the shoulders of giants.

These are five simple principles that can fuel an organization and its people. They have to be woven into the fabric that is the culture of the organization in very practical ways. They are simple, but not easy. And leaders make the difference.

Leaders lead learning—their own and that of others—in real-time classrooms framed and fitted with the exigencies of the day. *"I have been to the mountaintop ... and I've seen the Promised Land."* Those words of Martin Luther King Jr. still inspire today. And yet, leaders have to do more than inspire. Leaders have to be capable of not only scaling the mountain themselves, but also of leading others to the summit and standing aside so that they, too, can take in the view. Leaders help others learn first-hand the hard-won leadership lessons necessary to gain the perspective, capacity, and commitment that will fuel the future of the organization.

