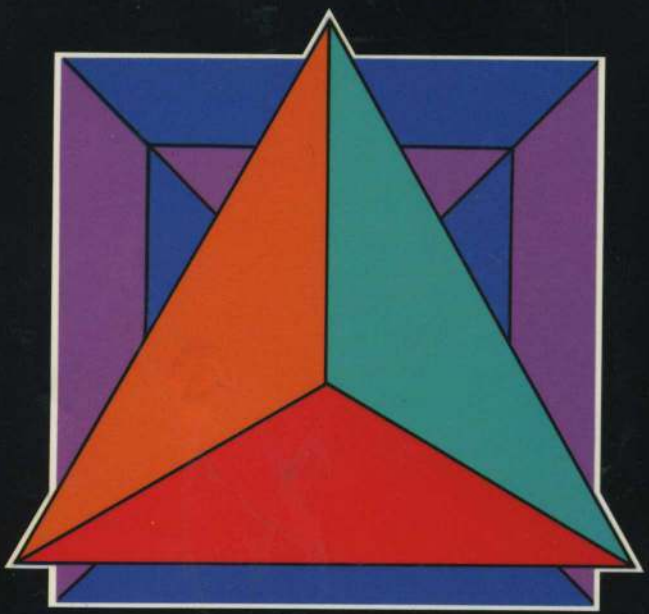
Developmental MANAGEMENT

Managing in Organizations that Learn



STEVEN CAVALERI AND
DAVID FEARON

9

Transforming the Top Management Team into a Learning Group

Laura Freebairn-Smith

Learning, then, is not something that requires time out from being engaged in productive activity; learning is the heart of productive activity – it is the new form of labour.

Ronnie Lessem
Total Quality Learning

Today's Top Management Team

An organization's top management team is critical for its long-term health. This chapter looks at how the management team can increase and sustain its ability to learn, as well as encourage ongoing learning throughout the organization. Today, the primary function of the top management team is to learn, to encourage learning, and to share its learning in a meaningful way. Top management teams can and must break out of the perceptual confines created by their position and power to enhance the entire company's ability to learn and be more successful on a variety of scales – profitability, employee turnover, customer satisfaction.

In most organizations, there is at least one top management team. When there is more than one top management team, the number of teams generally reflects the number of levels within the organization. For example, there could be a middle management team and a top management team. In smaller organizations there is usually only one top management team. Whether the company is large or small, relatively flat or hierarchical, there is an inner circle, the top leadership in the organization, making key decisions about the company.

The top management team includes people selected by the Chief Executive

Officer (CEO), and its membership is a reflection of what the CEO considers critical for the company. It is not uncommon to find the standard functions represented on the team – finance, marketing, and production. Additionally, in many companies these days, the human resources are included as well. The composition of other top management teams may include leaders of its various divisions or subsidiaries. The membership of such teams is usually determined by the structure of the company and the CEO's view of what information is important for leadership and decision-making. Company structure drives team membership and vice versa. This can be a problem in learning organizations because structure confines vision and information, as will be shown later.

This group, the top management team, is critical for the life and health of the company and to some degree for the life and health of its vendors, its employees, and its customers. Top management makes strategic decisions on an incremental daily basis and at times in a more dramatic, large-scale way such as during acquisitions or mergers. The top management team bases its decisions on information which it acquires from various sources and in various ways. For example, one CEO of a large division said, "I like to go have a cigarette on the loading dock; that's where I find out what is really happening in the company."

Current information sources for many top management teams include financial reports, customer surveys, employee letters, staff meetings, networking with other CEOs, and industry publications. This information comes to the top management team through a variety of filters. Examples of filters are: the manager's definition of the problem and therefore what information is relevant; the limited scope of the questions on the employee survey; the company's implicit norms about openly sharing concerns; and, in all cases, the top managers' "personal information" filters such as personal experience, professional training, ethnicity, and world view.

This chapter emphasizes the problem of acquiring and utilizing information with a self-learning top team. It looks at the various attributes of top management teams and how each attribute affects the team's ability to learn and sustain learning throughout the organization. The following attributes will be examined:

- Vision;
- Group membership;
- Boundaries and shared meaning;
- Information and its interpretation;
- Insulation from the environment;
- Learning to learn: ego versus openness – the catch-22 of top management.

The chapter ends with some specific exercises for improving the top management team's ability to learn and share its learning with the organization. And finally, the chapter poses some questions for future consideration.

Being at the Top is Different (Creating Vision, Utilizing Power)

Top management teams are different from other teams primarily because of their leadership role, which gives them access to and control over resources, and thus gives them power. They have a relative advantage in terms of expertise, knowledge of the business, and experience in the business and/or industry.

The top management team's responsibilities include clarifying the company's vision, setting strategic direction, determining policy, and modeling behaviors that shape the company's internal culture. Because of these responsibilities and high visibility, the top management team must become a self-learning system if its goal is to have the entire company become a learning system. The top management team is the guiding light or north star for the organization. How it behaves dictates the organization's culture, values, and priorities.

Nonmanagement staff are highly attuned to the nuances of top management's values. In one company, the senior executives publicly stated that they supported a company-wide diversity effort. They showed up at one or two meetings for the first five minutes and put out a few memos on the subject. With little more activity from top management, the staff quickly realized diversity was not a priority and change was not going to happen. Attendance at diversity meetings fell dramatically.

This example dramatizes the top management team's role as the north star, the guiding light for the entire organization. Think of how many times you have heard staff say, "The boss wears jeans so I do." Or "The boss never goes home before 9:00 so I guess family is supposed to come second to work here." The top management team should not underestimate its power, through both symbolic acts and the deployment of resources, to create behavior patterns in the organization.

If the top management team models self-learning, other members of the organization will follow suit if they are provided with the necessary support and skills. One of the first steps on this path is creation of a **shared vision** for the future. The vision needs to address both internal and external goals. A strong vision aims for an achievable, yet challenging, future. In doing so, it becomes the barometer for progress and for people to choose to work at the company.

The vision should include the desired internal culture. Articulating how it will *feel* to work in the company and the interpersonal values that will hold sway are important parts of creating a long-term vision. In addition, the vision should not be a static sentence or two posted around the office. It needs to be revisited regularly, talked about, mulled over, and changed as needed.

Learning is driven by a constant process of change – a process of taking in new information and adjusting frameworks to utilize the new information. The vision of a learning company needs to be part of an ongoing dialogue within the company. Maintaining and encouraging this dialogue is top management's primary job. However, because of the power differential between top management and other staff that exists due to the hierarchy within most organizations, it is difficult to maintain dialogue. Many staff members fear reprisals for saying something "unpopular." And, as will be discussed later, top management often learns how to "not hear" input or negate input that is counter to their world view. Thus there are some fundamental forces in hierarchical organizations that must be addressed in order for purposeful learning to happen.

Who is at Our Table? (Group Membership and Norms)

There are two aspects to top management team membership which affect its ability to learn: (1) the design and culture of the team as a whole and (2) the individual characteristics of the team members. This section will focus mainly on the first aspect since much has been written about the impact of individual characteristics on team functioning,[1] although the two are linked.

Overall team design and culture

Membership Historically, a review of industry practice suggests that the composition of the top management team has changed to some degree in more innovative companies, particularly those that want to become learning organizations. Not only has the gender and racial make-up of some teams changed, but so has the professional expertise of the top management team. It has expanded to include human resources, lawyers, environmentalists, and other areas that were of little of no concern to companies many years ago.

For example, 20 or 30 years ago, the issue of organizational culture or organizational development was rarely considered important. A common response of managers to organizational development initiatives had been, "Let's not waste time doing that touchy-feely stuff," "Human resources' purpose is to issue paychecks and make sure my pension is up to date." However, organizational development is now seen as an integral part of the company's success and so a human resources representative is part of the upper management team. In the future, we may consider the sanitation department to be critical enough to merit a seat at the top management team table.

In the past, the top management group has been a relatively small group of people. Recently, in some organizations, the top management team is growing as the need for information expands. Management needs more people who are capable of bridging the elusive boundary between the organization and the

environment, armed with as much information about the organization as possible. This calls for an increased size of the top management team as well as a heightened emphasis on all functions that bridge that boundary, such as the clerk behind the car rental counter. Boundary spanners are key sources of information, the cornerstone of a learning system.

Top management team membership is a potential problem for a team that seeks to learn more effectively. One of the most important factors in becoming a learning system is information (access to it, ability to see it objectively, ability to analyze it, and to see its larger patterns). If the top management team is composed of people who represent the current structure of the company, their views will drive the content of the team's work. For example, a large insurance company may be divided into lines of business – auto, health, life. Each line of business is headed by a vice-president who sits on the top management team. The company is highly decentralized and so each line of business has its own marketing, finance, and other staff departments. As a result, the top management team gets information based on a mental model of various lines of business. The problem in this example is not seeing a holistic view of the customer. For example, one customer might need all of the various insurance products, but packaging and selling the lines of business as an integrated unit that meets all of the customer's insurance needs becomes difficult with the current organizational structure.

The concern here is that the original *content* of an organization's work dictates the membership of the top team. The result is that team members perpetuate the organizational structure that keeps them on the team (see figure 9.1) even if the content of the organization's work has changed and calls for a new structure – truly an empire builder's delight. Jack Welch's work at GE is an example of a CEO restructuring the company and the top management team to fit new work *content*. In a nutshell, work content drives organizational structure, which drives top management team membership. Then top management team membership dictates company structure which is often at odds with new work content.

This dynamic is particularly problematic for a learning organization. Past successes or behaviors block new and often critical information from entering top management's dialogue. This can ultimately result in organizational failure.

In addition to the overall structure and products or markets of the organization dictating membership on the top management team, there are other roots of team membership, other reasons why a person is included in the inner circle. These reasons also affect how the group learns. Many times the CEO's professional training will bias his or her selection of top management members. If the CEO came up through finance, he or she might continually pick people who have a finance background. The end result is that a certain "language" begins to dominate the group, for example, the language of finance, or the language of marketing. Expanding the "language" skills of all the team's members can enhance its ability to learn and be innovative.

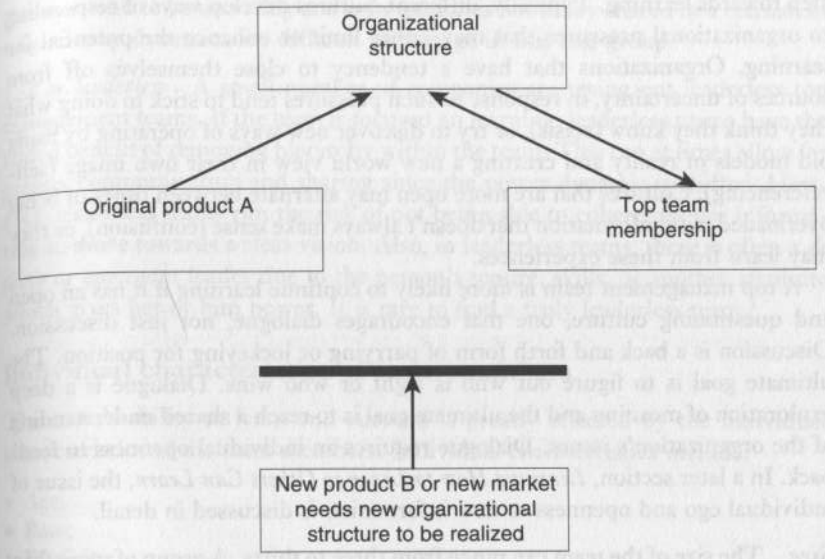


Figure 9.1 Organizational structure and top management team membership.

Shared vision As mentioned earlier, another key attribute of the overall team culture is the team's shared vision or alignment about future direction. Peter Senge mentions that the Bosom Celtics basketball team:

> . . . demonstrate(s) a phenomenon we have come to call "alignment," when a group of people function as a whole. In most teams, the energies of individual members work at cross purposes . . . (W)hen a team becomes more aligned, a commonality of direction emerges, and individuals' energies harmonize . . . There is a commonality of purpose, a shared vision, and understanding of how to complement one another's efforts.[2]

The need for a shared vision on any team is well-documented. But for the top management team, because of the ongoing nature of their work and its impact on every aspect of the company, a shared long-term vision is more critical than for ad hoc teams. At the end of the chapter, there are exercises to work on your group's and your organization's vision.

Culture All teams have a certain culture or norms which dictate what is acceptable or unacceptable behavior. These norms impact how relatively open or closed the group is to input or information, how well it deals with conflict, and how able it is to learn. For example, some teams have a culture of joking. The norm is to communicate through jokes or subtle put-downs. Other groups have "no-conflict" norms. When tension arises the group disbands or talks around the issue. Each group has its own culture and articulating this culture is a first

step towards learning. Typically, different cultures develop ways of responding to organizational pressures that may either limit or enhance the potential for learning. Organizations that have a tendency to close themselves off from sources of uncertainty, in response to such pressures tend to stick to doing what they think they know (stasis), or try to discover new ways of operating by using old models of reality and creating a new world view in their own image (self-referencing). Cultures that are more open may alternate between times of being overloaded with information that doesn't always make sense (confusion), or they may learn from these experiences.

A top management team is more likely to continue learning if it has an open and questioning culture, one that encourages dialogue, not just discussion. Discussion is a back and forth form of parrying or jockeying for position. The ultimate goal is to figure out who is right or who wins. Dialogue is a deep exploration of meaning and the ultimate goal is to reach a shared understanding of the organization's issues. Dialogue requires an individual openness to feedback. In a later section, *Learning How to Learn so Others Can Learn*, the issue of individual ego and openness to new information is discussed in detail.

Size The size of the team can range from three to thirty. A group of more than 30 becomes a mob. Each size has its own benefits in regards to learning. Much has been written on the effects of group size so comments here are limited. Team size falls into three generic categories – small (3–5), medium (6–15), and large (16–30).

A small team (3–5 members) can more quickly develop shared meaning about information and can be more cohesive sooner. Its downside is limited information. With fewer people, there is less information. For a small company or one in a very stable environment, a small top management team can often learn well enough to keep the company healthy.

A medium-sized (6–15 members) management team offers the benefits of the small team with increased information flow. However, as with all groups, the larger size increases the complexity of the group relationships and issues. The larger size also means that the group must spend more time developing a shared understanding about their work.

A large team (16–30) has the benefit of having the most information and highest potential for diversity of individual characteristics. However, groups of

	Internalizing	Inquiry
Open	Confusion	Learning
Closed	Stasis	Self-referencing

Figure 9.2 Cultural styles of dealing with organizational pressures.

this size tend to be unwieldy and information is not easily shared in a consistent way. Group dynamics are difficult to manage in this size group.

Led or leaderless A small number of companies are trying out leaderless top management teams. If the team is focused on learning, leaderless teams have the added benefit of removing hierarchy within the team. This can at times allow for greater communication and sharing since the power dynamic is shifted. However, leaderless teams run the risk of not being able to coherently use information to move towards a clear vision. Also, in leaderless teams, there is often a *de facto* or emergent leader due to the person's tenure, skills, or another attribute which gives her or him power. It is rare to find a truly leaderless team.[3]

Individual characteristics of team members

The team's ability to learn and succeed is greatly affected by the individual characteristics of the team members. Individual characteristics include:

- Age;
- Race;
- Ethnicity;
- Marital and parental status;
- Sexual orientation;
- Professional background;
- Individual learning styles;[4]
- Ability to have dialogue or discussion;[5]
- Self-development/maturity;
- Openness/ego.

The degree of difference or similarity among group members along these various characteristics has been widely discussed. Some theorists[6] believe that similarity is more helpful to group functioning while others believe that difference is more productive. Similarity is often believed to lead to quicker decision-making while difference is believed to lead to more creative solutions.[7] Neither belief holds up consistently in research. There are too many variables at play. However, Dyer's[8] four attributes of successful teams, plus other attributes from observed teams provide strong indicators of health and productivity:

Conflict is resolved openly and in a timely manner.
People are respected and their expertise is utilized appropriately.
There is an atmosphere of trust and support.
Goals are clear, understood, and challenging but not daunting.
The team has fun.
People understand and accept their role.
People know when and how to both lead and be led.
Process and task are attended to equally.[9]

These characteristics apply to both top management and other organizational teams. There is one individual member attribute that is particularly critical for

a learning team – the ability to manage one's ego. This is discussed in detail in the section on *Learning to Learn so Others Can Learn Too*.

Top management team checklist

A quick analysis of your top management group's key characteristics can help you determine whether it is on the path to becoming a learning system and whether it is supporting innovation of learning throughout the company. Rate your top management team on the following items:

Characteristic	Always true	True most of the time	Occasionally true	Rarely true	Never true
	5	4	3	2	1
(a) At least 60% of the team have different professional training or experience.					
(b) At least 40% of the team is female.					
(c) We spend less than 30% of our time on crisis resolution.					
(d) Our team members know each other's children's names.					
(e) We discuss our team's purpose at regular intervals.					
(f) Each team member is responsible for staying in touch with at least one external source of information.					
(g) Each team member has a particular skill that is recognized and utilized by the entire team.					
(h) We argue regularly and conflict is resolved and dealt with openly.					
(i) We have fun.					
(j) We recently invited a nonteam member to speak to the group.					

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Characteristic	Always true	True most of the time	Occasionally true	Rarely true	Never true
	5	4	3	2	1
(k) I have undertaken some form of self-development or self-analysis in the last three years.					
(l) The leader of our team knows how to use the copier.					
(m) We meet at least once every two weeks.					
(n) A staff member in our organization has made a meaningful change to an internal system within the last month.					
(o) We know how the replacement for our team leader will be picked if s/he leaves.					
TOTALS					

Scoring: Total your scores under each column. Add the score under each column together for a total score.

15–25: Your team is not yet functioning as a learning system and might be experiencing problems functioning (even as a team at all). There are probably power struggles going on that are not discussed. Be sure that the team is taking enough time to work on its own process issues (its ability to work together as a team). You might consider some strong intervention measures such as retreats, team building exercises, and outside consultation assistance.

26–50: Your team has the basic attributes of a learning, healthy team. You might consider having the entire team complete the checklist, and then focus on those items that were ranked the lowest by the most people on your team. You can develop your own exercises to enhance the weaker characteristics or you could seek outside help.

51–75: Your team is quite healthy and is probably learning on a continuous basis. The key is to maintain that health by balancing process and task work. Do not take the team's health or learning ability for granted; continue to work on the team

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members' individual learning abilities (openness, curiosity, information processing) as well as the team's sense of purpose.

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The following case[10] illustrates several points about top teams in learning organizations. Through events in a public sector organization, we see how an organization can utilize small events to increase its ability to learn. We also see the powerful role of the leader or CEO of an organization, as well as the need to redefine who is a "member" of an organization. And finally, we examine how creating a shared view of reality, or shared meaning, is a critical piece of any learning organization.

Bikes and bureaucracy bump heads with the learning organization

One day in December, Loring was riding his bicycle down a steep hill in San Francisco. (Are there any nonsteep hills in San Francisco?) An old and dear friend of Loring's had recently died, and Loring was distracted by thoughts of their college years together. As he turned a corner, Loring's front tire got caught in a large hole in the street. The bike flipped over, throwing Loring violently to the ground and breaking the ball of his arm where it meets the shoulder socket. While Loring was lying on the ground waiting for the ambulance, a man from the San Francisco water authority came up to Loring and said, "You should sue the City; that hole has been there for months." The man then disappeared.

The ambulance arrived quickly and took Loring to the hospital. While he was waiting in the emergency room, another man appeared, a nice man who asked Loring a lot of questions. He said he was a claim adjuster for the City of San Francisco.

Loring was in a cast for months, taking pain-killers to deal with the broken arm. After his arm began to heal, Loring decided to sue the City. This decision began a long process which, after three years, was still not resolved. In the third year of the case, Loring attended an arbitration hearing with his lawyer, a lawyer for the City, and lawyers for each of the two construction companies, Company A and Company B. The two construction companies were represented because it was unclear which of them was potentially responsible for not repairing or at least not marking the hole.

As the story unfolded on the stand, it became clear that in June of the year of the accident, the City of San Francisco decided to put out its

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road repair contract to bid because it was unhappy with the performance of its current provider, Company A. Company A and Company B both competed for the contract. Company B was selected in July; however, it took five months to sign the contract and Company A's contract had lapsed in June. When the new contract was finally signed in November, no work had been done on any City roads during that time. In addition, new work had been piling up; Company B inherited a significant backlog of road repair work. The result was that holes were not filled and roads were left in poor condition, and Loring rode his bicycle into one of the holes.

Other interesting things began to come out at the hearing. Who was the man from the water company, the one on the day of the accident who said to Loring, "You should sue"? Somehow the water company had no activity records to trace this man down. In addition, for some reason prior to the hearing, the City could not identify the claims adjuster who had appeared in the emergency room.

At the hearing, the adjuster was presented as a surprise witness. When asked how he could have gotten to the emergency room so fast, he admitted that the City had received a call from the water company. How did the water company know about the accident if the man on the scene was not a water company employee? This question was not answered.

As a result of Loring's accident, the system (the City Public Works Department, the courts, and others) began to address the question of "Who is responsible for this accident?" The question was addressed in the context of the legal system as exemplified by the arbitration hearing. This is a classic example of a nonsystemic, nonlearning approach to solving a systemic issue. If the question is resolved in court, very little – if any – organizational learning will occur because the players in the courtroom are not concerned with or are unable to translate the results into system-wide learning.

The question of "Who is responsible?" *is* valid in the legal context; the current purpose of our legal system is to determine responsibility for actions against people, property, and socially determined values. The problem in the case of the potholes is that nonsystemic thinking (e.g., a court-based decision) rarely results in long-term change. We see that court-based solutions often **overcompensate** for a problem or provide a **short-term fix**.[11] Learning top management teams need to avoid both these types of corrective actions.

What do bicycles and potholes have to do with top management teams and learning? Let's look at Loring's accident from the perspective of the Mayor of San Francisco who decides that resolution of this seemingly small problem is an opportunity to resolve larger system issues. The mayor decides that she wants the top management team for this issue to both *be* and *create* a learning organization.

Why the mayor? In this case, the mayor is the leader or CEO of the City of San Francisco. Her role and purpose is to make the City a high-functioning system for all its constituents, not just employees or taxpayers. The mayor asks a series of questions:

What "organization" is this team working in?
What is that organization's "purpose story"?
What is the purpose of this team in particular?
Who should be on this team given the purpose of this organization?
How will the team learn what it needs to learn and pass that learning on to other people within the organization?

The Walls Around Us (Shared Meaning and Systems)

One of the key questions for any top management team is "Where does the organization begin and end?" Defining the **boundaries** of the organization, and therefore who is in and who is out, affects the team's ability to learn: too broad a definition and the team will be hamstrung by excessive input, too narrow a definition and key constituents and critical information can be overlooked.

From a systemic viewpoint, the case of the potholes affects all of San Francisco's citizens, both taxpayers and nontaxpayers. The issue also affects vendors to the City, the court system, the purchasing office for the City, and other groups. This simple event highlights the connection between all aspects of the City and its residents. This is not a linear problem; it is not a subset of the system; it is an issue affecting the entire system with a broad definition of "the system."

Given the breadth of systemic issues and the need for system-wide learning, the mayor puts together a team which includes representatives from various agencies, Loring, the arbitrator, and the construction companies. She takes a broad definition of her organization (City government) and defines the team as part of the government of the City of San Francisco. This is a wider definition of the government than is used in daily practice; the Mayor has broken out of a mental model that says the City government boundaries only include a small group of people, namely employees. This broad team will bring information that a narrower team could not bring to the table; a team of City employees only would see the world and the problem from a distinct and narrow perspective.

> At this level, leaders are continually helping people see the big picture: how different parts of the organization interact, how different situations parallel one another because of common underlying structures, how local actions have longer-term and broader impacts than local actors often realize, and why certain operating policies are needed for the system as a whole.[12]

The top management team needs to develop shared meaning about the problem and the available information. The group needs to understand what happened, how it happened, and why it happened. Shared meaning arises out of this type of analysis and dialogue. If the Public Works Department sees the problem as due to the Purchasing Department's rules, and Loring sees the problem as the Public Works Department's fault, it will be hard to reach a solution that allows the system and its participants to learn.

In addition to thinking about the pothole problem from a systemic viewpoint, the Mayor challenges the team to think about the City's purpose story. "By focusing on the purpose story – the larger explanation of why the organization exists and where it is trying to head – leaders add an additional dimension of meaning."[13]

The team's purpose could have been narrowly defined as "ensure that such accidents do not happen again" or "keep the roads well maintained." These two purpose stories are examples of "event" thinking (the one accident) and "patterns of behavior" thinking (keeping the roads maintained). These two types of thinking look at and respond to the isolated event (the accident) or a series of similar events which have created a pattern (a series of suits or complaints about the roadways). These types of thinking have value and can assist a company if it is part of a broader type of thinking that results in learning, namely thinking about systemic structures, the organization's purpose story, and creating shared meaning.

Our hypothetical top management team, in order to be a learning system and to create a learning organization, needs to take a different approach. They need to look at the system level issues and the purpose story of the organization, the City of San Francisco. On a systems level, we see that the extremely long delay between information and action in the City bureaucracy leaves gaps in service which create unhappy (and sometimes wounded) residents. While waiting for the system to respond in a more long-term way, the system makes quick fixes such as paying court settlements or possibly patching the road with makeshift materials.

A system's view also shows us why public sector groups have large bureaucracies with extensive paperwork. Because they are spending public monies, taxpayer dollars, on publicly shared goods, it is essential to avoid the possibility of graft as much as possible. The only way government has solved this problem is to create onerous procedures with extensive records. This results in long bidding procedures and slow responses to problems.

The purpose story for our top management team is to make the City of San Francisco the most desirable and safe place within which to learn, live, play, and grow old. Potholes on steep hills definitely do not fit in the picture created by this purpose story. The systems learning shows us that the deeper issues are public accountability for expenditures. The challenge for the team is to determine how to speed up contract bidding and allocation, without negatively

impacting the public's ability to determine whether funds are appropriately used and graft is avoided.

How Do You Spell "Bicycle"?

As stated earlier, one of the key problems for a learning organization is the transmittal, reception, and utilization of information. Information is currently presented to us primarily through two mediums – the written word and the spoken word. It is important to have a shared understanding of how the words are used and formed, and what they symbolize. "Perhaps most subtly, language programs the subconscious. The effects of language are especially subtle because language appears not so much to affect the content of the subconscious but the way the subconscious organizes and structures the content it holds."[14]

The written and spoken word, whether on paper or via computer, are one person's personal construction of reality, that person's way of naming the world. The recipient of the information also has her or his own constructs around language. Let's look at an example. Imagine that you are the CEO of a large company. Your human resources director comes to a top management meeting with the results of a recent employee survey. One of her findings is that employees, particularly women, feel that they are excluded from informal networking opportunities. You ask the human resources director to say more. She says that the women who responded to the survey (40% of the women in the company, and women are 52% of the companys workforce) noted that most informal networking events were scheduled in the evening, a time which conflicted with their family obligations and thus blocked them from access to these important tools for advancement.

You, as the CEO, hear this information third-hand – employee to survey, survey to human resources director, human resources director to you. In addition you are a man with a wife who stays home to take care of the house and family. You worked your way up the ladder by attending hundreds of evening and weekend events. Your initial reaction to the human resources director is that the survey does not represent a majority of women and there is no way to change these networking opportunities since many of these events are built around client needs. Yet you also know women are leaving the company because there is no way to advance to the top and maintain their families.

You decide to talk to some female employees directly and to some customers as well. After a few interviews, you realize that their complaints are valid and that the women are experiencing this conflict more acutely but no less often than men in similar positions. Solutions appear as a result of your discussions: make the events even later in the evening so women can go home and then come back; make certain weeks of the year off limits for evening events. And much to your surprise, even the clients would like to do more during the work day than in the evening because, also much to your surprise, many of the clients are now women and young men with families.

By acquiring information in new ways (first-hand or through new media), a manager's mental models about the organization can change. For this CEO, it was critical to talk to female employees and customers directly. This allowed him to see that both the company itself and the external environment had changed since he had risen in the organization.

Your personal experience and world-view impact how you see the world and how you interpret data. One of the keys to becoming a learning organization and learning management team is to break out of your own mental models (or constructions) to see data in new ways. The more direct the communication and the more detailed the dialogue, the greater the learning. For management, this is a constant struggle. Information transmittal is difficult to manage if there are too many layers of interpretation, too many layers of management levels, too little time for interpretation, and a limited ability to see different models. The issue of insulation is discussed later but first, here is one more example of how people construct their world and language to fit their world-view.

I was speaking at a large convention in a four-star hotel in New York City last year. Before beginning my talk, I asked one of the hotel stewards where I could find a restroom. He pointed me down the hall to the left. I quickly found a door marked "Women" but as I was opening it, I noticed another door marked "Women" barely 20 feet away on the left. Neither door was marked wrong; they were both for women and the men's room was on the right. Why two bathrooms for women so close together? Women immediately know the answer to this question – women use the bathroom more often and it takes them longer to use it. What's most important here is not the answer but the fact that one of the architects of the hotel was a woman. She approached design from a women's perspective.

Our experience is reflected in everything we do. In order to change what we do, we have to expand our experience. How we ask questions, what we report, and how we filter information matters greatly especially for top management teams that are making critical strategic decisions.[15]

Insulation is for Houses, Not Management Teams

There are three **learning screens** important to the top management team. A learning screen is any system that filters data before the data is used. Some screens are helpful, others detrimental to organizational health (which is the point of all organizational learning from a capitalist perspective; Socialists or Marxists might see organizational learning as a way to improve social conditions but that's a topic for a different chapter).

The three primary learning screens relevant to the top management team are:

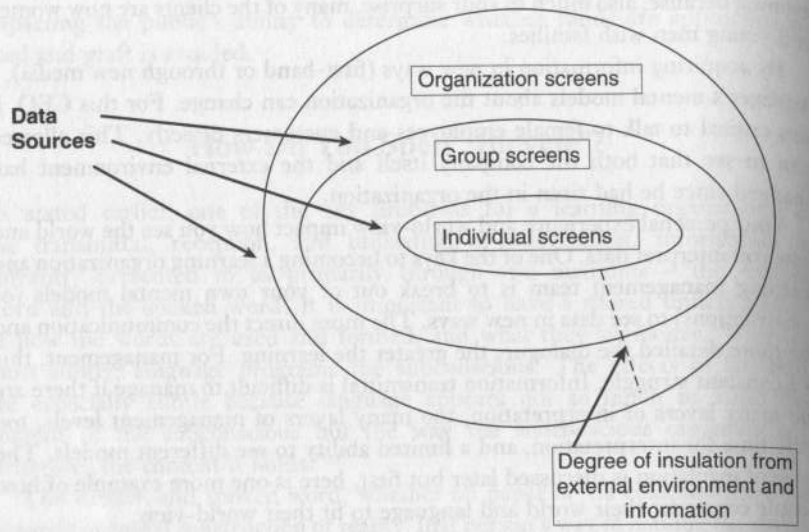

Figure 9.3 Organizational levels of insulation from data.

1 The individual team member's world view/data interpretation methodology. Examples of measures of this are Myers-Briggs and Lessem's work. The Myers-Briggs Type Indicator (MBTI) helps managers understand their personal way of receiving and interpreting information. Through the use of a simple but elegant diagnostic tool, it places people along four spectrums (e.g., introvert to extrovert, sensate to perceiver). Ronnie Lessem's work in *Total Quality Learning* discusses seven learning styles, such as the reactive learner or energized learner. Managers tend to have a dominant style but also have a range. Knowing one's style can help managers seek out other kinds of learners and information that they may not see because of their preferred learning style.
2 The top management team's culture. Does the team have a culture which precludes certain information, certain ways of learning? The team's culture will adversely or positively affect the overall learning.
3 Insulation: the organization's openness to the external environment and top management's openness to the internal environment.

The group's degree of insulation from the external environment affects its ability to learn, as does its insulation from internal environment (see figure 9.3). Learning "will require seeing the company as a system in which the parts are not only internally connected, but also connected to the external environment, and clarifying how the whole system can work better."[16]

Learning to Learn So Others Can Learn Too

How will the team learn what it needs to learn and pass that learning on to other people within the organization? Today, the primary function of the top management team is to learn, to encourage learning, and to share its learning in a

meaningful way. It may have to step out of the way once the information or learning is shared so that staff can translate the information into action and draw their own learning from it. "In essence, the leader's task is designing the learning processes whereby people throughout the organization can deal productively with the critical issues they face, and develop their mastery in the learning disciplines."[17]

Learning requires several steps: access to information, comprehension of the information, ability to absorb the information, and ability to utilize and change the information within a feedback loop.[18] Not only does the top management team need these abilities but it must also create them within the organization.

True learning is **interactive**: it allows the learner and the teacher to interact and affect each other's mental models and ways of operating. An example from computer software highlights the difference between interactive learning and passive learning. Many software programs claim to be interactive. They give the user a variety of options at various points in the program. The user can usually choose from a range of options – A, B, or C. This is not interactive in the deepest sense.

Interactive software allows the user to **change** A, B, or C. More importantly, truly interactive software or any learning system allows the user to **add** D, E, and F, and the system learns from the user's mistakes and preferences. For example, a highly interactive word processing system would learn that the typist likes indented paragraphs and would change the default settings after a certain number of uses of this paragraph style by the typist.

The top management team must become like the interactive software, analyzing its own activity, its environment, and the activity of those who use it (employees, customers, and vendors) in a constant cycle of learning. Several tools are critical for this:

1 The team is open to outside information; its boundaries are semipermeable.
2 The team gets at least some of its information first-hand; not all information comes from third-level sources.
3 The team is willing to analyze its own functioning; it is willing to look at its own group process.
4 The individual team members are willing to take the emotional risks of self-analysis, self-development, and deep dialogue.
5 The team regularly challenges its mental models; it uses framebreaking exercises to stay open to other possible models.[19]
6 The team translates its learning into meaningful interactive guides for staff learning.

We have already discussed the first three items on the above list in prior sections. The fourth item means that the top management team member must be able to get his or her ego out of the way so that information can get in. This is one of the catch-22s of a top management team. Individual ego is what has brought the managers to the table. Their egos have produced success for the team members – it has gotten each of them into the inner circle. As a result, most top management team members are convinced that their world-view is accurate. If one's world view is accurate and has produced successful behavior, why

bother to examine or question it through dialogue and self-analysis? "Cultivating understanding in isolation can lead to reliance on self-defeating, quickly obsolescent, local truth, and ignoring the contexts of others usually runs the danger of narrow-mindedness and a false sense of security."[20]

Chris Argyris, in an article for *Harvard Business Review*,[21] notes that professionals avoid learning because it is hard to hear criticism or information that refutes one's mental models. He develops the concept of **defensive reasoning** which keeps smart managers from learning. Defensive reasoning is the result of a set of values which work to avoid embarrassment or threat. An example is the value "to remain in unilateral control." Control allows the manager to avoid embarrassment but it also blocks out information.

The following case in the private sector highlights how difficult it is to be a learning top management team, and highlights one of the key barriers to successful top management learning – ego – which we've discussed. This case also shows us two remaining aspects of becoming a learning system: overcoming history's legacy and levels of insulation.

The athletic salesmen

Twenty years ago, a group of men, all white, started a sports magazine[22] in their garage. Over the years that magazine grew and became the premier media vehicle in its sport. The company grew too, adding more men, all of whom were athletes in the sport and most of whom were salesmen, since the company's existence depended on the ability of its staff to sell ad pages. The staff had a good time working at the magazine; there was camaraderie, many games, lots of conventions, drinking, and fun. What better than to earn a living while playing a sport you love?

As the company grew, it expanded into other sports, eventually adding three more sports to the team of magazines. The company continued to be successful with its highly cohesive internal culture which exactly mirrored the culture of their target market: upper class, white, and male. The fast track in the company was through sales since this was still viewed as the most important activity for the life of the magazines. Being in sales demanded that you be proficient in the sport, travel extensively, and be one of the boys.

The company continued to grow, and by the mid-1980s a larger publishing firm made a buy-out offer. The owners accepted and the sports magazines became a subsidiary of a much larger publishing empire. The publishing empire was happy to have the small subsidiary especially since it contributed 30 percent of the empire's profits. With this kind of performance and growth, the empire kept out of the way, only occasionally sending down corporate directives.

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But something began to happen at Sports, Inc. The staff grew to 450 people within five years. More women joined the staff. And the outside world discovered a concept called "diversity," which was creating dramatic paradigm shifts in the more progressive corporations as well as other facets of society.

Sports, Inc.'s top executives, a group of five white men in their fifties, all salesmen by training, with wives at home taking care of the kids, were unaware of this paradigm shift. With only five senior executives, all with the same world view, not much new information penetrated the inner circle. The little that did was from men like them in the company who were moving up the ladder. Any information counter to their world view that did get through the wall around the senior executives was always discounted. The messenger was unfit in some way. But little information flowed in or out of the senior executive group; the formal channels of communication were underdeveloped, and they trusted the staff so little that most information was kept secret.

The next challenge for the top team is to create interactive learning for the entire organization by translating team learning into meaningful interactive guides for all employees. It does this by:

- Tolerating ambiguity ("I don't know," "I'm not sure yet");
- Encouraging risk-taking[23];
- Modeling learning both individually and as a team;
- Challenging staff's mental models;
- Making the system open and reactive to staff input so that the system learns as staff learn.

An example highlights the last characteristic. In its early years up until the late 1980s, the Yale School of Organization and Management was a learning system. This was shown in many ways, but particularly in the inclusion of students on various committees including the curriculum committee and the admissions committee, both powerful decision-making bodies for the school. Students were not included in just a token way; they were given equal votes with the staff and professors who served on those committees. And in the case of the Admissions Committee, students constituted 67 percent of the committee (8 out of the 12 members). The students' presence ensured that the school was constantly learning about what worked and didn't work in terms of entrance criteria. For example, the students on the committee might note that a stronger math background ensured more success in the school, and would bring this out in the selection criteria. Or conversely, the students might note that too many of their classmates had investment banking backgrounds and would thus select new students to better round out the student body experience.

Giving students or clients or staff a true voice in sharing information and changing the company is difficult because of the vulnerability that is required. As we've noted earlier, egos and fear often stand in the way of this type of learning. "The caring relationship, then, is intrinsic to both quality and to learning. The interweaving of thought, feeling, and action becomes a precondition for both total learning and quality management."[24]

Developing a Learning Practice for Your Top Management Team

Cases and abstract analysis are helpful in imagining what your top management team as a learning system might look like and what it might contribute to your company's bottom line. However, moving from old models of the team to a new model of a learning system takes concrete action. As in all learning, the concrete steps are part of a loop: theory, test, reflection, question.[25] The team is simultaneously learning in two loops – one about themselves as a learning team, the other about the focus of the company's work as a learning process.

Various authors talk about a set of skills or ways of thinking that enhance learning. According to Senge,[26] there are five learning disciplines for the learning organization as a whole: systems thinking, personal mastery, mental models, building shared vision, and team learning. Lessem looks at seven phases: imagine, foresee, conceptualize, grasp, explore, respond, react. Debono uses his "six thinking hats"[27] to enhance creativity and learning: white for neutral and objective, red for emotional, black for negative, yellow for positive, green for new ideas, and blue for control and organizing the thinking. There are many other books with techniques for enhancing team functioning. Below are four sample exercises for your top management team to enhance its ability to learn.

System patterns

Ask each team member to draw a picture of the company. The picture cannot be an organizational chart nor can it be a written document. For example, some people draw a picture of a circus, others might draw a picture of a field of landmines. Ask each person to share their picture and why they chose that metaphor. What are the details in the picture? For example, who is the ringleader in the circus? Who do the horses represent?

After sharing each individual picture, ask the entire team to develop a shared view of what it is like to work in the organization. Discuss the pros and cons of this metaphor. What would the team like to change about this system? What aspects of the system block the team from learning or the organization from learning?

You can do the same exercise with a narrower focus on the team. Ask people to draw a picture of what it is like to be a member of the top management team, and repeat the exercise using this narrower focus.

Clarifying personal vision

Ask the members of the top management team to individually respond in writing to the question, "If you woke up tomorrow and your personal vision was realized, how would your life, this company, and the world be different?"

Ask each top management team member to develop a personal "mission" statement based on the above answer. Ask each member to make two lists: what currently blocks me from achieving my vision; what currently supports me in achieving my vision.

Have a group discussion about the blocks and supports. What role does the organization play? Where does learning fit in each person's vision?

Getting new "data"

Ask each team member to interview one customer about the company's product or service. Have three or four standard questions that are asked, but then challenge the team member to create four more meaningful questions which will enhance the team's learning.

Share each team member's data with the entire group. Make a list of "surprises" (things that the team didn't know) and "confirmations" (things the team assumed and that were confirmed by the interviews).

Discuss how the surprises can make the company more successful.

Discuss how it felt to collect the data, to be talking to customers.

Creativity and framebending[28]

Ask each team member to take out a piece of paper and pen. Give each team member an empty paper cup. Tell them they have 60 seconds to write down as many uses for the paper cup as they can think of. Anything goes. They should avoid self-censoring as much as possible.

After 60 seconds, go around the room asking for one item from each person's list. Write down the items on newsprint or a blackboard as people call them out. Ask people not to repeat ones that are already on the list at the front of the room. Keep going around the room until all ideas are on the list. Read the list. Ask for any additions.

Discuss how this exercise applies to the creativity of the team. Was it useful to start on an individual basis? Is it always useful to start that way? Why or why

not? How would the exercise have been different if the group had brainstormed together? How can the group apply this technique to its own learning?

Conclusion and Questions for the Future

In conclusion, the top management team's ability and willingness to continually learn will ensure the success of the organization in the years to come. To do so, it must break out of the confines created by its status in the hierarchy and gain access to information in new ways. This is not easy.

As in all learning, there are questions that remain. Three to consider as you develop your top management team's learning ability are:

1 Do we need to stop using the word "manager" in order to shift our paradigms? Does the historical concept of manager interfere with the ability to learn by creating ego-attachment to the power and control that are historically attached to the concept of manager?
2 Does amount of available time matter? Does this type of learning require a certain amount of time for reflection and, if so, what happens in times of crisis?
3 How will a workforce of people from various cultures and international workforces impact an organization's ability to learn?

Notes

1 See Jonathan Gillete and Marion McCollom (eds), *Groups In Context* (Reading, MA: Addison-Wesley, 1990), David Berg and Kenwyn Smith, *Paradoxes of Group Life* (San Francisco, CA: Jossey-Bass, 1990), and Richard Hackman, *Groups That Work (And Those That Don't)* (San Francisco, CA: Jossey-Bass, 1990).
2 Peter Senge, *The Fifth Discipline* (New York: Doubleday, 1990), p. 234.
3 Laura Freebairn-Smith and Jonathan Moss, *Teams At The Top: Literature Search* (Boston, MA: Boston University Executive Development Roundtable, 1992).
4 Ronnie Lessem, *Total Quality Learning* (Cambridge, MA: Blackwell, 1991).
5 Senge, *The Fifth Discipline*, pp. 237–40.
6 Freebairn-Smith and Moss, *Teams At The Top*.
7 Ibid.
8 William G. Dyer, *Team Building: Issues and Alternatives* (Reading, MA: Addison-Wesley Publishing, 1987).
9 Task refers to the actual work or product of the organization and activities related to doing that work. Process refers to how the group works together, group culture, and the psychological aspects of organizational life. Many organizations neglect process, and focus too much on task. Process should be an ongoing maintenance activity for the health of the organization. Doing process work sporadically is akin to doing your bookkeeping whenever you feel like it. Note that list is adapted from Dyer, *Team Building*.
10 Parts of this case are true and parts are fictitious.
11 Senge, *The Fifth Discipline*.

12 Ibid., p. 353.
13 Ibid., p. 354.
14 Ibid., p. 366.
15 Further reading on this topic can be found in Dorothy E. Smith, *The Everyday World As Problematic* (Boston, MA: Northeastern University Press, 1987), Arlie Russell Hochschild, *The Managed Heart* (Berkeley, CA: University of California Press, 1983), and Michel Foucault's extensive work on this subject.
16 Senge, *The Fifth Discipline*, p. 343 (quote from Ray Stata of Analog Devices).
17 Ibid., p. 345.
18 Also see Nonanka's work on this subject, e.g., I. Nonanka and H. Takeuchi, *The Knowledge-Creating Company* (New York: Oxford University Press, 1995) and I. Nonanka, "The knowledge-creating company", *Harvard Business Review*, Nov.–Dec. 1991, pp. 312–20.
19 Edward De Bono, *Six Thinking Hats* (Boston, MA: Little Brown, 1985).
20 Lessem, *Total Quality Learning*, p. 22.
21 Chris Argyris, "Teaching smart people to learn", *Harvard Business Review*, May–June 1991, pp. 99–109.
22 Names and details have been altered to protect anonymity.
23 See Gifford Pinchot, *Intrapreneuring* (New York: Harper and Row, 1985).
24 Lessem, *Total Quality Learning*, p. 14.
25 Ibid., p. 27.
26 Senge, *The Fifth Discipline*, pp. 375–6.
27 De Bono, *Six Thinking Hats*.
28 I first encountered this exercise in a course taught by Dennis Perkins, Ph.D. at the Yale School of Organization and Management.