

Leading-Edge Learning

You know Peter Senge from his bestselling book, *The Fifth Discipline: The Art and Practice of the Learning Organization*. He's also the chairman of the Society for Organizational Learning and the director of the Center for Organizational Learning at MIT's Sloan School of Management, Cambridge, Massachusetts. Here are some of Senge's thoughts on learning organizations and change.

Q: In the nine years since you wrote *The Fifth Discipline* and put the idea of learning organizations into our business consciousness, how has your understanding of them changed?

A: First of all, no one understands what a learning organization is, least of all me. Think about it: The whole notion is to think of an organization as a living human community that, like anything alive, is never fixed; it is always evolving and unfolding. So, anyone's description of a learning organization is, at best, a limited approximation.

The five-disciplines approach takes the perspective that organizations work the way they do because of how people think and interact. And if there aren't changes at that level, then the organization can't change. We still believe very strongly in that perspective. It's like the core of a tree. As the tree grows, the core is still there, but [the tree] keeps adding new rings.

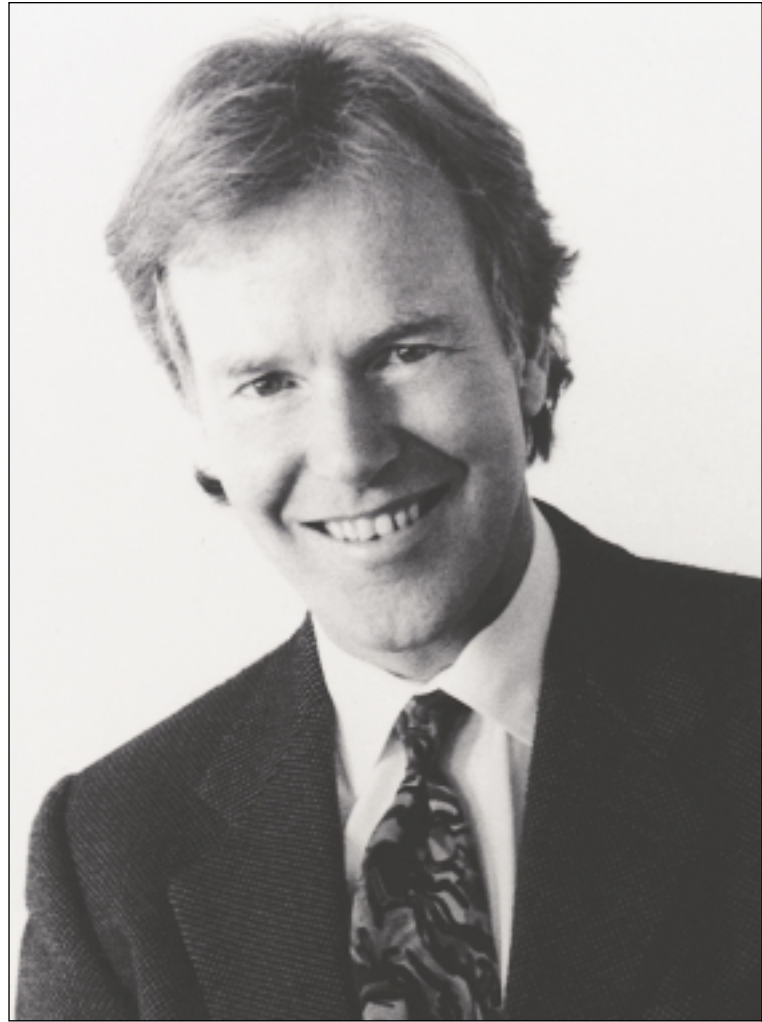
It was always about learning and about understanding interdependency. But I think there has been a subtle revolution from roots that, to some degree, had to do with understanding engineering systems to understanding living systems.

Q: What do you see now that business leaders should know more about?

A: In many ways, any entity—individual or collective—learns from the outside in, from its increasing appreciation of the world it's in. Business corporations have ignored their environments. But, gradually, they're beginning to think of them more seriously, as opposed to just inputs and outputs.

Family and community structures have been decimated by the growth of the industrial age institution, the corporation in particular. When our workers have problems with their spouses or teenagers, do we say, "That's an HR problem and we'll get somebody to counsel them," or do we ask, "What is it about the way we organize and work that might be contributing to or creating the conditions for those problems?"

We also need to think much more seriously about the natural environment. The whole economic engine of the industrial age is clearly one that cannot be sustained.



Peter Senge, recipient of ASTD's 1998 Distinguished Contribution to Workplace Learning and Performance Award

Two

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Peter Senge and Jack Welch share some thoughts about what it means to learn and lead into the next century.



John F. Welch Jr., recipient of ASTD's 1998 Champion of Workplace Learning and Performance Award

Views

He's the legendary chairman and CEO of General Electric Company (number 1 on *Fortune's* "America's Most Admired Companies" list and number 5 of the *Fortune* 500). Jack Welch has been at the helm of the Fairfield, Connecticut-based business since April 1981, championing such ideas as "boundaryless learning" and Six Sigma quality. Here's what he has to say about leading and learning at GE.

Q: What's at the heart of the boundaryless learning culture at GE?

A: Our appetite for ideas and lust for learning was born in the eighties in a simple ritual called Work-Out. It was nothing more complicated than bringing people of all ranks and functions—managers, secretaries, engineers, line workers, sometimes customers and suppliers—together into a room to focus on a problem or an opportunity and then to act rapidly and decisively on the best ideas developed, regardless of their source.

This boundaryless learning culture killed any view that assumed the GE way was the only way or even the best way. The assumption is that someone, somewhere has a better idea; the compulsion is to find who has that better idea, learn it, and put it into action—fast. In the early 1990s, after we had finished defining ourselves as a company of boundaryless people with a thirst for learning and a compulsion to share, it became unthinkable for any of us to tolerate—much less hire or promote—the tyrant, the turf defender, the autocrat, the big shot. They were simply "yesterday."

Q: What about tomorrow?

A: As we move toward 2000 and beyond, with quality permeating much of what we do all day, it will be likewise unthinkable to hire into the company, promote, or tolerate those who cannot, or will not, commit to this way of work. It is simply too important to our future. And as we raise the bar from Three to Four to Five and then to Six Sigma, we must raise, again, the bar of quality as it applies to ourselves. The reality is, we simply cannot afford to field anything but teams of A players.

Q: What characterizes an A player?

A: At the leadership level, an A is a man or woman with a vision and the ability to articulate that vision to the team, so vividly and powerfully that it also becomes his or her vision. An A leader has enormous personal energy and, beyond that, the ability to energize others and draw out their best, usually on a global basis. An A leader has "edge" as well—the instinct and the courage to make the tough calls, decisively but with fairness and absolute integrity.

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Senge cont.

Q: As work becomes more virtual, how will that affect learning organizations?

A: One area that no one really understands very well is the implications of virtual work and distributed teams on the capacity to learn. Over the last 100 years, the thrust of industrial development has been to destroy the family and community structures—the settings where we learn how to communicate—while the physical impediments to communication have been lowered. All of a sudden, you find a world of a few billion people able to communicate in real time, but they know less and less how to. It's a real problem.

Q: What will be the role of the training professional in a learning organization in the next five to 10 years?

A: My own thinking is that there are two levels. I think there's a role of expertise and experience in learning processes to work in a consultative mode with work teams. The second role that the training professional may evolve to is internal networker. There's a need in organizations for seed carriers, people who take new ideas and move them around. And we have often found that the most critical form of leadership in a large organization is whether it has enough seed carriers. The bigger the company, the more important that role. □

Welch cont.

Q: Basically, what is GE's Six Sigma initiative about?

A: We didn't invent Six Sigma; we learned it. Motorola pioneered it, and AlliedSignal embraced it successfully. The experiences of those two companies, which they shared with us, made the launch of our initiative much simpler and faster.

The Six Sigma quality initiative means going from approximately 35,000 defect-per-million operations—which is average for most companies,

including GE—to fewer than 4 defects per million in every element of every process that GE engages in every day, from manufacturing a locomotive part to servicing a credit card account to processing a mortgage application to answering a phone.

Six Sigma methodology involves measuring, analyzing, improving, and then controlling, or locking in, processes once they have been brought within the narrow Six Sigma tolerances.

Q: How do GE's 250 business divisions—13 of them approximately *Fortune* 500 size—learn from each other?

A: Our businesses *do* learn from each other. They're a wellspring of ideas and learning, with tens of thousands of people playing alternate roles of teacher and student.

As an example, our Medical Systems business is a leader in remote diagnostics, which means that an installed CT scanner can be monitored remotely by our service people as it operates in a hospital. They can detect and repair an impending malfunction, sometimes online, sometimes before the customer even knows there's a problem. Medical Systems shared this technology with our Aircraft Engines, Locomotives, Motors and Industrial Systems, and Power Systems businesses, enabling them to monitor the performance of jet engines in flight, locomotives pulling freight, running paper mills, and turbines in operation in customer power plants.

Q: What sets GE's learning culture apart from others?

A: General Electric is not unique in what we call its "culture of learning." There are other companies whose cultures thrive on learning.

What sets it apart is a culture that uses this wide diversity as a limitless source of learning opportunities, a storehouse of ideas whose richness is unmatched in world business. At the heart of this culture is an understanding that an organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive business advantage. □

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