CONTINUAL LEARNING—THE KEY TO COMPETITIVE SUCCESS

Willie Pietersen

We would all love to have a ready-made recipe for leadership effectiveness. But it isn't that easy. Our challenges are contextual, and our approach must be suited for dealing with the specific problems confronting us. So, we must build our own authentic philosophy. In the words of Candide from Voltaire's classic 18th-century novella, "Il faut cultiver notre Jardin"—"We must cultivate our own garden."

Understanding this requirement, the best leaders are lifelong learners, cultivating their personal gardens and drawing valuable lessons from each season's experience. They constantly learn from diverse stimuli, make sense of the shifting environment, and synthesize the emerging insights to develop their operating philosophy in tune with their own values and the challenges they face.

It's what we make of ourselves that counts. And the key to making ourselves effective leaders is mastering the art of lifelong learning.

Learning—The Darwinian Imperative

In a 1997 article in the *Harvard Business Review,* "The Living Company," Arie de Geus, then the head of planning at the Royal Dutch Shell Company, made a prescient declaration that has lingered in my memory: "In the future, the ability to learn faster than competitors may be the only sustainable competitive

advantage." I suggest that this statement represents the basic formula for progress in any field of human endeavor—especially for leaders, whose duty is to light the way for others.

Perhaps this helps to explain why organizational learning has generated a rich literature of research and theory. Some of the most useful contributions in this field resonate with my own experiences and findings. Examples include the pioneering work of Richard Cyert and James G. March, who defined organizational learning as adaptation over time; the insights of Chris Argyris and Donald Schön, who set forth the concepts of *single-loop* and *double-loop learning,* the latter involving the modification of underlying assumptions, goals, and norms, making it easier for experienced leaders to "learn how to learn"; and the contributions of Jan Schilling and Annette Kluge, who listed and analyzed some of the many barriers to learning that prevent organizations from responding effectively to environmental and strategic challenges.

These and other thinkers, including the enormously popular author Peter Senge, have helped to spread general awareness of the importance of organizational learning—and the challenges of making it a reality. They help us see that learning effectiveness is deeply rooted in the nature of competition itself.

Just like organisms in nature, organizations are bound by the Darwinian laws of evolutionary success. These dictate that survival depends on the ability to generate favorable variations that are best adapted to the changing environment.

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Take the example of antibiotics. They became something of a magic bullet after World War II through their ability to vanquish a wide range of bacterial diseases that had been the scourge of mankind. But now many of these therapies have begun to meet resistance from so-called superbugs, bacteria that have evolved ways of evading the potency of antibiotics. The *Lancet* medical journal has estimated that in 2019 antibiotic resistance was responsible for over a million deaths. This number is rising, and there is now a frightening likelihood that the golden era of antibiotics is gradually ending. The reason is simple: bacteria are faster at adapting than antibiotics.

When your competition is dynamic and you are static, you will lose the evolutionary battle for survival. Realizing this unequal contest, medical researchers are now racing to find viruses that are capable of killing bacteria. The advantage of viruses is their flexibility: unlike chemical antibiotics, they can evolve as fast as their prey. Perhaps such viruses will give humans an edge in the next round of the never-ending struggle for survival.

Let's apply these lessons to human systems. Like organisms in nature, organizations are born, grow to maturity, and eventually decline and die. Some die young, while others last for an astonishingly long time. But the lifespan of an organization is not a function of its age. It is a function of its adaptive capacity. And as Cyert and March suggested, adaptation, in turn, is driven by learning.

Although the challenges are greater in today's dynamic world, this is not just a modern phenomenon. Learning

has been at the core of human progress over millennia, as our species discovered how to make tools, use fire, grow crops, and harness the powers of steam and electricity, ultimately ushering in the Internet and today's era of the knowledge economy.

The arc of human history provides a powerful affirmation of de Geus's dictum that effective learning is the key to adaptation, and indeed to ultimate survival. Today, this principle has become acutely true for organizations as they confront the rapid changes of the digital age. A crucial task for leaders in this disruptive environment is to teach their organizations to build resilience by becoming successful learning systems. But for this to happen, leaders must first become effective learners themselves.

The Wellsprings of Learning

How do we become successful learners? Margaret Wheatley, a well-known leadership author, business consultant, and complexity theorist, provides a compelling way to think about how we learn. She states, "You cannot change a living thing from the outside. You can only *disturb* it, so it changes itself." When I first read this observation years ago, it provoked something of an epiphany for me. It helped me realize that successful leadership is mainly about how we learn and grow in response to the disturbances and stimuli that life offers us.

Many of these disturbances come to us unbidden—naturally so, since most people don't like being disturbed. This is especially true of leaders, whose job is often viewed as centering on keeping their organizations' productive engines running smoothly and efficiently. Any outside force that disrupts the operation is considered unwelcome.

This is a function of the powerful status quo bias. As management scholar John Kotter observed, "One of the problems with things being 'good' is that an existing order kind of settles in with its rules and its policy." But when we cling to the status quo and resist disturbances, we miss the opportunity to learn from them and adapt successfully to changing realities. That's why the best leaders intentionally embrace outside stimuli as part of their lifelong quest for learning.

Overcoming the Forgetting Trap

Learning creates value only if we can remember the lessons and apply them. Unfortunately, insights tend to be quickly lost in the ferment of everyday life. It's not a new problem. Hermann Ebbinghaus, a nineteenth-century psychologist, studied human memory. He was stunned to discover that our dominant trait is actually our capacity to forget. He found that, in the absence of deliberate countermeasures, the average person forgets up to 90 percent of any new information learned after 30 days!

One powerful antidote to forgetting is the habit of keeping a learning journal to preserve your savings. I began this practice when I was sixteen. In an effort to expand my vocabulary, I started to write down the definitions of new words in a handy, easy-to-carry notebook. Gradually, this process expanded into recording new information from diverse fields of knowledge such as philosophy, astrophysics, evolutionary theory, economics, and history. I now have a collection of learning journals, representing many years' worth of ideas and insights. I regularly review them during times of reflection and draw on them in my teaching and writing.

My friend Dr. Ash Tewari goes a step further. Ash was one of the pioneers of robotic surgery and is now the chairman of urology at the Icahn School of Medicine at The Mount Sinai Hospital in New York. As the leader of his organization's surgical team, he strives to attract the best people in the field—researchers, sub-specialists, surgical residents, support staff, and so on. He is a rare combination of scientist, practitioner, and inspirational leader.

Ash receives hundreds of applications from ambitious and brilliant young people who are eager to join his team. But he has one non-negotiable requirement: to make the cut as members of his group, they must each keep a learning journal, something he himself does religiously. Ash's "savings" are beautifully handwritten and often illustrated with drawings. His journals have

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leather covers to emphasize their value. His practice is not just to write down his insights; above them, he notes the question being addressed. As a master of learning, he understands something important: defining and recording the pertinent question helps to clarify and deepen the answer. He stresses, "To write is to think."

Ash takes steps to help his team members deliberately carve out the time to reflect. At his weekly meetings, before they review their current case load, Ash sets aside time for the team to learn by calling on members (including himself) to share and discuss the insights they've recorded in their journals.

Ash has created a team of continuous learners and pioneers of best practices. He understands that learning happens only if we instill the habits that make it happen.

Questions: The Portals of Discovery

Everything we have learned through the ages came from a question someone asked. They are our "portals of discovery," to borrow a phrase from 20th century novelist James Joyce. The advantage of artfully crafted questions is that they force us to challenge our underlying assumptions, unfreeze our thinking, and open our minds to new perspectives—the process of double-loop learning that Argyris and Schön described. As explained by futurist Alvin Toffler, this involves a journey of learning, unlearning, and re-learning. Good questions elicit participation in the learning process, and hence ownership of the resulting insights.

For this reason, the questions we should deploy as leaders are quite different in purpose from the questions deployed in a courtroom. In my prior career as a litigation lawyer, I was drilled in the art of asking effective questions in legal battles. These questions are aimed mainly at testing the honesty of witnesses and exposing evasions or falsehoods. Such courtroom questions are exactly the opposite of learning questions. Litigation is adversarial. Questions in that forum are used as weapons. Learning questions are profoundly different. They are non-threatening invitations to explore an issue jointly and discover insights. No one is on trial. The key is to lead a shared process of exploration that produces mutual benefits, not a win/lose contest.

There's a science to asking questions that are likely to generate real insights. Good questions are *generative*, meaning that they give rise to ideas that didn't exist before. Asking the wrong question can set off an inquiry in a fruitless direction. Writing in *Forbes* magazine, David Marquet (author of *Turn the Ship Around! A True Story of Turning Followers Into Leaders* and retired captain of the nuclear submarine *USS Santa Fe*), suggests starting questions with "How." As examples:

- Not "Will we be on time?" But "How likely is it that we will be on time?"
- Not "Are you sure?" But "How sure are you?"
- Not "Can we do it?" But "How can we do it?"

Such open-ended questions invite a diagnostic way of assessing an issue rather than a one-word "Yes" or "No" response or, even worse, a defensive attempt at self-justification ("Of course we'll be on time, I promised we would, didn't I?"). I would add that "Why" and "What" questions can do a similar job.

Strategic Learning: A Formal Process for Generating Organizational Learning

Continuous learning, then, is the secret to competitive success. To lead an organization effectively, a leader must first develop the habits that promote lifelong learning. But then the next challenge arises: How to transmit the benefits of learning and the insights it produces to everyone in the organization?

It won't happen simply through exhortation. The required learning must be built into the fabric of how an organization develops and renews its strategies.

Therefore, what the practice of strategy needs is a process revolution—a shift of gear from strategy as planning to strategy as learning.

In service of this goal, I have created a practical process called Strategic Learning, which is designed to heed the Darwinian imperative by creating an enterprise capable of ongoing learning and renewal in response to changing conditions, as shown in Figure 1. The process involves four steps that move in a cycle:

- Learn through a situation analysis to create insights into the external environment and your own realities. Asking the right questions is a crucial aspect of this step.
- Focus by using these insights to make choices on where you will compete and by defining your winning proposition and key priorities.
- Align by mobilizing your business system and motivating your people in support your chosen strategy.
- Execute better and faster than your competitors.

Then you loop back to the Learn step, thus creating a cycle of ongoing learning and adaptation.

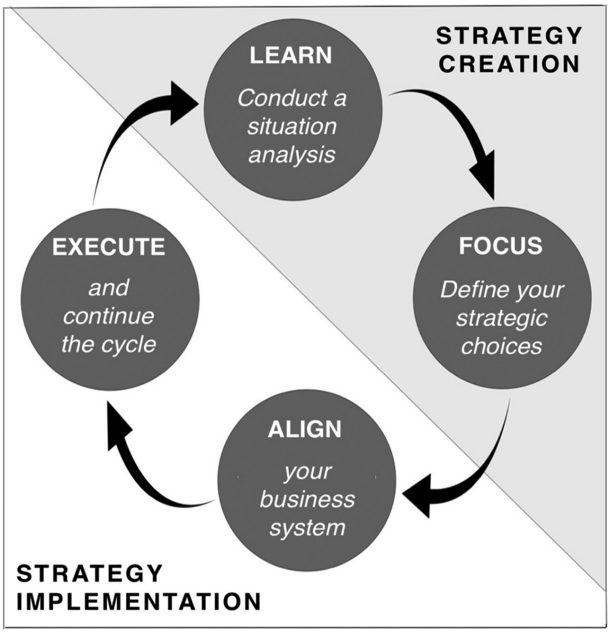

FIGURE 1. THE STRATEGIC LEARNING CYCLE

Success occurs outside the boundaries of an organization, not inside.

Following the right sequence is crucial. The rule of the road is that intelligence precedes operations and structure follows strategy. The essential starting point is the situation analysis; the intelligence system informs all the subsequent steps.

Note that the process is outside-in. Success occurs outside the boundaries of an organization, not inside. As Darwin reminded us, our survival depends on our ability to adapt to the external environment. The external environment won't do us the favor of adapting to us. That's why outside-in thinking is the essential discipline of any successful strategy.

The Focus step is the heart of a strategy. This involves making the best choices on how to mobilize our limited resources to achieve competitive advantage. These choices boil down to answering three key questions:

- Where—in which industries, markets, and geographies—will we compete?
- What will be our winning proposition? That is, what unique benefits will we offer our customers that gives them a compelling reason to choose us over the competition?
- What will be our key priorities for success?

Without clear and concrete answers to these questions, an organization cannot claim to have a strategy, and its decisions will be scattered and directionless.

The core of an organization's strategy is its winning proposition, the singular competitive idea around which all else revolves.

An example comes from my work with the Girl Scouts of the USA in the early 2000s. The organization was suffering from a crisis of relevance as its membership declined, and the leaders wrestled with defining the unique benefits they should offer to girls to attract greater membership. The programmatic activities such as summer camps and cookie sales were enduringly popular, but by themselves were not driving growth. What was the larger brand promise to which these classic activities should contribute?

To encourage fresh thinking, small cross-functional teams were assigned to labor over the issue. What emerged from this cauldron was the winning proposition that would light the way forward: *The Girl Scouts' mission is to be the premier leadership experience for girls.* Henceforth, all the organization's energies and programs would be concentrated on bringing this distinctive leadership development mission to life.

Strategic Learning is now a central part of the way we teach strategy in Columbia University's Executive Education programs. It has also been widely adopted as a core process by many organizations in both the commercial and nonprofit spheres, often with transformative results.

Learning Should Never Stop

Sometimes, organizational leaders believe that they don't need to engage in a process of formalizing and activating learning. A company leader may say to me, "Our industry is mature. The products and services we offer have become commoditized, and all of the companies in the marketplace have become the same. Now we must compete on price and protect our profit margins through cost reductions."

To succumb to this philosophy is to abandon the pursuit of value creation. With ingenuity, there is virtually always an opportunity to achieve differentiation, and a good situation analysis should uncover those ideas. In fact, I believe that, with rare exceptions, there is no such thing as a commodity. At either end of any transaction are human beings with needs and preferences—and by delving deeply into those needs and preferences, it should be possible to find a way to offer customers something unique and valuable.

A good example is the U.S. yogurt industry. By 2005, it had settled into maturity with modest growth and little innovation aside from variations in flavor, fat content, and packaging that made only incremental differences. One variety, known as Greek yogurt, made up a meager 1 percent of the market and seemed to be dead in the water.

But that year, a Turkish immigrant named Hamdi Ulukaya, who'd worked as a shepherd in his homeland, launched a new Greek yogurt called Chobani (meaning "shepherd" in Turkish). It differentiated itself by emphasizing its quality, authenticity, and social conscience. The brand hit a nerve with customers. In a stunning coup, the launch disrupted the once-stable yogurt market. Chobani overtook Yoplait as the market leader, and within ten years it reached over $2 billion in revenue. In the process, the Greek yogurt segment surged to over 50 percent of the total market.

Conclusion

I sometimes get asked whether Strategic Learning is a sure-fire method for business success. The evidence shows it can be a powerful tool. But, like any business process, it is an enabler, not a guarantee. Leaders themselves are the difference-makers. Of course, the method involves following certain disciplines, but it is less a mechanical activity than a way of thinking. As military strategist Carl von Clausewitz (1780–1831) said, "What matters most is not *what* we have thought, but *how* we have thought it." Strategic Learning offers a system of thinking that can help you achieve the combination of focus and the adaptive capacity you need for ongoing success.

Above all, remember this: the external environment will not stand still for us. Therefore, winning once is not enough; we must go on winning. To achieve the goal of sustainable success, leaders should apply a method like Strategic Learning on a continuous basis so that their organizations are geared to learn at the speed of change.

This article is adapted from the book *Leadership—The Inside Story,* by Willie Pietersen (Rivertowns Books, 2024).

Willie Pietersen has practiced and studied leadership as a Chief Executive Officer/CEO of multibillion-dollar businesses, as a professor at Columbia University's Graduate School of Business, and as a consultant to some of the world's biggest and best-known organizations, from Ericsson and Johnson & Johnson to ExxonMobil and the Girl Scouts of America. Learn more at https://williepietersen.com/.