

HOW CAN ORGANIZATIONS LEARN FASTER?
THE PROBLEM OF ENTERING THE GREEN ROOM

EDGAR H. SCHEIN
MIT SLOAN SCHOOL OF MANAGEMENT

SPRING 1992

WP#3409-92

HOW CAN ORGANIZATIONS LEARN FASTER? THE PROBLEM OF ENTERING THE GREEN ROOM.¹

E. H. SCHEIN

MIT SLOAN SCHOOL OF MANAGEMENT

It is only a few years ago that we were saying that the "management of change" is our biggest challenge. Today we hear that the problem is not the management of change, but the management of "surprise,"² and we academics are asked more and more frequently not just to comment on how organizations can learn and can manage major transformations, but to help figure out how organizations can make these transformations faster and faster. The world around us is moving faster and faster. In order to survive and grow, organizations must, therefore, learn to adapt faster and faster, or be weeded out in the economic evolutionary process.

In this brief talk I would like to analyze quickly what is involved in learning and how learning at the organizational level can be speeded up. I will start with some abstract concepts, but will close with some practical suggestions. The first thing we must understand is that "learning" is not a unitary concept.

As I think about this topic I am struck by how little we really know about the dynamics of organizations and social systems, and how

¹ Invited address to the World Economic Forum, Feb. 6, 1992, Davos, Switzerland.

² Robert Horton, Chairman of British Petroleum

little we know about the learning process. A friend and colleague of mine, Donald Michael has observed in his book "On Learning to Plan-- and Planning to Learn"³ that one of the most difficult problems of our age is that leaders, and perhaps academics as well, cannot readily admit that things are out of control and that we do not really know what to do. We have too much information, limited cognitive abilities to think in systemic terms, and an unwillingness to violate the cultural norms that leaders must always appear to be in control and to have solutions for all our problems. We are afraid that if we admit our confusion, we will make our followers and students anxious and disillusioned.

Yet the circumstances around us tell us that learning is no longer a choice but a necessity, and that the most urgent priority, therefore, is learning how to learn, and learning faster. If we are to do this, we must speak about several things that are not often explicitly spoken about among leaders and managers, particularly the role of anxiety in learning, and the role of groups and communities as ways of coping with anxiety and facilitating learning.

I. THREE TYPES OF LEARNING.

There are at least three different types of learning that have very different time horizons associated with them, and that may be applicable at different stages of an organizational change process:

1) Knowledge Acquisition and Insight Learning.

Our commonest view of learning is that we acquire information that builds our knowledge base, a process that can be slow and tedious as

³ Michael, D. N. On Learning to Plan and Planning to Learn. San Francisco, CA.: Jossey-Bass, 1985.

when we are reading for information or are memorizing something. But we are also conscious of the fact that with some kinds of cognitive learning such as solving a crossword puzzle or any of the so-called "brain teasers," or mathematics problems, after hours of not seeing the solution, it can suddenly pop into our head and, once we have it, we can make whatever further cognitive change is required quite rapidly. Insight gives us a sense of a new level of understanding and a new direction.

But we all recognize that cognitive insight is difficult to achieve, and when we experience a problem but cannot solve it because it is too complex, we become frustrated and anxious. I will call this ANXIETY 1. To avoid this anxiety 1, we deny the problem, or simplify it to something we can cope with even if that distorts the problem, or project the problem onto someone else, or in various other defensive ways manage not to learn.

When leaders articulate a new vision for their organization and communicate that vision widely, they are typically trying to give large numbers of people in the organization a new insight, and, if they are successful at this, the organization can change directions rather quickly. Developing a new vision and sharing that vision widely can be thought of as one necessary step in speeding up learning.⁴ But, alas, as most of you know that is not enough for at least two reasons. Our prior learning based on prior success, what we can think of as the organizational culture, sometimes limits and biases our capacity to

⁴ Bennis, W. & Nanus, B. Leaders: Strategies for Taking Charge. N.Y.: Harper & Row, 1985.

perceive and understand a new vision⁵. And sometimes our cognitive capacity is insufficient to grasp the complexity of what is going on, thus limiting our ability to develop realistic visions. The recent interest in systems thinking reflects a growing recognition that our ability to grasp how the world works is limited and we need to learn special analytical techniques to help decipher real world dynamics.⁶

Most organization learning theories focus on this level of cognitive learning and imply that the essence of learning is the acquiring of information and knowledge through various kinds of cognitive activities. What this point of view ignores is that such learning can only occur if the learner recognizes a problem and is motivated to learn, and that even with insight we cannot necessarily produce the right kind of behavior or skill consistently to solve the problem. Insight does not automatically change behavior and until behavior has changed and new results have been observed, we do not know whether what we learning cognitively is valid or not.

2) Habit and Skill Learning.

A second kind of learning is the learning of behavioral habits and skills, what is usually associated with B. F. Skinner and behaviorism. This kind of learning is always slow because it requires practice and the willingness on the part of the learner to be temporarily incompetent. You all know this well from efforts to learn to play golf and tennis, or to become competent in using your computer.

⁵ Schein, E. H. Organizational Culture and Leadership. San Francisco, CA.: Jossey-Bass, 1985.

⁶ Senge, P. M. The Fifth Discipline. N.Y.: Doubleday, 1990

To be temporarily incompetent in uncomfortable, so we experience another version of anxiety 1, but if we begin to produce the correct behavior and are rewarded for it, this kind of learning is very reliable and produces stable new habits.

The most difficult aspect of such learning is to overcome prior "bad habits" and cultural rules. For example, Chris Argyris has shown in many ways that organizations would be more effective if people were more open with each other when they solve problems, but it is extremely difficult to get them to be open because of cultural rules about "face" and the need to be self protective. To be more open leads to more of Anxiety 1.⁷

This problem is, of course, especially relevant to leaders because this kind of learning requires one to embrace errors as a valuable part of the learning process, and, as Don Michael has argued persuasively, embracing errors is about the last thing most leaders are willing to do.

For this kind of learning to take hold, we need opportunities to practice, opportunities to make errors, and consistent rewards for correct responses. What constrains this kind of learning is, therefore, not only the difficulty of getting the response in the first place, but to be able in a safe environment to develop a new skill or behavior pattern. The culture of management is built around the assumption that mistakes will occur, but one should not make the same mistake twice. If we are to learn a complex new skill, however, mistakes will occur over and over again as we practice and slowly get better. If we want to

⁷ Argyris, C., Putnam, R. & Smith, D. M. Action Science. San Francisco: Jossey Bass, 1985.

speed up this kind of learning we have to provide “practice fields” and coaching in a psychologically safe environment.⁸

Unlearning is emotionally difficult because the old way of doing things, has, after all worked for a while and has become embedded. Doing things the old way makes life stable and predictable, and efforts to try new things in the past have often led to failure and pain. It is the history of past success and our human need to have a stable and predictable environment that gives culture such force. Culture is the accumulated learning of the past, but some cultural assumptions and some behavioral rituals can become dysfunctional and have to be unlearned. Why is this so difficult? That takes us to the third kind of learning, the kind that is most often ignored and least understood.

3) Emotional Conditioning and Learned Anxiety.

The third kind of learning is the most potent and the most difficult to speak about--emotional conditioning, deriving originally from the work of Pavlov. If you put a dog in a green room, ring a bell, and ten second later give the dog a painful electric shock in that room, the dog will fairly quickly learn to avoid green rooms, and, if he hears a bell, will try to run away or if he is restrained, will cower anxiously. Even if you turn the shocks in the green room off, the dog will not enter it and, therefore, will not discover that the shock is off. If you teach a dog to avoid a green room and allow him to jump into a red room, and then give him shocks in the red room, the dog will jump back and forth between the green and red rooms until totally exhausted, and this behavior will continue even after you have turned off the shock in both

⁸ Senge, op. cit.

room. Once the pattern has been learned, the anxiety alone is enough to keep the behavior going even if no shocks are ever again administered. As most of you will recognize, that is partly the psychological basis for human phobias--the anxiety 1 is sufficient to keep us from finding out whether or not the dreaded place is dangerous or not. If it were to become necessary for the dog to learn to live in a green room full of bells, it would take a long process of deconditioning and desensitization to overcome his phobia.

You will recognize that this kind of learning is based on punishment and pain. It is the second half of the popular managerial concept of the carrot and the stick. Punishment is very effective in eliminating certain kinds of behavior and inducing anxiety when in the presence of the punisher or signals associated with past punishments. The problem with this kind of learning is that it does not tell the learner what the right behavior is, only what not to do. And if one has been punished across a fairly wide range of behavior, one is likely to limit oneself to very narrow safe ranges or become paralyzed for fear of making a mistake.

If our present organizational culture is based on past mistakes it will be much more difficult to change than if it is based primarily on past successes because the idea of new approaches and new behaviors is likely to elicit anxiety 1, and that anxiety will lead to a defensive falling back on old behavior patterns. And if our present managerial theories emphasize the stick over the carrot we will be building in strong resistances to new learning.

In the organizational world, the green room can be something that the company once tried that did not work, or it can simply be

anything new in an organization that has consistently punished rule breaking behavior in the past. The dog can be put on a black platform and receive a painful shock anytime it tries to get off the platform into the green room around it. And, as long as there is enough food on the platform, the dog will happily live out his life on it. Our present habits, values, and assumptions are our black platform, and sometimes any proposed change can be a scary green room. These habits are the result of past successes, make life comfortable in the present, and allow us to feel confident that we know what to do tomorrow. Life on the black platform can be basically comfortable. So when a new leader comes on with a new vision that is for many members of the organization a green room--it may sound great, but the prospect of changing our behavior to enter it induces anxiety and dread.

For example, if employees have been through several traumatic reorganizations that may have involved downsizing or other painful events, they may come to treat all proposed change programs or reorganizations as bells that signal once again that they are being forced into a green room. Or, equally problematic, if employees remember that certain past strategies have not worked well, they will treat those strategies as green rooms and will avoid them or cower anxiously instead of working productively. And if they cower anxiously, they will not produce the new behavior that the change agent/coach is anxious to reward. New visions cannot overcome these feelings because our complex human mind is able to defend itself against messages that make us anxious. The three most common defenses are 1) not to hear the message in the first place, 2) to deny that the message applies, or 3) to rationalize that our leaders do not understand the situation. You

cannot talk people out of their learned anxiety 1. How then do we move forward? How do we manage Anxiety 1?

II. MANAGING THE ANXIETIES OF CHANGE--THE THREE PARTS OF UNFREEZING

The answer is paradoxical. We must create a new anxiety, call it Anxiety 2, and it must be greater than Anxiety 1 if new learning is to occur. Yet it must not be so great as to cause defensiveness and paralysis. How is this done? Accumulated change theory tells us that human systems seek homeostasis and equilibrium. We prefer a predictable stable world, and we do not really let our creative energies out, unless most of our psychological world is reasonably stable. We seek the largest possible black platform on which to rest comfortably, and only step off into gray areas once in a while to satisfy our curiosity or our creative energy. For an organization to change, therefore, it must first be destabilized or in Kurt Lewin's old phrase "unfrozen." If learning is to speed up, the first thing that needs to happen is we must speed up this process of unfreezing, and that can occur through the simultaneous management of three further processes:

1) Disconfirmation. The members of the organization that are to be changed must come to perceive that their current ways of doing things are no longer working. There is not enough food on the black platform, or it is beginning to rock dangerously, or something else bad is happening on it or to it. Change managers must make disconfirming data highly visible to all members of the organization, and such data must be convincing. Just saying to the organization that they are in trouble because profit levels are down or market share is being lost, or

customers are complaining, or costs are too high, or good people are leaving the organization is not enough. Employees and managers at all levels must believe the data, and that often requires intense communication and economic education, something that has often been missing in organizations, so employees simply do not understand or do not believe it when management says "we are in trouble."

2) Creation of Guilt or Anxiety. However, even if people believe disconfirming data, they may not be motivated by them because they do not connect the information to something that they care about. They perceive the data to be related to other parts of the black platform than the part they are living on. For change motivation to be aroused, they must discover that if they do not learn something new, they will fail to meet some of their important ideals and will, therefore, feel guilty, or will fail to achieve some important goals that put their job or security in jeopardy and, therefore, will, feel anxious. We have all seen how employees do not take management information seriously until they feel personally threatened or feel ashamed or guilty because they are not living up to their own ideals and aspirations.

Having to arouse anxiety or guilt sounds paradoxical because we have just said that anxiety gets in the way of learning. The answer is that we are dealing with two kinds of anxiety--"Anxiety 1" is the anxiety that is associated with doing something new which was previously referred to, and "Anxiety 2" is the induced anxiety of continuing to do something that will lead to failure. The problem of motivating people to learn, then, is to build up enough disconfirming data to cause enough anxiety 2 to override the prior conditioning without, however, building up so much anxiety that people go into a

defensive paralysis. Creating anxiety 2 is what is colloquially called "getting someone's attention."

Just the arousal of anxiety 2 or guilt does not guarantee that new learning will begin because the anxiety 2 induced by disconfirmation is often overcome by the even greater anxiety 1 associated with change, with entering the green room. So paradoxically, anxiety prevents learning, but anxiety is necessary to start learning as well.

The problem of managing the learning/change process then becomes the management of these two kinds of anxiety. We have to teach our child to be scared to cross a street, but not so scared that he or she never crosses at all. So we provide a path, a direction. We say that if you look both ways and listen for cars you will be able to tell whether or not it is safe. Having built up the anxiety 2 associated with not doing anything, we then provide a cognitive solution, a direction of change to overcome the anxiety 1 of entering the white room. I have labelled this process the "providing of psychological safety."

3) Creation of Psychological Safety. For change to happen, for motivation to arise to learn something new, people have to feel psychologically safe, by which I mean that they will see a path forward that is manageable, a direction of change that will not be catastrophic, in the sense that the person changing will still feel a sense of identity and wholeness. The learner must feel that new habits are possible, that he or she can learn something new, and, maybe can even enter the green room without feeling too anxious. Coaches are well aware of this tension, and good coaches are masters at creating sufficient anxiety 2 to motivate learning, and sufficient direction to allow learning to occur.

In organizational life powerful visions articulated by charismatic leaders can sometimes provide the necessary psychological safety provided they not only sketch out a desired longer range sense of direction, but also some immediate steps that are manageable and psychologically safe, that allow a gradual entry into the green room such that we can learn that the shock has been turned off, that the new environment is not as threatening as what our past experience has led us to believe. Or those visions redefine for people the boundaries of the black platform and the green room, thereby seducing them into discovering that the green room isn't so bad because to some degree they are already in it. Leaders as coaches exhibit this mechanism when they show people that they are already doing innovative things and strongly reward what they are already doing.

Some essential elements to a psychologically safe environment are 1) opportunities for training and practice, 2) coaching and reward for efforts in the right direction, 3) norms that legitimize the making of errors, and 4) norms that reward innovative thinking and experimentation. Such norms are difficult to develop in the day to day world of business because of the anxieties associated with making mistakes. Leaders are not supposed to admit that they do not understand a problem or are not in complete control of the situation, or need to engage in some experimental solutions⁹. Subordinates are not likely to take chances if they know that making a mistake twice leads to severe punishment. If we are to speed up learning by creating some psychological safety for the learners, we must create temporary

parallel systems in which new norms are created that favor learning, and these parallel systems must be built around supportive groups that help to contain and reduce Anxiety 1.¹⁰

Four key assumptions lie behind what I will suggest. First, that one cannot ask others to learn something new if one has not learned something new oneself. Second, that learning in this complex domain involves some period of stepping outside of one's own culture, national or organizational, before one can discover the limitations of one's own present (the black platform) and the possibilities inherent in other cultures (the green room). And, third, that the anxieties inherent in this new learning are only manageable if they are shared and managed jointly in a group that is accountable for the ultimate welfare of the organization. In a trusting group, leaders can be helped to own up to and deal with their anxieties, a process that is necessary if realistic planning and learning is to take place.

Fourth, for the learning process to spread across the entire organization, a transition of change management group must be created that will be accountable for the organizational learning process. A group is necessary to create the supportive climate that will give the leaders themselves a sense of psychological safety, and, second, to own on a broader scale the total organizational learning process. This process can then be described in terms of the following steps.

1) Leaders themselves must learn something new. They must overcome their own cultural assumptions and be able to perceive new

¹⁰ Bushe, G. R. & Shani, A. B. Parallel Learning Structures. Reading, MA.: Addison-Wesley, 1991.

ways of doing things and new contexts in which to do them. They must acknowledge and deal with their own anxiety 1 before they can appreciate and deal with the anxieties of others. Such learning can be speeded up if leaders become more marginal in their own organizations and spend more time outside their own organizations. They cannot obtain insights into the limitations of their organizational cultures unless they expose themselves to other cultures--national, occupational, and organizational. Leaders should systematically attend programs and conferences where they are exposed to new ideas, other leaders, academics, consultants, and members of other occupations. They should also engage in activities that will give them self-insight to enable them to discover, confront, and deal with their own anxiety 1.

2) Leaders must create a supportive change management group that itself learns something new as a group and then steers the rest of the organization into the green room. Such groups are often called "steering committees" in major transformation programs and they serve several critical functions:

a) They provide a supportive environment in which the leaders can express and deal with their own anxieties and insecurities.

b) They represent the organizational culture and can provide an initial test of what level of transformation is possible without too much disruption of the present culture.

c) They create and monitor the task forces and problem solving groups that will tackle the specific change programs that must be put in place for the organization to learn.

d) They collectively and individually communicate extensively and intensively why change is needed and how it will be accomplished.

By their own learning example they create psychological safety for others.

The steering committee usually involves some members of top management, but not necessarily all of it, and it can include members of all the relevant sub-cultures that may be involved in the change. Work on the steering committee should be at least half to three quarters time if learning is to be speeded up.

3) The steering committee must itself go through a learning process to develop norms favorable to innovation and learning. This usually involves visiting other organizations, bringing in organization development consultants, undergoing some joint training in team work, and whatever else is necessary to begin to build a culture different from the culture of the main organization.

For this group to function well, it must develop high mutual trust and must feel accountable as a group for organizational learning. The most difficult step in their work is to discover how anxieties operate to undermine learning. They must recognize that being argumentative, defending one's own position, impatience with how long things take, impatience with the points of view of others all can be symptoms of anxiety that must be recognized and worked through. If the steering committee encounters learning problems, those will be prototypes of what will be encountered when the transformation is attempted on a wider scale.

4) The Steering Committee diagnoses the organization learning needs and then plans and designs the organizational learning process by creating a set of task forces or problem solving groups to deal with each of the major issues or problems that the organization must deal with. In

order to do this, the steering committee must intensify its own diagnostic activities and learn how to translate the organization's general sense of where it needs to go into a set of discrete and workable problems. As each of these is identified, a group is identified to develop change plans for that area. The steering committee selects the members of these groups according to the tasks to be performed, and makes work on these task forces a major assignment for the members.

5) These task forces, in turn, have to have an intensive and rapid learning experience in order to plan effectively for the whole organization.

6) The task forces then create specific change programs targeted to the parts of the organization that are involved. Before those plans are acted on they are reviewed by the steering committee to insure that they are realistic and coordinated with the work of other task forces.

7) Throughout this process the members of the Steering Committee communicate extensively and intensively to the whole organization to keep members apprised of what is happening, to continue the unfreezing process with particular attention to creating psychological safety as the pressures for change mount.

This whole process involves many steps and many meetings, but it need not take very much time if we can overcome some of our cultural assumptions about time management. Committees can be appointed and can undergo intensive learning experiences in a matter of days or weeks. Task forces similarly can work rapidly if they work for days and weeks at a time instead of the usual one meeting per week kind of routine. Meetings can be held off site for two to three days at a time.

Leaders and the steering committee have to set the example and, thereby, begin to change the norms around time allocation.

The key to all of this is to remember that people will be anxious, that anxiety 2 is a source of constructive motivation for change if it is based on valid disconfirming information. But new responses, attitudes, and assumptions will not be learned without the psychological safety of the parallel structure and the opportunity to make errors, to practice, and to innovate in a safe environment. In other words to overcome Anxiety 1. Once new responses are learned, the reward system must be in place to reinforce them.

To put all of this in very plain language. The problem of organizational transformation is first of all to overcome the negative effects of past carrots and sticks, especially past sticks. Second, to make people feel safe in learning, they must have a motive, a sense of direction, and the opportunity to try out new things without fear of punishment. Sticks are not very useful during the learning process. Once the learning is underway, the carrot is the essential learning tool for leaders and managers. The environment will take care of providing the sticks if the organization is on the wrong path.

The details of how this works will be different for every organization. But the essential dynamics of anxiety, the effects of organizational culture, the needs for psychological safety during the learning process are likely to be universal and cannot be ignored. If you want to speed up the learning process in your organizations, start with an analysis of what anxieties, defenses and cultural assumptions stand in your way. Only when you understand this will you know whether

your visions and incentives will be enough to entice members of your organizations to dare to enter the green room.