

Why
Senior Leaders
Need to
**Rethink Learning
Intelligence**

POINT
of
VIEW

Today's environment of rapid change and disruption demands executives who learn fast and apply that learning in order to succeed. While learning is a commonly discussed topic at many organizations, most theories and constructs do not provide a pragmatic description of the kind of learning that makes senior leaders successful — and could potentially predict their future performance. Most executives do not reach the top levels of an organization without being able to swiftly grasp vast amounts of material. But how strongly does this type of learning inform an executive's success, and, by extension, influence the organization's performance?

We have found that the characteristic of learning intelligence has a great impact on executive success by enabling leaders to respond appropriately to situations, and thus produce better results for the business. Learning intelligence is more than agility or the ability to absorb and apply new information. It is the ability to:

- look critically at one's own thinking, unconscious biases and actions;
- be open to, actively seek out and listen to new and contrasting perspectives;
- recognize how another viewpoint is better;
- change one's own perspective and actions in response (e.g., whether to abandon a struggling initiative despite significant sunk costs or to pursue new, untested avenues for growth); and
- know when to stand one's ground even in the face of contrary opinions.

Yet, most organizations cannot accurately identify and develop learning intelligence because they do not have the tools to precisely evaluate it. Often, organizations rely on self-reporting tools, which inherently lack objectivity. Or they focus exclusively on results rather than the underlying thinking that led to them — a much better indicator of future performance, but much more difficult to assess.

Context also matters. The impact of learning intelligence varies depending on the organization's unique challenges and culture. For example, leaders with high learning intelligence are critical when the organization's culture needs to change, especially if that culture does not prioritize learning. We will explore some common assumptions about learning, how learning intelligence can be recognized and assessed, and how it can be cultivated.

Learning intelligence: What it's not

There are several common assumptions about what good learners “look like,” but they often focus on skill-sets or process rather than the full picture of what learning intelligence comprises. Learning intelligence is much more comprehensive and multi-faceted. Consider the following:



Smart people learn better.

Not all forms of intelligence guarantee a strong capacity to learn and adapt. Processing information well does not mean someone can act on that information and change his or her behavior. For example, the CEO of a financial institution graduated at the top of his class and is considered one of the world's preeminent experts on banking and securities. Yet, he has not become as well-versed in the digital transformation of financial services as his industry counterparts. At the same time, those who can recognize shifting industry dynamics or analyze a situation and identify weaknesses are not necessarily good at learning from those analyses or acting on them. Many engineering leaders are taught to dissect and deconstruct projects and issues, but the ability to critique is not the same as being able to learn and adapt.



The more expertise you have, the better you are at learning.

Expertise is acquired through learning, so it stands to reason that those who have learned successfully in the past will continue to learn. However, some falsely believe their past expertise, however great, carries through to the future, regardless of changing times or the novelty of the situation. Tom Wujec, Autodesk fellow and global leader in 3-D design, demonstrates this principle in “The Marshmallow Challenge” design exercise: Build the tallest freestanding structure with sticks of spaghetti, tape, string and one marshmallow. Business school graduates were among the worst performers. Kindergartners, unencumbered by previous experiences and biases, performed better than most adults. The best problem-solvers and learners draw on their expertise while retaining a beginner's outlook, which is characterized by openness and inquisitiveness. Additionally, people can acquire experiences without learning from them. Consider a senior executive who has lived in 10 countries in 10 years. Upon first glance, this experience might indicate she is culturally agile, but she also may have been unable to learn and adapt well enough to successfully live in a different culture more than a single year.



Intellectually curious, open people are good learners.

The CMO of a travel company is an avid reader of a wide range of topics, from behavioral economics to Renaissance art. During visits to the organization's various offices, she makes a point of scheduling a team outing to an off-the-beaten-path attraction to learn how locals experience their cities. The CMO's curiosity denotes a broad, cursory interest in a variety of subjects whereas learning is directed and more enduring, culminating in a change of behavior. Some can mistake focused information-gathering for intellectual curiosity — the HR leader of one global consumer products company touted its executives as being extremely intellectually curious but, in reality, they were simply dedicated to obtaining only the information they needed to complete a project, without any lasting alteration of their actions. Openness to learning is also important, but not enough. A CEO succession candidate believes that his global healthcare company must change dramatically if it is going to succeed in an evolving industry. He recognizes that the organization's culture of risk aversion will stifle much-needed innovation. He has strong convictions about the direction the organization should take and knows he will need to strengthen his transformational leadership skills if he lands the top job. The candidate's willingness to learn is a preference, not a capability.

Recognizing and assessing learning intelligence

Learning intelligence is a key part of Executive Intelligence, which is the unique set of capabilities that enables executives to perform at the highest level. Both have a tangible impact on business performance.

Companies with higher-scoring CEOs perform better: Spencer Stuart's proprietary methodology of measuring Executive Intelligence (ExI[®]) reveals that the CEO's score at time of appointment predicts 16 percent of the variation in profit performance two years later. Our analysis also shows that there is a correlation between higher revenues at organizations with senior leaders who are high in learning intelligence.

The elements that comprise learning intelligence are:

- > **Openness:** The acceptance of differing or contrary opinions and perspectives
- > **Honest Contrast:** The ability to identify differences between one's own perspective and those of others, and recognize the ways in which another's opinion may be better
- > **Self-Adjustment:** The ability to shift one's own perspective, positively accept another's and treat it as an opportunity, and actively pursue and apply constructive criticism

While some individuals may be equally strong in each area, most people are stronger in one element or another. Most commonly, executives are strongest in openness, followed by honest contrast and then self-adjustment. You cannot adjust accurately without recognizing a clear and accurate contrast; and, in turn, you cannot identify a clear and accurate contrast without being open to new views.

When confronted with ideas or answers different from their own, leaders who are low in openness, honest contrast and self-adjustment dismiss them and often show no evidence of even processing them. They deny that other answers are better without a reason and are so emotionally invested in their own ideas that they ignore others. For example, an executive who scored low in ExI but had a track record of quick promotions vehemently disagreed with the findings of his assessment without asking why, demonstrating a weakness in openness and self-evaluation. Another executive helped lead the development of a product that failed on a massive scale, largely because it was based on a misperception of the consumer market. However, in later discussions, he cited this project as a key accomplishment despite clear facts pointing to the contrary. Leaders who score higher recognize that the perfect answer does not exist and therefore always ask for more answers, readily identifying positives and negatives in their own and other answers in order to build even better answers. They also greet stronger solutions with positive emotions and view them as opportunities. Putting these elements into practice, a CEO succession candidate we worked with would actively solicit constructive criticism on his leadership and communication skills, and then work with an executive coach to apply the feedback in his day-to-day interactions.

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While it may seem counterintuitive, too much learning intelligence may not be a good thing. When leaders are extremely high in openness, honest contrast and self-adjustment, they can be overly willing to change their own points of view, unable to defend their stances and could be easily swayed by someone skilled at persuasion. This is where the other dimensions of Executive Intelligence and developed leadership capabilities are helpful. Our data shows that possessing a strong intellect combined with learning intelligence predicts executive growth more than either one alone. A developed sense of executive judgment based on experience gives leaders a better-informed view of the world to draw upon when making decisions.

Avoiding the CEO feedback trap

CEOs must be especially vigilant about maintaining and developing their openness, honest contrast and self-adjustment capabilities by actively seeking out alternative perspectives and establishing pipelines of new information. Chief executives tend to be insulated from ideas and information that contradict their thinking, either because they are farther away from the sources of new information or because others are more guarded about sharing potentially contradictory views. The new CEO of a financial institution was initially skeptical that the introverts on his team would avoid challenging him because of his extroverted personality and powerful influencing skills. Months later, he admitted he was wrong and adapted his behavior: He communicated to his team that in order to ensure everyone's voice was heard, he would first invite other perspectives before offering his own.

Another CEO deliberately hired a chief operating officer with a vastly different personality from his own so that his views would be tested. He had a conference room built between their offices as a forum to address conflict, with the rule that either could call the other in and neither would exit until they found a solution both agreed upon. His high learning intelligence imbued the entire organization. Although the broader sector tended to fluctuate, the company cycled more gently than others because it was able to recognize changes in the market and proactively shift into either efficiency or growth mode. The CEO also established a center with other companies in the region to foster mutual learning among executives about quality management.

CEOs with high learning intelligence also tend to consider failures as sources of success, exemplified by the legendary response of former IBM chairman and CEO Thomas Watson when asked if he was going to fire an employee who made a costly mistake: "No ... I just spent \$600,000 training him. Why would I want somebody to hire his experience?"

How learning intelligence can be enhanced

Building learning intelligence across the organization starts with assessing and hiring executives with the trait, who, in turn, model learning behavior for others across the enterprise. In addition, these individuals create and are members of learning teams, which help foster a learning-oriented organizational culture. These efforts tend to be mutually reinforcing and, thus, present the greatest benefit when they take place at multiple levels.

At the individual level

A combination of humility and inquisitiveness is not only key for effective communication, it is also a prerequisite for improving learning intelligence, noted Edgar Schein, professor emeritus at the MIT Sloan School of Management, in his book *Humble Inquiry*. An individual with learning intelligence does not need to be the smartest person in the room. To build their own learning intelligence, leaders can proactively seek out assessments and listen to constructive criticism in order to alert them to their blind spots, enabling them to become more self-aware going forward. Finding a coach who understands the different facets of Executive Intelligence can also be beneficial. For individuals who are already high in learning intelligence, conducting anonymous 360-degree reviews on an ongoing basis can ensure that they maintain their self-awareness and aren't falling victim to "the emperor's new clothes" syndrome. Leaders who learn from their teams also lead more effectively because they are engaging others as part of the learning process.

At the team and organizational level

In an age of big data and rapid change, senior leaders must rely on the teams around them to help distinguish what is of strategic importance from “the noise.” While shifts at the organizational level are time-intensive, companies will see fast benefits by establishing strong learning teams — multidisciplinary groups assembled to teach and learn from each other. With its smaller scale, a team-learning process can be created over the course of a few months. Learning teams should spur networking and leverage the talents and knowledge of their members, making it beneficial to have representation from a variety of functions and backgrounds. The best learning teams are able to collectively problem solve, experiment and enact best practices based on their findings. They also proactively share information with and listen to one other, supported by guidelines that ensure information is offered and accepted respectfully. Strong learning teams can also acknowledge collectively or as individuals when they do not know enough about an issue without negative impact. They may have an acute awareness of whose knowledge is deeper in a given area and reflect that in discussions.

Organizational culture and structure are also crucial in nurturing learning intelligence. Organizations that do this well place leaders in situations where they are forced to learn, such as a new type of assignment, and then give them tools to help them learn. Learning-oriented organizations tend to have a systematic approach and infrastructure, with clear definition of roles and an environment that encourages the informal interactions that often lead to mutual learning. Organizations can create an environment that is more conducive to learning by examining people’s reactions: For example, is risk-taking rewarded or punished? Spaces for tacit learning — in calendars, in performance goals and in emotions — further build learning intelligence throughout the organization.

Additionally, regular assessments and the creation of feedback loops within peer groups, the surrounding team and 360-degree relationships, including board members, allow everyone to learn from both successes and failures. Feedback should help the individual understand that applying a different decision-making process is not an arbitrary matter of preference, but can help him or her be successful. Organizations benefit from hiring leaders with high learning intelligence who can serve as an example for the entire enterprise. CEOs have the opportunity to use their decision-making power to make these capabilities come alive and shift the culture. However, senior leaders need realistic expectations: Changing the culture can be a slow process, albeit one with long-term benefits.

An aerial photograph of a paved plaza. The plaza is composed of grey square tiles and a large section of orange square tiles. A small, dark rectangular object is visible on the grey tiles in the upper left quadrant. The image is positioned on the left side of the page, partially overlapping the white background.

Conclusion

The understanding of how people learn and its role in executive and organizational performance will undoubtedly continue to evolve. We have found that senior leaders with high learning intelligence, strong learning teams and learning-oriented organizational cultures are essential in today's rapidly changing environment. Simply absorbing information is not enough; unconscious biases and staunch adherence to one's own ideas can obscure better, growth-producing solutions. Companies that are able to bypass common misconceptions in order to accurately identify and recruit leaders with learning intelligence, as well as build it at every level of the organization, stand at a distinct advantage. Learning intelligence enables senior leaders to make the best possible decisions — and deliver better results for the entire business.

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