The HBR Interview

by Diane L. Coutu

Everyone touts learning organizations, but few actually exist.
*World-renowned psychologist **Edgar H. Schein***
draws on decades of pioneering research to explain why.

The Anxiety of

DESPITE ALL THE TIME, money, and enthusiasm that executives pour into corporate change programs, the stark reality is that few companies ever succeed in genuinely reinventing themselves. That's because the people working at those companies more often than not fail at transformational learning – they rarely get to the point where they are eagerly challenging deeply held assumptions about a company's strategies and processes and, in response, thinking and acting in fundamentally altered ways. Rather, most people just end up doing the same old things in superficially tweaked ways – practices that fall far short of the transformational learning that most organizational experts agree is key to competing in the twenty-first century.

Why is transformational learning so hard? To explore that question, senior editor Diane Coutu visited psychologist Edgar H. Schein at his home in Cambridge, Massachusetts. Schein is the Sloan Fellows Professor of Management Emeritus at MIT's Sloan School of Management and an expert on organizational development. He has been a researcher and consultant to companies such as Digital, General Foods, Royal Dutch Shell, BP, and Ciba-Geigy. Schein is widely believed to have developed some of the most original insights in his field into why people in organizations behave the way they do.

Schein's career began unconventionally: His initial research was done in Korea, immediately following the end of the war there in 1953. Schein closely studied how American prisoners of war had been brainwashed by their captors, and these findings profoundly shaped his work for the next 40 years or so. He applied this knowledge to organizational learning and wrote *Organizational Psychology* (Prentice Hall, 1965), a landmark textbook that helped define the field. He also founded the organizational behavior discipline of career dynamics and evolved the concept of "process consultation," which emphasizes that a business consultant's role is to help an organization help itself. In recent years, Schein has focused on corporate culture and leadership.

In sharp contrast to the optimistic rhetoric that permeates the debate on corporate learning and change, Schein is cautious about what companies can and cannot accomplish. Learning and the change that inevitably accompanies it is a complex process, he warns, often more a source of frustration than achievement for groups and for individuals. Schein dismisses the popular notion that learning is fun; he focuses instead on the guilt and anxiety associated with radical relearning and draws some disturbing parallels between organizational learning and brainwashing. In the following conversation, Schein revisits his earlier work with American prisoners of war in Korea to explain what those experiences can teach us about interpersonal dynamics, learning, and corporate culture.
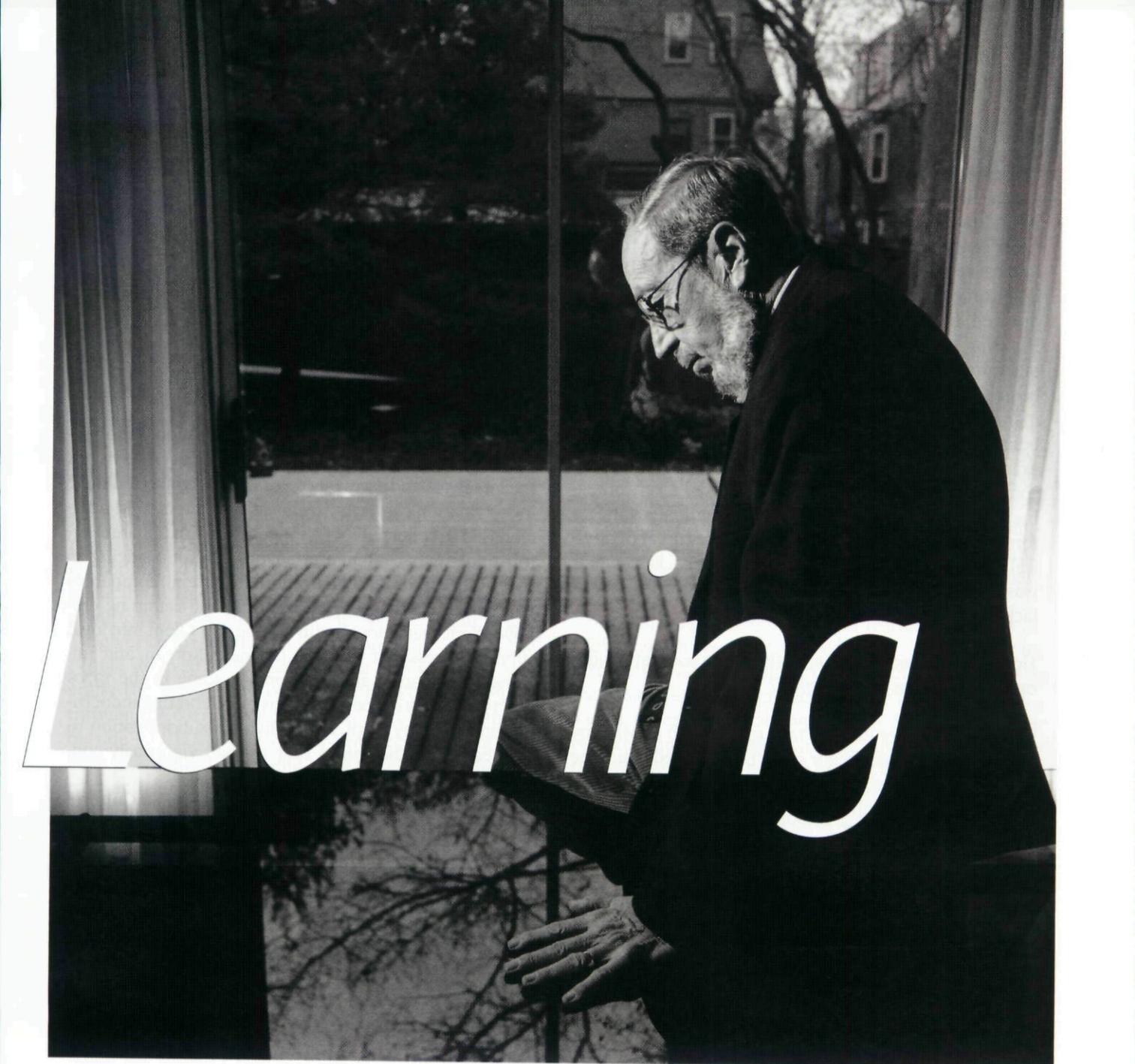
Learning

You helped launch the field of organizational psychology, which then led to your research into corporate culture. What sparked your interest in this field initially?

To answer that, I would have to return to my own childhood. Before I was ten, I had moved from Switzerland to Russia to Czechoslovakia to the United States. Adapting and paying attention to how different people behaved was a necessity for me, so I think it's fair to say that I have been interested in understanding how the group influences the individual all my life. But what really kindled my interest in applying social psychology to practical problems in organizations was my work with prisoners of war in Korea. I had earned my doctorate in social psychology at Harvard under the auspices of the U.S. Army Clinical Psychology Program, so I had to pay back that education by serving three years in the regular army. This turned out to be a true piece of luck. While I was doing research on leadership at the Walter Reed Army Institute of Research in 1953, the military sent all its available psychiatrists, psychologists, and social workers to Korea to help with the repatriation of the thousands of prisoners of war. It was well known that something had happened in Korea that the British journalist Edward Hunter had called "brainwashing" but that I preferred to call "coercive persuasion."

What is coercive persuasion?

Coercive persuasion is when people are in situations from which they cannot physically escape and are pressured into adopting new beliefs. At the time of the Korean War, Americans overwhelmingly believed that some of the U.S. soldiers who had collaborated with the enemy and signed false confessions did so because they had been tortured, drugged, hypnotized, or subjected to some mysterious Pavlovian conditioning. But in fact, as became quite obvious from the stories of these prisoners, the Chinese had been geniuses at coercive persuasion. They magnificently manipulated interpersonal forces in order to influence behavior. If a leader was good at building resistance, for example, he was quickly isolated. The Chinese completely controlled communications. They censored all encouraging mail, broke up groups of friends, disseminated false information to the prisoners, and so on. The threat of physical violence was kept much more in the background. It was generally used only to punish soldiers' insincerity or lack of motivation to learn.

How was your work in Korea relevant to your later work on organizations and learning?

When I left Walter Reed to take my first job at MIT, my mentor Douglas McGregor said, "Ed, we hired you to be a social psychologist, not a management expert. So figure out how social psychology applies to what managers might be interested in."

It happens that in the late 1950s, I found William Whyte's *The Organization Man* and Sloan Wilson's *The Man in the Gray Flannel Suit* – two exposés of American corporate life. Managers, these authors argued, were simply cloning themselves and stifling all creativity. After reading these books, I realized there were many parallels between what the Chinese communists had done to prisoners of war and how American companies were indoctrinating their managers. For instance, companies knew that to socialize employees, they first had to give them golden handcuffs – retirement benefits, health plans, and so on – so they could not, would not, leave. Companies also had to isolate individual employees from their independent social ties. So they sent these people off to corporate boot camps and surrounded them with the messages they wanted to get across.

The similarities really became apparent to me when I gave a talk at General Electric's Crotonville facility, which was unabashedly called "The GE Indoctrination Center." And GE wasn't the only one to initiate its people. IBM, for example, had established a huge orientation program for its sales organization – I still have a copy of the IBM songbook. I was so impressed with these companies'

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indoctrination methods in the late 1950s that I once had a crazy idea about writing an article comparing the GE Indoctrination Center, Sing Sing Prison, and the Maryknoll Missionary School, all of which were located within a few miles of one another in Ossining, New York. Although they were producing different messages, all three institutions were deeply involved in indoctrination. Depending on the content of the messages, you called it brainwashing and deplored it – or you called it learning and approved of it.

Do companies still indoctrinate their people?

Yes, but with more subtlety and sophistication. Responding to the public outcry for more individual creativity in the late 1950s and early 1960s, companies converted their indoctrination centers into education centers. IBM actually tried to collect all of its songbooks in an apparent effort to deny that it had ever advocated group singing as part of its corporate socialization. In general, companies were more concerned about finding and retaining creative talent than about brainwashing that talent into loyal submissiveness. But then the Japanese, Korean, and Taiwanese companies appeared on the scene in the 1970s and 1980s. They outperformed us by celebrating indoctrination, company spirit, and individual subordination to the team – all the things that we had vigorously condemned in the U.S. workplace in the 1960s.

Suddenly American business was in shock. Culture-change programs became the order of the day. And to the extent that these programs require a shared commitment to new values – as well as punishment for those who depart from them – they constitute coercive persuasion. Consider GE. Jack Welch made his goals for GE nonnegotiable: If you wanted to stay at the company, you had to learn what he wanted you to learn. Heavy socialization is back in style in American corporations, though nobody is calling it that. We seem to have come full circle.

Isn't it rather extreme, though, to compare the learning done in companies with the brainwashing done in POW camps?

Well, to understand the comparison better, I think it helps to go back to the Chinese origin of the word "brainwashing," which is *xinao,* or cleansing of the mind. Xinao was the way to teach people how to give up their middle-class attitudes and adopt a proletarian point of view. So the idea of cleansing the mind is less negative to the Chinese than it is to us. But it still implies that you have to replace something that's there with something new. So this replacement process involves force if the learning has been imposed by the employer rather than chosen by the employee.

Think about it: Once you've established your attitudes about work and life, you don't particularly want to change them. It's just not a joyful process to give up your values and beliefs. If somebody comes along and tries to change how you think, you're likely to walk away unless that person can somehow hold you back. This is where coercion enters the group learning process. Organizations have all kinds of ways to convince people to stay around until they've learned what they are supposed to learn. Again, think of the golden handcuffs that keep employees tied to an organization.

But surely the coercive persuasion used in companies is rather benevolent compared with the tactics used in prison camps.

It may seem that way, but many people internalize a company's coercive practices, particularly in economies where it's not so easy to get another job. They become afraid to make the wrong move. More important, there's always going to be a large group of people who are willing to pay a high price for stability. In the prison camps, 80% of the people survived the ordeal by being passive. That's generally the way it is in organizations: People hang on through the coercive pressures that once came from the outside – a CEO's directives, for instance – but have now been internalized. In the end, most people rationalize the pain and simply learn what they're supposed to learn. That's the brilliant insight behind political scientist Karl Deutsch's often-cited remark that power is the ability not to have to learn anything.

Did a profile emerge from the POW camps of an "ideal learner" – someone who easily changes to new points of view?

The research showed that you could not predict who would be the ideal learners – in this case, the collaborators. When the military was deciding after the war which POWs had resisted to a heroic degree and which had collaborated with their captors enough to warrant a possible court martial, they found that roughly 5% to 10% of American soldiers fell at each end of that distribution. But, astoundingly, the resisters and collaborators had similar psychological profiles: Both groups were composed of individuals who felt they needed to take action in any situation. Together, they differed from the remaining 80% or so of prisoners who had tried to survive by remaining passive. Interestingly, we could not find any definitive psychological variables that distinguished the rebels from the collaborators, but the ability to resist, in anyone, seems to be very much a function of having an audience. In Korea, for example, few people were willing to make false confessions if that meant disgracing themselves in front of others in their group. It's the social link that gives people the strength to resist, which is why the Chinese typically isolated the people they wanted to change – and why large companies try to do the same thing.

So far we've focused on how individuals learn. How do organizations learn?

The phrase "learning organization" has become a handy label to talk about almost any company. The fact is, we don't know a lot about organizational learning. Sure, we know how to improve the learning of an individual or a small team, but we don't know how to systematically intervene in the culture to create transformational learning across the organization. For instance, we've discovered that a lot of individuals learning the same thing does not automatically mean that the organization as a whole is learning. Indeed, what often happens is that individuals' lessons take them in quite different directions, and the organization then has to coercively coordinate their separate efforts.

A classic case of uncoordinated learning occurred at Digital, which was very successful in its early efforts to teach employees to think for themselves. As a result, Digital had three separate projects running for building a PC, and there were heroic attempts to coordinate those three projects. But each project manager thought he had the right answer, so each product group went ahead and produced its own computer. In the end, all three efforts failed. Clearly, transformational learning requires something much more than profound individual learning. Indeed, one of the greatest business challenges is to find some models for how a whole organization can learn.

You seem to imply that learning – for both individuals and organizations – is based on pain and coercion. Do you really believe that? What about the mimicry of children or the creativity of artists?

I believe that all learning is fundamentally coercive because you either have no choice, as is the case for children, or it is painful to replace something that is already there with some new learning. Let's not forget that kids' learning is entirely based on having to negotiate an environment that is almost totally controlled by others. Indeed, the family is probably the best example of indoctrination there is; we totally manage the milieu of kids so we can imbue them with the value system we want. As for intellectual curiosity, I believe it is just the product of earlier anxieties.

Imagine for a moment a person who is an excellent pianist. We may believe that this is because he has a great musical gift. But I'm willing to bet that somewhere along the line, someone made that person feel that it would be to his advantage to practice the piano. Or he might have been made to feel that wasting a great gift was immoral.

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So it might very well have been fear or guilt that got the musician going to begin with.

That sounds very pessimistic. Is there some way to promote learning without all the blood, sweat, and tears?

No, because there's an inherent paradox surrounding learning: Anxiety inhibits learning, but anxiety is also necessary if learning is going to happen at all. But to understand this, we're going to have to speak about something managers don't like to discuss – the anxiety involved in motivating people to "unlearn" what they know and learn something new.

There are two kinds of anxiety associated with learning: "learning anxiety" and "survival anxiety." Learning anxiety comes from being afraid to try something new for fear that it will be too difficult, that we will look stupid in the attempt, or that we will have to part from old habits that have worked for us in the past. Learning something new can cast us as the deviant in the groups we belong to. It can threaten our self-esteem and, in extreme cases, even our identity.

You can't talk people out of their learning anxieties; they're the basis for resistance to change. And given the intensity of those fears, none of us would ever try something new unless we experienced the second form of anxiety, survival anxiety – the horrible realization that in order to make it, you're going to have to change. Like prisoners of war, potential learners experience so much hopelessness through survival anxiety that eventually they

become open to the possibility of learning. But even this dejection is not necessarily enough. Individuals can remain in a state of despair permanently.

How can leaders help their followers maximize their learning while minimizing their pain?

The basic principle is that learning only happens when survival anxiety is greater than learning anxiety. Of course, there are two ways to accomplish that. Either you can increase the survival anxiety by threatening people with loss of jobs or valued rewards, or you can decrease learning anxiety by creating a safer environment for unlearning and new learning. The problem is that the creation of psychological safety is usually very difficult, especially when you're pushing for greater workforce productivity at the same time. Psychological safety is also dramatically missing when a company is downsizing or undergoing a major structural change, such as reorganizing into flatter networks.

Most companies prefer to increase survival anxiety because that's the easier way to go. And that, I think, is where organizations have it absolutely wrong. To the extent that our present managerial practices emphasize the stick over the carrot, companies are building in strong resistance to learning. That's very predictable, because in most organizations managers bully their followers to learn – or else. Then when the latest corporate change program turns out to be just another case of the manager crying wolf, and he gets fired as a result, employees settle into a wait-and-see attitude. If leaders really want workers to learn new things, they have to educate them about economic realities in a way that makes their messages credible. When management gains that credibility, it can create the kind of anxiety that leads to a safe learning environment.

In this respect, it's important to distinguish between forcing people to learn something they can see the need to accept – such as new computer skills – and asking them to learn something that seems questionable to them. There will always be learning anxiety, but if the employee accepts the need to learn, then the process can be greatly facilitated by good training, coaching, group support, feedback, positive incentives, and so on.

In organizations, what creates all the anxiety that gets the learning started?

The evidence is mounting that real change does not begin until the organization experiences some real threat of pain that in some way dashes its expectations or hopes. This threat can come from a number of places internally, including from the CEO, or it can come from competitors. Whatever its source, this threat of pain creates high levels of learning anxiety and survival anxiety, ultimately prompting the organization to launch a serious change program. Not surprisingly, it is often the CEO and other executives who feel most threatened by any new learning because it reveals their behavior to be dysfunctional. However, I would like to emphasize that unless leaders become learners themselves – unless they can acknowledge their own vulnerabilities and uncertainties – then transformational learning will never take place. When leaders become genuine learners, they set a good example and help to create a psychologically safe environment for others.

Would you say that learning needs to start at the top then?

Not at all. Commitment and change at the top certainly increase the chances for the transformational program to succeed, but if you study cases of major change in organizations, you'll find that learning most often begins with a small group and only gradually spreads across the organization and then up. In fact, it's rather common for individuals or small groups to make major strides in their own learning before the rest of the organization does. When those learners begin to innovate, however, they make other people anxious and envious, so the organization's autoimmune system rejects them. Indeed, individual learning can be a dangerous thing when the organization's value system and culture don't have enough freedom to allow individuals to do what they need to do. In those instances, we shouldn't expect the organization to foster individual creativity, because that's just not possible.

How can innovative learners protect themselves from being sprung by the organization?

As we learned from the prisoners of war in Korea, resilience is often the ability to make yourself invisible. In organizations, individual learners lie, cheat, go underground – they do whatever they have to do to remain invisible. And in large organizations, going underground isn't that difficult. There is this wonderful story about the guy who was first proposing the PC project to IBM's senior management. He had to get the board's approval for his project and was given only five minutes on the agenda at the end of the day. He was unhappy about this until his boss told him how lucky he was: "Because you only have those few minutes, they are going to hear whatever they want to hear, and your project will go through." The implication is that IBM might never have approved the project if senior managers had given the learners in the organizations careful consideration.

By the way, groups are much better than individuals at surviving coercive pressures, as we can see from another Digital story. An engineering group that was working on

an accelerated computer chip didn't have support from several key senior managers, who believed that the development costs of the chip were excessive and preferred to allocate funds to other projects. Nevertheless, the group members survived by finding other sources of money inside the organization, and they developed the chip anyway. The group's own survival anxiety was sufficient to overcome all kinds of organizational obstacles.

Individuals and groups within an organization can learn new things that run counter to the organization's culture, and these new things can survive. But the crucial point is that this is not organizational learning, because the organization itself did not learn anything. If the organization as a whole is to learn, top management must coercively impose new beliefs and practices on the entire membership.

What can managers do about employees who resist learning?

There are a lot of traps here. Managers have to realize that it's important not to put a value on learning per se because doing that can be dysfunctional. Consider something as ostensibly innocuous as the learning that is supposed to take place at the off-site meetings and Outward Bound programs that many companies now sponsor. These companies force their employees to climb trees all day and then reveal personal stuff to one another at night. It's very strange to think about a bunch of people sitting around the campfire and confessing their problems and their marital pains. These bonding activities seem like a very coercive way to shame somebody into being as open as he can be and then getting him to spill his guts. The idea, obviously, is to create bonds among individuals so they will become a much stronger group, but the camaraderie can come at a cost to the individual, who may prefer to protect his true personality. So yes, the group has learned something. But that learning was coerced, and the resulting new team may be dysfunctional because its members are not necessarily being true to themselves. In fact, there are occasions when individuals do the organization a huge favor by refusing to learn.

Another example of inappropriate learning that comes to mind is 360-degree feedback. In this process, subordinates are supposed to learn to give open and honest feedback to their bosses. But one group of engineers I interviewed had wisely chosen not to tell their boss certain things because they knew he was too fragile to accept that kind of criticism. Instead, they spoke up more during meetings and raised objections to their boss's behavior "in real time." Giving such spontaneous feedback proved to be very effective. The subordinates turned out to know better than the human resources department exactly what they needed to do to get the message across to their boss.

A company's culture clearly helps determine how well people learn. How would you characterize the role of corporate culture in learning, and how can managers influence it?

The term "corporate culture" is frequently misused and misunderstood. We talk about a corporate culture as if it were a thing that can be shaped and molded at will. But culture is much more complicated than that. At a minimum, it factors in the underlying assumptions that people take so much for granted that they don't even think about discussing them – for instance, assumptions about the organization's goals and what the company has learned from its successes and failures over the years. It is at this level that the term begins to have meaning.

Clearly, when we speak of cultural change in organizations, we are referring to transformational learning. The current fads include creating an environment of genuine trust and openness; building flat organizations where employees are truly empowered; and creating self-managed teams. Change of this magnitude requires people to give up long-held assumptions and to adopt radically new ones. And, as we've discussed, this kind of process of unlearning and relearning is unbelievably painful and slow.

Corporate culture *can* be changed. A new charismatic leader, for example, can sometimes come in with a message that changes the culture very quickly. But major cultural change usually takes a long time – 25 years in the case of Procter & Gamble. That's how long it can take to forge new identities and relationships throughout all the levels of the organization. In fact, an imposed cultural change either needs to start with whole new populations of people who already hold the desired new assumptions or it will require painful periods of coercive persuasion.

It may seem far-fetched to the reader that I would compare the coercive persuasion that happened in Korean prison camps with a leader's attempts to institute a major change program. But if that leader is serious about changing the company's fundamental assumptions and values, then he should expect levels of anxiety and resistance comparable to those we saw in the POW camps. The reality is that the same learning techniques – whether you call it coercive persuasion or brainwashing – can be used just as well for goals that we deplore as they can for goals that we accept. But let's also not forget that the use of power and coercion in the service of learning has been with us throughout history. We should focus on the validity of what it is we are trying to teach. If we can justify that, and if we can make individuals comfortable with the learning process, coercive persuasion seems not only efficient but also entirely legitimate. ⊟