

Most executives believe that relentless execution—the efficient, timely, consistent production and delivery of goods or services—is the surefire path to customer satisfaction and financial results. Managers who let up on execution even briefly, the assumption goes, do so at their peril.

In fact, even flawless execution cannot guarantee enduring success in the knowledge economy. The influx of new knowledge in most fields makes it easy to fall behind. Consider General Motors—the largest, most profitable company in the world in the early 1970s. Confident of the wisdom of its approach, GM remained wedded to a well-developed competency in centralized control and high-volume execution. Despite this, the firm steadily lost ground in subsequent decades and posted a record \$38.7 billion loss in 2007. Like many dominant companies in the industrial era, General Motors was slow to understand that great execution is difficult to sustain—not because people get tired of working hard, but because the managerial mind-set that enables efficient execution inhibits employees' ability to learn and innovate. A focus on getting things done, and done right, crowds out the experimentation and reflection vital to sustainable success.

My research identifies a different approach to execution—what I call *execution-as-learning*—that promotes success over the long haul. Think of General Electric, another powerhouse born in the industrial era. Since the 1980s, the company has constantly evaluated its activities, found ways to improve, and built the expectation that learning will be ongoing into management practices. As a result, GE has continued to reinvent itself with operations in every field from wind energy to medical diagnostics, and it posted a \$22.5 billion profit in 2007.

From a distance, execution-as-learning looks a lot like execution-as-efficiency. There's the same discipline, respect for systems, and attention to detail. Look closer, however, and you find a radically different organizational mind-set, one that focuses not so much on making sure a process is carried out as on helping it evolve, building four unique approaches into day-to-day work.

Execution-as-Efficiency	vs.	Execution-as-Learning
Leaders provide answers.		Leaders set direction and articulate the mission.
Employees follow directions.		Employees (usually in teams) discover answers.
Optimal work processes are designed and set up in advance.		Tentative work processes are set up as a starting point.
New work processes are developed infrequently; implementing change is a huge undertaking.		Work processes keep developing; small changes—experiments and improvements—are a way of life.
Feedback is typically one-way (from boss to employee) and corrective ("You're not doing it right.")		Feedback is always two-way: The boss gives feedback in the form of coaching and advice; team members give feedback about what they're learning from doing the (ever-changing) work.
Problem solving is rarely required; judgment is not expected; employees ask managers when they're unsure.		Problem solving is constantly needed, so valuable information is provided to guide employees' judgment.
Fear (of the boss or of consequences) is often part of the work environment and generally does not appreciably harm the quality of execution; it may even motivate effort and attentiveness in those facing an otherwise dull task.		Fear cripples the learning process: It inhibits experimentation, lowers awareness of options, and discourages people from sharing and analyzing insights, questions, and problems.

First, organizations that focus on execution-as-learning use the best knowledge obtainable (which is understood to be a moving target) to inform the design of specific process guidelines. Second, they enable their employees to collaborate by

making information available when and where it's needed. Third, they routinely capture process data to discover how work is really being done. Finally, they study these data in an effort to find ways to improve. These four practices form the basis of a learning infrastructure that runs through the fabric of the organization, making continual learning part of business as usual.

Having studied knowledge organizations—hospitals, in particular—for nearly 20 years, I'd like to offer a new definition of what successful execution looks like in the knowledge economy: The best organizations have figured out how to learn quickly while maintaining high quality standards.

## What's Wrong with Execution?

Most management systems in use today date back to a manufacturing-dominated era in which firms were organized to execute as efficiently as possible. Throughout the twentieth century, the core challenge factory managers faced was controlling variability. In their approach to large-scale auto manufacturing, for example, pioneering thinkers like Henry Ford and Frederick Taylor sought to parcel out simple, repetitive tasks to people on an assembly line to reduce the likelihood of human error while producing as many cars as possible. Later, manufacturing managers adopted tools such as statistical process control to help make sure the job got done right, every time. For a long while and in many circumstances, management systems that were focused on execution-as-efficiency worked brilliantly, transforming unpredictable and expensive customized work into uniform, economical modes of mass production.

**Underlying** the notion of a simple, controllable production system was the notion of the simple, controllable employee. In the factory model of management, it was easy to monitor workers and measure their output. Because the work itself was not terribly interesting or motivating in its own right, managers intuitively relied on what Freud called “the pleasure principle,” the idea that human beings are motivated to seek pleasure and avoid pain. Thus supervisors used a combination of carrots (more pay for more tasks completed) and sticks (reprimands or the threat of job loss) to motivate employees. These behavioral strategies were very successful, but they produced an unfortunate legacy that still characterizes many workplaces today—an undercurrent of **fear**.

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