



A Conversation with Steve Kerr:

CHIEF LEARNING OFFICER Magazine Catches up with the First CLO

As the story goes, Steve Kerr approached his boss at General Electric, former CEO Jack Welch, with the recommendation to establish a chief education officer position in the organization. Welch didn't go for the new title because that would mean there would be two CEOs, Kerr told *Chief Learning Officer* magazine in 2004. Instead, Welch proposed to call Kerr the chief learning officer.

"It's not a trivial difference," Kerr said in the interview three years ago. "If you think of yourself as an education officer or a knowledge officer, the important stuff becomes the knowledge itself, whereas if you think of yourself as a learning officer, then your client is the person doing the learning."

While at GE, Kerr headed the company's Crotonville executive development center. After Welch retired, Kerr joined investment firm Goldman Sachs in 2001 and expanded Pine Street, the firm's learning arm.

Additionally, Kerr has been a faculty member at the Ohio State University, the University of Michigan and the University of Southern California, where he was dean of the business school.

We recently caught up with Kerr, who is now working as director of leadership solutions for LRN, a company that works with businesses to develop ethical corporate cultures, to share his thoughts about the development of the CLO role and what the future holds for learning executives.

CLO: The CLO title, of which you were officially the first, was famously established by Jack Welch. How important was his vision in getting the concept of a chief learning officer established?

SK: It evolved a lot. He had a concept of it, but really, the fleshing out occurred and a lot of changes got made by us as we learned and also by the role as it changed. Things got much more transparent.

CLO: The interplay between the two of you was important in establishing the role. Do you think it was an inevitable conclusion that the role would have come into play?

SK: I think it renamed and reaffirmed a lot of things and didn't really birth too many. I remember when it got fashionable to copy what GE was doing, so everybody had to have a CLO. Some people really did think about it and benchmarked me and Crotonville. Other people just kind of took what they had and stuck a new name on it — some training managers were now chief learning officers with no change in anything. Some people had the game and not the name, and some had the name and not the game.

I remember Bill Wiggenhorn calling me. He was running Motorola University, and I was running Crotonville. (Good



friend, good guy.) He basically said, “You got me into trouble with my boss.” So I said, “What did I do?” He said, “He came in, waving a copy of the New York Times article, saying, ‘Why don’t we have a chief learning officer?’” I said, “You’ve got one. You do everything I do. You just didn’t think to label it.”

To the extent that it wasn’t all in stone in 1994, it was inevitable. Things happen that good organizations have to anticipate or at least quickly react to. And that would have happened irrespective of whether this name got chosen.

CLO: How did learning and development contribute to the success of both GE and Goldman Sachs and, in general, to the broader corporate culture?

SK: There are a number of aspects to the question. When you have a strong bench culture, it’s mostly a good thing. You aspire to have that. It does a lot of good things. And both GE and Goldman have those. But some of the costs are that you do become more insular — you become more protected from outside views. And these things are pretty important. You do need to work especially hard to bring in outside views, different ways of thinking about how you make decisions or motivate people or organize yourselves. And that can be an important role that a CLO will play.

Then, you add other factors. Both organizations, GE and Goldman, are global, so it isn’t the old “management by walking around” — you don’t walk across time zones. In fact, when they first came to see me (the top people at Goldman who recruited me), they basically said, “We’re not apologizing for leadership development. We’re proud of what we’ve done.” They named [John] Corzine, who was then a senator and is now the governor of New Jersey, and they named Robert Rubin, who was Clinton’s Treasury secretary. And they named other people, but they said, “It doesn’t scale very well. We have an old-fashioned apprentice model, and it’s labor-intensive. We’ve got to be able to do it more rapidly.”

Goldman, and GE before it, became bigger (in Goldman’s case, they went from something like 8,000 to 24,000 people in a

relative hurry). As you become more global and couple that with a so-called dense culture, this isn’t going to happen by itself. Even if somebody gets a new idea, you need channels to move that stuff around. That’s why these things are especially important at GE and now Goldman Sachs.

CLO: It sounds like when the learning function is really working the way it should, that it’s aligned itself with the business and has a real strong grasp on what the needs of that business are going forward.

SK: You couldn’t be effective without it because one role is to bring in ideas from the outside. You can do that without knowing much about the business model. But then the second part of the job is to adapt it and make it useful to the host organization.

We use as an example: The human body needs an organ like a liver or a kidney transplant to survive, but sometimes, the immune system fraudulently kicks in and rejects it. And that can happen with ideas that the organization really needs to survive and grow, and yet, there’s all this resistance. That’s where, if you don’t know the business model, you don’t know what they’re doing and can’t speak their language. In academia, you go in and say, “Wow, I’ve got this exciting new thing called managing by analytics or mass customization. Let’s talk about it.” And you make it relevant by saying it’s going to be tested on the midterm, and all the sudden, there’s a high interest level. But you can’t do that in the corporate world — they’re not interested in a new approach. They’re interested in good people leaving, cost reduction, top-line growth, more innovation. So, you really have to do a lot of framing and make this thing popular so that the host organization doesn’t reject it.

The final part is, once it’s in, you have to be the catalyst to move it around to different parts of the organization. Again, in a big, global organization, it doesn’t happen easily by itself.

CLO: Looking now from a forward-leaning perspective, you were given the title of chief learning officer more than 10 years ago. How do you think the role has evolved?



SK: It's evolved differently in different places. In GE, Welch was really a hands-on kind of person, and he liked to get key leaders around and press the flesh and communicate one on one. The online stuff, e-learning and all that, wasn't really the main part of what we did. We did some. We weren't ignorant, but it was never the centerpiece — high-touch as opposed to high-tech, if you will. The way the thing took off in GE, it was much more personally based. The technological changes mattered to everybody, including me and GE and Goldman, but it mattered less to me than to others who were quicker to seize upon it.

One direction some people have gone is to really embed the chief learning officer in much more online, distributed learning. Others have been more responsive than me about tailoring it to different global presences. We had some skills courses translated in different languages, and we translated some stuff so, again, it's not zero. Some people have really used the CLO platform to really be a battering ram for globalization for the firm, and others have taken it down a technological route. So, in my world, it's evolved plenty. But it's been less of a revolution than you'd find in other companies along the lines that I've described.

CLO: You mentioned technology, and that's something that's become more prevalent in a lot of CLOs' minds. But what are some of the things that were important to you back when you first starting doing this role that are still important now, and what are the issues that are still top of mind for learning leaders?

SK: I think these changes are more of "the how" than "the what." Again, it goes back to the way Welch first conceived it. There were two parts to the definition. I think those haven't changed. One, if you remember, I had gone, and I had said, "I'm going to be a chief education officer," because that was the suggested title for the bundle of stuff I had got out of that first Crotonville meeting. And Jack basically said, "Education is a noun, information is a noun, knowledge is a noun. If you think of your job that way, then your client becomes 'the stuff,' the knowledge itself or the information itself, and your job becomes storing and protecting it and moving it and transporting it." He said, "If you use (learning), then you won't get mixed up. You'll remember that your client is the people doing the learning, not the stuff itself."

That hasn't changed as the one of the fundamental ways of thinking about my job from the beginning. And the other thing was the old equation of "ability x motivation = performance." You've got to make them able, you've got to make them want to. And Welch contrasted me with Gary Reiner, who is a very good, very competent chief information officer, but he said Gary's job is really involved in people's ability to share and benefit from information. Welch said, "In my experience, the most important reason people don't share information is because they don't want to. If that's the problem, you can get the fanciest hardware going, but no one is going to change that attitude just by that." He said, "Let Gary worry about people's ability to communicate and share information. You look at what's in the rewards systems, what's in the norms, what's in the way we structure the silos, what's in the air, what's in the politics that makes people reluctant. Why is it that

we have to intervene in what ought to be a natural lifelong learning kind of curiosity?"

That became the conceptual underpinning of my job and, of course, that's remained. And if you look at your job that way, then globalization makes it a little harder, technology makes it a little easier, but the point is, it doesn't change the basic nature of what the job is.

CLO: Changing people's behavior is critical to that and critical to the CLO role, but how has the audience for training changed in the last 14 years? Are there special considerations CLOs have to think about now that they didn't necessarily need to at the beginning of the role?

SK: One of the many consequences of what's happened technologically is that the ability of the top to direct and control and limit and explain the information has really been sharply reduced. You go into a Web site, and most companies now have alumni or critics who think of snide names, and they put their views out there.

By the time you get out there to try to explain that you've had some questions about the way you did stock options, to take one example, it's on 25 Web sites, and people have discussed it. It's all out there. It's not a revolution in favor of greater accuracy. In fact, it might have gone down. But the point is, it's the greater speed and the greater transparency.

So, the audience over the years has become everyone. At GE, I think we had 5,000 or 6,000 people who had come through my shop out of one-third of a million. At Goldman, I had the managing director population and some small percentage of vice presidents.

My point is, the way the thing is evolving, every employee becomes the focus. And as we say, maybe everybody can't make you lots of money, but anybody can ruin your reputation. That goes back to the point I made about transparency and speed and the rest. I think there really is more of a reach-out, broadly determined.

The other thing is this notion of "boundaryless-ness" that I helped popularize when Welch was making that the *raison d'être* for GE, to be the boundaryless company. So, not only is your audience expanded as a chief learning officer from some elite group at the top to everyone, it's also expanded well beyond the walls of the organization. And Jack always challenged us. He said, "If you do your job right in terms of being boundaryless, you will not be able to say where you stop, and the environment begins or the outside world begins." If you aren't into the paradigm, you think that's crazy — what an odd, impossible thing! But once you have customers participating in your 360s and outsiders sitting on your boards, and your customers are sending ship signals to your factories without even letting you know that they're low in inventory, and training where the executives from our clients are participating simultaneously with us in the same session, that's really different in terms of reaching audiences you never thought of. I think those are some ways the job has morphed beyond what it used to be.



CLO: If the audience is everyone, and information is less controlled, and the walls are broken down, how do CLOs remain vital, an integral part?

SK: I think you do it in the way you used to do it. Back to what I said earlier, you've got to know the business model. You have to go in making the case that you can be helpful. I was lucky in that I was positioned by Welch and then by Goldman — I worked with the top people. At GE, I was a member of the corporate executive council. I sat in that group for my whole seven years on the job.

You're always in there, not only with some credibility that that gives you, but you're listening firsthand to the problems they have, the opportunities that develop, the way in which they say their people need help. You can get in that way, and if you can't, then you're three steps down, sitting in another building, always trying to tug at their seat to get attention. It doesn't make it impossible, it just makes it a lot harder. But in general, it's Marketing 101: You always have to tell somebody what's in it for them, not what's in it for you. You can't go in and tell everybody that you're excited by some new concept or academic model — you have to show them that this stuff is useful in addressing their issues.

CLO: What does the future hold for the CLO? What are you seeing now that leads you to a general idea of the direction that it's going?

SK: It's going many directions. Among the directions it's going are the right ones. There might be things I don't see, but the things I do see, the trends I've mentioned toward greater inclusion among the workforce, toward greater use of the technology, toward greater reach-out to the external constituents — all that's good stuff. I'm not smart enough to see bold new trails that no one is doing because if I'd seen them, I would have been doing them myself.

But to answer your question, there'll be more standardization around the things that are right to do, that are important adds for the job. And less, therefore, just masking it by changing the title and leaving the old duties in place.

There's more of a legitimacy, and this isn't just me being profound. This is what happens to professions about 10, 12, 15 years out. They begin to have codes of ethics. They begin to have licensing to practice. Wharton (at the University of Pennsylvania), as far as I know, has the first and still only degree program aimed at legitimizing pursuit of a chief learning officer degree. It's a joint effort between Wharton and the Graduate School of Education. That kind of thing is what you see happening in various branches of engineering, even medicine. The testing of ideas and the bringing together of people and deciding, "What are you going to teach, and what are you going to test on?" and the market will decide. You will move toward more uniformity, toward the good parts of the CLO, and away from the fads and away from the side of people who merely changed the title and thought they had met the need.

It's beginning to find its own voice, its own standards, its credentials, its body of knowledge. That's what's going to happen going forward. The parts that are not value-added are going to drop from the curriculum — they're not going to be peddled at

Wharton, and they're not going to last. The good parts are going to become part of the job, and the job will move toward more of a uniform set of expectations, and we'll come to learn together — Which CLOs are adding value in the most important ways? — and those will emerge as best practices.

CLO: So, tell me what you're doing now.

SK: Well, it turns out, if you offer two days a week to six or seven people, it becomes more than full time. I should have done the math before I did that. I wasn't looking to retire. Technically, I'm retired from Goldman, only in that my status changed. I'm still there, but I'm part time. I don't have day-to-day responsibilities. I still work a lot with Goldman clients, which was always a big part of my job. I do some development and training myself.

I also work with LRN, which started as a legal online training development organization. People are doing a lot more compliance, but they're not getting a lot more compliance. The idea is, what can you do to get cultures that will be legally compliant but also will become more self-governing, more transparent? That's very interesting to me. Again it's part time. Nothing is more than half time. I'm writing a book also, and I'm doing some odd jobs. I do some consulting projects, I do some public speaking. I'm still on five nonprofit boards. And I'm also working as a senior adviser to Homeland Security. So, if you add that up, I think it adds up to more than full time.

CLO: Sounds like a very active retirement.

SK: It is. I never had a sense of direction — I'm no one's example of how you choose a career. It's funny, people in academe see me as risk-oriented. I'm willing to leave academe to go work for tough guys like Welch. I'm just scared of the opposite — I'm afraid of (being) the person who didn't get into IBM early, the Beatle who left the group just before they made it. I'm just afraid of missing something really interesting, so I tend to overcommit and trust that somehow it'll work itself out. So, I'm in a bundle of things, but I'm enjoying it a lot and hope I'm adding value.

CLO: My last question for you: Is there anything you'd like to say to the learning executives out there?

SK: It all sounds corny in print. It really is important work. You get discouraged sometimes. It is more amorphous. Even within HR, it doesn't have the sense of specificity. If you're HR, and you do wellness, or you do employee relations and manage out difficult employees, or you do rewards and comp and get people paid on time, or you manage union negotiations — there are parts of HR that feel more tangible. And, of course, in the divisions that make the money, much so.

But it really is important work. It's a great profession. It didn't start with the naming of the job. Again, it always sounds corny in print. It's great to be involved in people's learning. They grow professionally. It does help the company if you do it right. It's really a very nice business to be in. ■

— Mike Prokopeak, mikep@clomedia.com