



Influence and Efficacy of Leadership in Learning Organization

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ABSTRACT

The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn. – Alvin Toffler. Constant change is the way today's business organization function, in which continuous learning is the foremost aspect that can sustain the growth of every organization. When people are tuned to the mindset of learning environment, over time and through experience, leaders will be able to give their companies a significant competitive edge which will become as learning advantage for the organization. The system of continuous learning, nourishing the spirit of passion, reinforcing learning among employees in the organization can be made through by effective leadership. The leader can achieve his vision towards learning organization through influencing his people. The learning organizations should become more like communities that create larger commitment to deliver high performance, remain competitive, maintain levels of innovation, improve the corporate image, respond to the societal changes of business etc. Matured organizations like Wal-Mart, TATA, Bharat Forge, and Infosys are serious towards creating a learning culture. The primary purpose of the paper is to exhibit the scope of learning organizations and the seven paradigms such as creating an adaptable culture, shared vision, providing individual consideration, intellectual stimulation, action centred learning systems, contingent reward and growing talent that will help the leader to be a catalyst in creating a learning environment.

Keywords : Leadership, Learning Organization, Reward, shared vision, knowledge sharing, talent

Introduction

The ultimate criterion for organizational performance is its long term survival and growth. Future is for the organizations that are highly responsive and are ready to meet the challenges of the business world. Therefore, business leaders have to focus in equipping organizations to remain proactive and competitive by enhancing a continuous learning environment.

Organizational Learning means the process of improving actions through better knowledge and understanding. A competent workforce is essential for success. There can be no alternative for a competitive labour force that can ensure the success of future organization. Whilst we need employees to take responsibility for their own learning and become knowledgeable to do their job, the irony is that organizations are unable to release employees for learning and also they are concerned on investment in terms of money and time. Learning at the organization levels should include both the adoptive and innovative response to the environment (Hedberg, 1981). According to a recent report from Hay group study, India tops the attrition chart in 2013. In the next five years, 49 million employees are expected to leave their employers globally. These figures stand as a threat for organizations to invest in training. Yet, thoughtful leaders realize the need to articulate the learning culture. The only sustainable competitive advantage an organization may have today is the ability of employees to learn faster than the competitors.

Peter Senge postulates that, to become or to grow as learning organization the organization has to make certain fundamental changes in the set of attitudes, values and practices that supports the process of continuous learning within the organization. According to Peter Senge (1990:3) learning organization are: organizations where people continually expand

their capacity to create the results they desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together. A true learning culture continuously challenges the way things are done, keeps the employees motivated to take higher tasks and responsibilities. It promotes regular improvement and organization acquires the capacity to change. Watkins and Marsick (1993, quoted in Watkins and Golembiewski, 1995) define "learning organizations as the one that learns continuously transform itself. Senge believes that learning organization exists primarily as a vision in our collective experience and imagination (1994).

Following are the common ways through which organizations develop their learning environment:

- The top level commitment towards organizations to dramatically increase the organization ability to learn
- Promote informal and social learning among employees
- Recognize and reward learning
- Promote team based approach in learning

Matured organizations like Wal-Mart, Hewlett Packard, and British Petroleum etc have scrutinized the future and are sensitive towards building tomorrow's leaders. Companies like Tata, Infosys, Bharat Forge have superior learning processes and have not only grown in India but also have gone in the books of the world business market.

Learning in Organizations

The Walton Institute, the learning institute of Wal-Mart provides an educational environment for Wal-Mart leaders from around the world to learn more about themselves and their unique company culture. They concentrate towards honing management and leadership skills of their people that pro-

mote them to develop their talent. Since the opening of the Walton Institute in 1985, nearly 25000 Wal-Mart managers have attended more than 600 classes in Brazil, Canada, China, Mexico, the United Kingdom and Japan. They also have Wal-Mart University, programmes like Stores of learning, Regional Leadership Champions, eCornell (Education learning platform offering programmes at various market and regional level), Sam's Club University, Logistics University (the first corporate university formed by Wal-Mart Stores Inc) etc. The new Wal-Mart learning organizations have started with competency models that will calculate the ROI (Return on Investment) metrics which will be highly reliable measure for the organization.

British Petroleum is one of the organizations where learning is a mainstream activity. They have knowledge managers appointed for every business unit, who identify, review, reassess and document the best practices that could be adopted by the rest of the organization.

3M works with the objective of becoming the most innovative company across the globe. They believe that if necessary learning systems of their organization rightly fall in place, there is no room for failure. 3M allows employees to devote up to 10 percent of their time in research and development. This organization has developed a culture which is open for learning and where individual differences are valued and leveraged. They have developed course offerings based on Iceberg Model which is presented to all new employees in their orientation to 3M.

In the process of developing future leaders, 3M gives significance to the representation of qualified minorities and women in leadership positions. They also provide mentoring programmes to the employees to bring personal and professional growth.

Goodrich, Kirin Brewery, DuPont, and PepsiCo encourage experimentation whenever possible. Sony sets a "sunset," or end-of-life, date whenever it introduces a new product, thereby triggering immediate work on developing replacement offerings. The company's objective is to create three new products for everyone that it phases out, whether incrementally improved old products, new spinoffs from the original, or an entirely new product. Learning organizations in future will become as a tool to retain their talent pool.

The Seven Facets of leadership in learning organization

Being examined about the significance of learning in future organizations, following are seven facets encapsulated from previous researchers that will support the leadership team in creating learning organization:

Adaptable Culture

With incredible changes happening in the business world every day, it is the natural tendency for the organization to undergo change. The leader should create an organization culture where there is high potential to learn, unlearn and relearn. Adaptability characterizes the learning organization (Bass, 2000). Organizational culture is possibly one of the most critical strategic factors in determining an organization's ability to grow, prosper, and last. It can also contribute to an organization's marketing brand image and brand promise, which can have both positive and negative implications (Hofstede 1993). Schein (1992, p. 12) offers a more formal definition of culture: "a pattern of shared basic assumptions that a group learned as it solved its problems of external adaptation and integration, that has worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems."

Huber (1991) considers four constructs that is linked to organizational learning – knowledge acquisition, information distribution, information interpretation and organizational memory. All the four constructs requires an adaptable organization

culture which is open minded to acquire the learning, share, interpret to their needs and function and also adapt into the organizational memory which becomes the organizations value system. Huber (1991) clarifies that learning need not be conscious or intentionally made. It should rather develop as a part of their culture.

In an adaptable culture, the organizations has to continuously operate themselves by experimenting, re-examining their processes, conduct frequent analysis in their goals, domains, structures by reviewing themselves with past track record of their success and by benchmarking with other organization (Nystrom et al. 1976; Hedberg et al. 1976; Starbuck 1983). Adaptability is the ability to change (or be changed) to fit new circumstances is a crucial skill for leaders. The leader must himself posses the competency of adaptability which when spread creates an adaptable organization culture and develops as the sustainable advantage of the organization. A 2008 study conducted by the Economist Intelligence Unit, entitled Growing Global Executive Talent, showed that the top three leadership qualities that will be important over the next five years include: the ability to motivate staff (35 percent); the ability to work well across cultures (34 percent); and the **ability to facilitate change (32 percent)**. The least important were technical expertise (11 percent) and "bringing in the numbers" (10 percent). A high performing organization or leader have the ability to perceive and respond to the environment, customers and restructure and institutionalize behaviours and processes that allow them to adapt. The concept of adaptability is growing as a pertinent business attribute.

Adaptable leaders encourage employees to receive and interpret signals from the environment and to translate them into internal changes that increase the chances for survival, growth and development (Dension leadership Development Model, 1993).

Shared Vision

Weick (1991) argues that in a learning organization all individuals give same response to the different stimulus. Individual learning may contribute only individual success. Organizational success is merely contributed when all employees share common mind towards attaining the vision. The rate at which the organizations learn may become the only sustainable source of competitive advantage (Senge, 1990). Therefore to create a collective learning mind, to share the purpose with larger talent pool, the leader has to practice workplace freedom in sharing his vision so they become voluntarily tuned to the organization mission. This top level commitment from the management will pass on a message to employees that the organization is highly interested in creating a learning environment and values individual learning. The leader has to create a co-operative learning environment by sharing his vision with all the levels of management. The leader makes each one responsible for acquiring and transferring information.

Senge (1990) proposes that a leader is responsible for the learning organization. The leader's role is that of a designer, teacher and steward who can build a shared vision and challenge the present condition of the organization. Shared vision involves communication of the unseen future pictures of the organization, that foster genuine commitment among employees in building the organization. It encourages mental models that allow organizations to transcend linear thought and grasp collaborative thinking, problem solving, and learning through a common team directional map (Senge 1990). Shared vision fosters risk and experimentation within the learning environment towards organizational knowledge development, organizational adaptation, organizational renewal, and longevity.

Peter Senge starts from the position that if any one idea about leadership has inspired organizations for thousands of years, 'it's the capacity to hold a shared picture of the future we seek to create' (1990: 9). Such a vision has the power to be uplifting – and to encourage experimentation and innovation. This

will foster long term commitment among employees. When there is a genuine vision, people excel and learn, not because they are told to, but because they want to. But many leaders have personal visions that never get translated into shared visions that stimulate an organization. What has been lacking is a discipline for translating vision into shared vision – not as a document but a set of principles and guiding practices for the company. Each written word in the vision statement should be captured into the work practices of the company. The practice of shared vision involves the skills of finding shared 'pictures of the future' that foster genuine commitment. In mastering this discipline, leaders learn the counter-productiveness of trying to dictate a vision, no matter how heartfelt. (Senge 1990: 9)

Visions spread because of a reinforcing process. Increased clarity, enthusiasm and commitment rub off on others in the organization. 'As people talk, the vision grows clearer. As it gets clearer, enthusiasm for its benefits grow' (*ibid*: 227). Where organizations can transcend linear and grasp system thinking, there is the possibility of bringing vision to realization.

Intellectual Stimulation

Intellectual Stimulation is where the leader encouraged the followers to question assumptions and to look at the different view enabling the employees to be more innovative and creative (Bass, 2000). Organizations that multiply its delivery for the customers, means organizations which are quick in learning will be able to adapt more quickly and thereby achieve significant strategic advantages in the global world of business. Successful companies are distinguished by their human capital. It is a very common understanding that learning in an organization will improve the organization performance in future exists (Cyert & March 1963; Jelinek, 1979). Most of the learning does not happen as a result of teaching. Therefore, organizations can only stimulate the intellect of every employee, so that they take personal responsibility for their learning. Intellectual Stimulation describes managers who encourage innovation and creativity through challenging the normal beliefs or values of a group. Managers with intellectual stimulation promote critical thinking and problem solving to make the organization better. The basic rationale for learning organization is that, in situations of rapid change only those that are flexible, adaptive and productive will excel. Here, the leader has to continually think on influencing people's commitment and to bring intellectual stimulation at all levels.

Individualized Consideration

Every employee should be brought in the mindset of treating himself as the CEO of his life and the organization. Only a leader can create good leaders. He should give individual attention to change the language of victim to leadership. Individuals usually have heterogeneous amount of knowledge, skills and capabilities that may vary across the organization (Kalaldehy, 2010). The leader has to identify the right capabilities by providing special consideration. Individual competencies will be both helpful to the organization as well as the individual. Every manager exercising the senior executive leadership position should give individualized consideration and should act as coaches, mentors and advisors to the employees. Managers with individual consideration encourage associates to reach goals that help both the associates and the organizations (Northouse, 2001). Developing the measurements to quantify results, bringing quantitative connections between work performance and revenue earned in terms of impact to the bottom line is the only way for leader to shift the way in which learning is focussed in an organization. It is one of the best ways to ensure the investment in learning initiatives of the organization. It may also be a threat for the organization in being expensive. This will give the employee a personal touch and develops emotional bonding. Individualized consideration is an important component of Transformational Leadership (Bass, 2000). Regardless of the job position and title, the leader must move every employee with his inspiration and individual consideration.

Contingent Reward

Contingent reward refers to the reward systems that are linked to the direct goals and work achievements. Previous studies have discussed the role of monetary rewards in encouraging knowledge sharing in organization. It was found that rewards based on collective performance, the reward creates a feel of cooperation, ownership and commitment among employees. (Bartol, K. M., & Srivastava, A, 2002). The leader can link these rewards to the learning plan as it will act as positive reinforcement. It encourages the employees to enhance their performance and contribute to the organization. The employees are expected to meet metrics that are already set, which may be levels of learning, number of courses to be certified etc. Though the reward is contingent, it must be made enjoyable and personalized to motivate the employees. No intelligent person will either request or expect another to work without adequate compensation, although this may not always be in the form of money (Napolean Hill, 1963). The leader has to develop organizational systems that could continuously reward the employees in the form of bonuses, promotions, profit sharing schemes, engagement activities etc. They can also be appreciated and rewarded for their development of a particular skill that needs special mention, which may not be belonging to his function. Each individual and department is praised, publicized and earn promotions and pay increases for trying and succeeding for the learning initiatives taken.

Action centred learning

When Shell faced dramatic changes in the world oil market, they said, "We no longer saw our task as producing a documented view of the future business environment five or ten years ahead. Our real target was the mindset of the decision makers." Rather than devising plans for the future, they reconceptualised towards learning and worked on the practical implications of possible scenarios. In learning organizations, managers learn from their past experiences rather than being bound to those past experiences. In generative learning organization, the ability of the manager is not measured by what he knows, but by how he knows which the process of learning is. Experience is the best teacher. Organization environment should be so designed to be open for more opportunities to experience various learning process. Nurturing a learning culture within organizational boundaries encourages to continuously learning from each other (Becerra-Fernandez, Gonzalez, & Sabherwal, 2004). This learning process will not only become competitive advantage but also foster ongoing success (Tsai, Yen, Huang, & Huang, 2007). The leader has to institute, interpret, integrate and institutionalize the learning of employees in all the three levels – individual, group and the organization. The leader should recruit employees who have higher inclination towards personal mastery, initiative and persistence, listening ability and openness to change, that could fit into their organizational culture.

The following are ten of the "Active ways of action centred learning in organizations" given by Jane Hart (2010):

- Action learning (Self learning of one's own learning and experiences)
- Logs, diaries and journals (Writing and recording learning as it occurs)
- Simulation and debrief (Group Exercises that tests the learning)
- Shared visioning (The organization's collective mind is known)
- Large-scale events (Events specifically conducted as a part of)
- Appreciative inquiry (Identifying the success contributing factor and appreciating)
- Dialogue (Conversation among employees about beliefs and values)
- Coaching (Creating self awareness thereby improving performance)
- Learning histories (Structured group reflection about past events)
- Benchmarking (Comparing processes of one organization to those of another)

Employees must be made aware that they will not be paid for

what they know. They will only be paid for what they do with what they know. Hence, action towards the acquired learning is more important than acquiring the learning. Action oriented learning approach should be recognized by the leadership.

Growing talent

Previous research studies have strong implications that managerial/ job related learning is confirmed as an important antecedent for the intention to stay and grow in an organization (Amato et al, 2008). Employees provided with good learning facilities and an open culture for developing themselves actually retains in the organization. The opportunity for employees to continuously develop their skills while they work is a biggest asset for today's talent. The leader can grow talent by providing some of the below options:

- Today's talent wishes to be a partner to the business than being an employee. Higher responsibilities and sense of ownership should be transmitted to the employee.
- Action centred learning teams can be formed, where the team focuses on learning out of their expertise. Thereby, multidisciplinary skills can be developed.
- Focus on doing – Given candid coaching, the employees can be put under aggressive stretching job experiences.
- Employees can be encouraged to develop an annual learning plan: At the end of the year, their performance bonuses or promotions can be linked to their learning plan.
- Allow for mistakes: Full fledged learning cannot happen in a zero risk environment.

Learning sessions should be arranged that could lead to dialogue and discussion. This will allow every employee to share his learning's with each other and will also induce fresh incumbents to participate in learning sessions. The 2010 Learning and talent development survey provides data on current and future learning and talent development issues and trends.

Some of the key findings are,

- Learning and talent development specialists are most likely (53%) to hold the main responsibility for employees' learning and talent development, followed by senior managers (33%), the HR department (30%) and line managers (29%). Employees/learners are mostly expected to show 'some' involvement (54%), but few (17%) organisations expect them to be mainly responsible for their own learning.
- The main focus of leadership development activities in the next 12 months will be improving the skills of leaders to think in a more strategic and future focused way, and enabling the achievement of the organisation's strategic goals, as cited by four in ten organisations (42% and 39% respectively).
- Looking more closely at leadership skills, the main gaps identified by employers are performance management

(setting standards for performance and dealing with underperformance), and leading and managing change.

- For almost half (46%) of organisations, the major organisational change affecting learning and talent development in the next five years will be a greater integration between coaching, organisational development and performance management to drive organisational change. For almost four in ten (37%), it will be greater responsibility devolved to line managers.

Leading the learning organization

Peter Senge argues that learning organizations require a new view of leadership. He sees the traditional view of leaders as special people who set the direction, make key decisions and energize the troops as deriving from a deeply individualistic and non-systemic worldview (1990: 340). At its centre the traditional view of leadership, 'is based on assumptions of people's powerlessness, their lack of personal vision and inability to master the forces of change, deficits which can be remedied only by a few great leaders' (*op. cit.*). Against this traditional view Peter Senge sets a 'new' view of leadership that centres on 'subtler and more important tasks'.

In a learning organization, leaders are designers, stewards and teachers. They are responsible for *building organizations* where people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models – that is they are responsible for learning. Learning organizations will remain as a profound contribution to the business world, until people take a stand for building such organizations. Taking this stand is the first leadership act, the start of *inspiring* the vision of the learning organization. (Senge 1990: 340). The ability to learn and adapt will determine the growth of future organization. Hence, in order to remain competitive organizations has to adopt continuous learning strategies. Learning is not compulsory, neither is survival (Edward Deming in Total Quality Management). This learning can be skipped by no organization).

Conclusion

Overall, the leader is regarded to be a catalyst and a moral agent to the achievement of organizational business in future. The leader has to foster a new way of thinking about the role of learning systems in the business and has to develop an innovative framework that will best fulfil the organizational goals. A strong focus on the learning strategy of the organization will be beneficial for the development of high potentials employees with necessary leadership behaviour. The leader has to act as change agent in transforming the organization into a truly inspired learning organization. Thus with all said above paradigms, future leaders can focus towards developing superior learning systems that could be integrated into the logic of the company and developed as work practices of the organizations.

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