Leadership development for learning organizations

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Abstract
While discussions of the learning organization (LO) often center on nuances of its definition and application, little attention has been given to the role that organizational leaders play in fostering goals of becoming an LO. Varied research indicates that leaders may play the single most important role in determining the success or failure of LO efforts, with trust, modeled behaviors, and positive reinforcement critical to gaining worker acceptance and support. This paper recommends that, to improve chances of success, organizations should first attend to developing learning leaders before implementing any LO efforts.

Introduction

Peter Senge has championed the cause of the learning organization (LO), and yet there is little clarity and agreement on what this means today as when he wrote his best-selling book, *The Fifth Discipline* (Senge, 1990). Rather than entering the academic argument about the exact definition or criteria for assessing the success of an LO, I want to discuss the critical role played by senior management with leadership skills in determining the success of LO efforts. Successful LOs have had superior leadership, not management, and the distinction is one that deserves closer scrutiny.

For the purpose of this discussion, a learning organization is considered the embodiment of organizational learning systems. The definition of choice within this discussion on LOs is taken from Pedler *et al.* (1989). A learning organization is "one that facilitates the learning of all its members and transforms itself in order to meet its strategic goals." Transformation is the key component to this discussion, since one cannot learn without changing nor change without learning (Weick and Westley, 1999). Thus, to be a learning organization one must be continuously transformed.

Learning organizations

Much has been written about LOs, what they do to achieve this distinction, the processes they experience, and benefits they reap (Argyris, 1991; Davenport and Prusak, 1997; Dixon, 2000; Nonaka, 1998; Senge, 1995; Wenger, 1998), despite some opinions that one has never existed and becoming an LO is an ideal, not an achievable goal (Easterby-Smith *et al.,* 1999). Absent from the literature, however, is any comprehensive commentary that provides guidance to leaders when attempting to create an LO. Some related work has identified leadership traits that enable knowledge management (Agashae and Bratton, 2001; Antonacopoulou, 1999; Farrell, 2000; Gillespie and Mann, 2000), and specific studies have isolated factors that support or inhibit efforts to become an LO.

Leadership or management?

The concept of leadership is likewise an ambiguous one. Academic and popular literature, leadership training, and frames of reference for scholars and practitioners continue to confuse definitions and examples of leadership despite many years of trying to clarify and secure a common understanding of leadership characteristics. In numerous books and journal articles, leadership is discussed synonymously with management, CEOs, or formal authorities within an organization, as if to be a manager means one is a leader. However, when pointedly asked, scholars and practitioners alike will admit that leadership is not the same as management (see Table I). Thus, one's formal position within an organization may imply an expected role and set of behaviors while not necessarily predicting them.

The function of a leader is to set a path toward a goal and motivate others to follow. In many cases this means taking people where they would not otherwise go without the personal power of a leader to help them. Unlike management, leadership is earned rather than appointed, and depends on followers to sanction it. An obvious truth that seems to be overlooked often among organizational management is that leaders cannot exist without followers and that the members of the team have more power than the leader to make or alter that choice. Leaders are known for behaviors that do not

necessarily conform with the formal authority of a management position:

- Leaders focus on envisioning the organization's future while the manager executes for today's objectives.
- Leaders strategize a course for achieving goals while managers align the resources needed to run the race.
- Leaders inspire followers and motivate them to excel while managers give orders, enforce them, and monitor progress.
- Leaders think holistically, systemically, and strategically while managers attend to the details and tactics.

Thus, leadership is attached to specific behaviors, not organizational positions or titles.

Leadership competencies and behaviors

Given the preceding discussion, leadership competencies become a complex conundrum for becoming an LO, since multiple theories of leadership development abound. But the purpose here is to ask what leadership competencies and behaviors have been shown to be effective in creating and maintaining LOs. A patchwork quilt of evidence has been accumulating in leadership studies that point to the central role played by leaders in affecting the success or failure of LO efforts.

LO theorists and researchers have consistently reported the importance of leadership vision and commitment to organizational learning systems, even though the value of an LO to organizational performance is still unknown (Ellinger *et al.*, 2000). While elements of LO principles and practices can be implemented on an individual or localized level, an LO does not emerge from grass-roots commitment by the rank-and-file but becomes established through the vision of senior leaders who have formal authority to make policy, allocate resources, and set strategic direction (Johnson, 2002; Denton, 1998).

Research has also indicated that leaders who are successful in transforming their organizations into an LO see this as a solution to a real business problem (Johnson, 2002) and approach it from a pragmatic perspective. They may be responding to a research and development unit where drug discoveries have slowed and the need to generate new scientific knowledge is paramount to the organization's survival. A need to diversify products, services, or a customer base could call for new innovations. Or, as is the goal of many organizations in these turbulent times, adapt more quickly and fluidly to constant change.

An abundance of evidence is forming that points to the importance of developing a learning culture before implementing LO initiatives. Organizations striving to be an LO certainly work with employees to generate and leverage new knowledge but implementing an LO strategy at the team level should happen after leaders have shifted their own habits, assumptions, and ways of working so they are prepared to support an LO culture. A learning culture is one where learning is valued and rewarded and elements that impede learning are not tolerated. Achieving this takes a greater shift in thinking and acting than many leaders realize at first, in part because the impediments to learning at work are so ingrained in our assumptions about what work is and is not. The industrial age has left us with many management beliefs that do not perceive learning as productive work, so that activities such as reading journals or sharing work-based stories in the cafeteria are not considered "real" work.

Davenport and Prusak (1997) discuss the importance of permitting unstructured face-to-face interaction for meaningful knowledge transfer and cite a Japanese company that requires employees to spend 20 minutes each day in a lounge discussing the day's events and learning with other employees. As a way of encouraging new knowledge transfer and generation, traditional business meetings are not permitted in this room. Fostering interpersonal interactions remains an LO culture-building challenge for larger organizations that often function in multiple sites across numerous cities or countries. What appears to be crucial for success is that social bonds of communication and trust be built first face-to-face, which can then be supplemented with virtual exchanges in which nuances of electronic communication can be more accurately interpreted (Barker and Camarata, 1998).

Once those bonds are created, management behavior must be congruent with LO principles. According to the authors, a key barrier to creating an environment where

Table I
Characteristics of management and leadership

Characteristic	Management	Leadership
Function	Organize, plan, budget, control, evaluate	Mission, vision, values, culture
Power base	Formal	Personal
Focus	Resource allocation	Human motivation
Approach	Objective	Emotional
Status	Static, assigned	Fluid, earned
Dependence	Higher power to assign	Followers, respect, trust
Purpose	Maintain stability	Introduce change
Serves	Status quo	Evolution, adaptation

the free flow of information is encouraged and supported is the mindset of managers and leaders who have a narrow definition of productive work and have not yet made the mental transition to understanding the strategic value of knowledge creation as well as its critical dependence on human factors.

A learning culture has been described as one where there is care in the workplace (Von Krogh, 1998). When care is high, members are freer with information and less worried about unjust social retribution from others when participating. A high degree of care among organizational members generates trust, and an active exploration of new ideas and knowledge. A high degree of care reduces defensive mechanisms that can interfere with learning (Argyris, 1996) and workplace fear that can contribute to knowledge-hoarding behaviors. Cultures that support learning create an atmosphere of trust where knowledge and opinions can be shared openly without fear of punishment (Gillespie and Mann, 2000; Pillai et al., 1999). Courteous challenges to the status quo are welcomed opportunities to rethink assumptions and learn collectively from reflection.

Numerous sources point to the critical role played by trust in creating a learning culture, the prerequisite to creating an LO, although these varied studies have not been pulled together. Davenport and Prusak report on the importance of a common language for building trust and the role trust plays in facilitating knowledge transfer (Davenport and Prusak, 1997). Argyris (1996) has long held that defensive routines stemming from a lack of trust represent a significant barrier to knowledge transfer and generation. Heavens and Child (1999) studied six international project teams in various industries to examine the degree to which teams function as an intermediary unit between individual and organizational learning. They found that the type and degree of trust among team members influenced team ability to serve this function. Pillai's research identified the key role of follower perceptions of trust and fairness in leadership effectiveness (Pillai et al., 1999) and Gillespie and Mann found that shared values were the primary predictor for generating trust in leaders (Gillespie and Mann, 2000). Thus, trust in leadership, which reduces worker fear and defensive learning habits, is needed for LO efforts to be effective. A commonly used and understood language and minimal differences between leaders and teams appear to help create the needed trust. The relationship among these various studies is illustrated in Figure 1.

Modeling desired behaviors

Leaders may not appreciate the importance of their own behaviors in setting worker

Figure 1
Role of trust in creating a learning culture
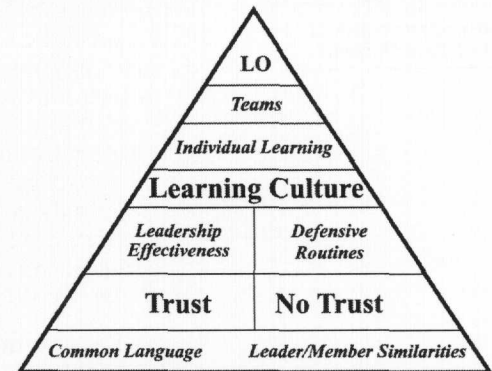
expectations despite evidence that even the most subtle messages of leaders in word and deed are followed closely and emulated by organizational members. Creating a learning environment begins with behavior, not words. It is fruitless to create an LO plan and communicate it if leaders will not model the desired behaviors they expect of others. This means that in all aspects of their behaviors toward their peers and subordinates, leaders need to be aware of how congruent their actions are with regard to establishing learning behaviors and a learning culture.

One of the first needed pieces of the LO infrastructure is a redesign of the reward system in an organization, so the message is delivered in an unambiguous way that leadership is serious about a change. Less important than financial rewards to achieving the LO goal is changing the way leadership and management respond to natural learning curves associated with workplace efforts (Argote, 1999). Research indicates that intrinsic rewards such as encouragement, approval, one-on-one mentoring or coaching, or praise for taking a risk are a greater predictor of employee motivation and willingness to make the effort to establish an LO (Griego et al., 2000). Accomplishing this means changing the way leaders and managers treat learning in the workplace.

Under these circumstances and unrealistic expectations, how can we hope to motivate followers to dream big dreams and take the risks associated with breakthrough performance? Organizations that are determined to become LOs will first help leaders and managers make the transition into an LO frame of mind before asking their teams to join them.

Summary

Scattered across the literature are various theoretical arguments that advocate for

organizational leaders to create a learning culture that fosters innovation, continuous learning, and intellectual growth. What has not been explicitly detailed is the leadership development needed before an organization can fruitfully initiate efforts to become an LO. A review of the relevant empirical research seems to indicate that organizations need first to establish a clear LO vision grounded in meeting a real business need and make certain the organization can create and sustain a culture to support these goals. Leaders in senior management positions must understand the significance of their own behavior in the value placed on learning and realign their assumptions about productive work to support continuous learning and development. The literature further indicates that organizational leadership behavior is the fulcrum upon which LO success or failure sits and should therefore be the first order of business when initiating an LO change effort. They are responsible for leading the organization in creating a culture of trust, openness, and caring needed to support organizational learning.

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