

Hardwiring the Learning Organization

BY JOHN REDDING

Here's a step-by-step guide to conducting an assessment to determine whether your company has the characteristics of a learning organization.

“WHEN YOU measure what you are speaking about, and express it in numbers, you know something about it. But when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind.”
William Thomson, Lord Kelvin

What do such organizations as Motorola, Xerox, Ford Mo-

tor Company, Volvo, Glaxo-Wellcome, National Health Service, and MCI have in common? All have recently conducted learning organization assessments using instruments described in this article and, based on the results of those assessments, are implementing strategies to enhance their capabilities as learning organizations.

The proponents of the concept of the learning organization say it enables companies to anticipate and respond to change quickly. The key premises:

- ▶ Organizations and groups, not just individuals, learn.
- ▶ The degree that an organization learns determines its capability to transform itself to meet demands for fast, fundamental change.
- ▶ A company is a learning organization to the degree that it has purposefully built its capacity to learn as a whole system and woven that capacity into all of its aspects: vision and strategy, leadership and management, culture, structure, systems, and processes.

Advocates say learning organizations are more likely than other organizations to be adaptable and flexible, lack complacency, experiment with and create new knowledge, rethink means and ends, and tap people's potential for learning as a strategic competitive advantage.

The learning organization is an ideal; no pure one exists. Instead of asking whether your organization is a learning organization, ask, "What specific learning organization characteristics does my company need to be successful in its unique strategic context?" And, "To what degree does my company have the characteristics of a learning organization?"

It's not sufficient to copy the approaches used by firms heralded as learning organizations. There is no universal blueprint. Companies must discover their own solutions, not borrow them.

Learning organization assessment instruments can identify, in user-friendly terms, the characteristics of a learning organization. They enable companies to examine themselves and determine to what degree they have the characteristics of a learning organization. Such assessments provide the basis for transforming the abstract, fuzzy notion of a learning organization into specific initiatives and for measuring the results of those initiatives over time.

Here's a step-by-step guide for conducting a learning organization assessment. There's also a guide to learning organization assessment instruments following page 64.

ACTUAL LEARNING ORGANIZATION INITIATIVES

Assessment Category	Elements of Initiatives	Case Examples	Sources
Level of Learning			
Individual Learning	▶ self-directed learning	College-Pro Painters	3
	▶ individual learning plans	Ernst & Young	2
	▶ continuous learning	PPG	2
	▶ processes	Rohm and Hass	1
Team Learning	▶ dialogue	British Multinational Corp.	1
	▶ action-reflection learning	Grace Cocoa	1
		Intel	2
Organizational Learning	▶ strategic-action learning	Motorola Senior Executive Program	3
	▶ project debriefings		
	▶ capturing lessons	Ultrasound Coronary Systems	1
Organization System			
Vision and Strategy	▶ large-group interventions	Intermedics Orthopedics	1
	▶ scenario planning	Environmental Protection Agency	1
		TRW Space & Defense	3
Leadership and Management	▶ action learning	Morrison Communications	1
	▶ leadership roles in modeling learning	Volvo Truck	1
		Xerox	2
Culture	▶ alignment of culture to organizational learning	Swiss Postal Service	1
		General Electric	2
		Honeywell Micro-Switch	3
Structure	▶ self-organizing structures	Johnsonville Foods	1
		ABB	2
Communication, Information Systems, and Knowledge Systems	▶ knowledge-management and transfer systems	Andersen Consulting	2
		Corning	2
Performance Management	▶ linking performance measurements and rewards to learning	Johnsonville Foods	1
		Honeywell Micro-Switch	3
Technology	▶ using technology to facilitate learning	Tennessee Valley Authority	1
		Caterair	2
		Rohm and Hass	1

1 *Creating the Learning Organization*, by Karen Watkins and Victoria Marsick (ASTD, 1996)

2 *The Global Learning Organization*, by Michael Marquardt and Angus Reynolds (Irwin, 1994)

3 *Strategic Readiness: The Making of the Learning Organization*, by John Redding and Ralph Catalanello (Jossey-Bass, 1994)

Note: Researchers Tony Dibella, Janet Gould, and Ed Nevis distinguish among three approaches to the learning organization: normative, developmental, and capability. This article was written primarily from a normative point of view. The guidelines are most applicable for assessment instruments that have a normative orientation.

Steps to success

This process is one approach to conducting a learning organization assessment, based on dozens of assessments conducted by the Institute for Strategic Learning in Naperville, Illinois. Its assessments used multiple instruments with a wide variety of organizations. This approach won't apply to all situations or all assessment instruments. Once you choose a particular assessment tool, you can obtain guides on administering it from the provider.

Step 1: Identify purpose and use. The first step is to clarify why you are conducting an assessment. In most situations, the primary purpose is to determine a company's current status as a learning organization, identify areas for intervention, plan the interventions, take action, and evaluate results. That is typically done through a survey process, in which a problem or issue is identified, a survey is conducted to gather information, results are presented to members of the organization, underlying causes and factors are identified, and improvement plans are developed and implemented. After a while, the survey is readministered to measure progress. If necessary, the process is repeated.

As an HRD professional, you have no doubt had experience planning and conducting needs assessments, employee satisfaction surveys, and culture audits. Many of the same principles apply to learning organization assessments, though there are some twists. (See the box, *Overcoming Hurdles*, on page 66.)

There are also several secondary purposes of learning organization assessments that often prove, in fact, to be as important as the primary aims. One is educating a company on what it means to be a learning organization. After completing a learning organization assessment, many people say that they now finally "have it." When they can describe how their companies' practices reflect learning organization characteristics, the learning organization concept becomes real for the first time.

Another secondary purpose is to engender innovation and creativity. Assessments frequently foster a healthy dissatisfaction with the status

quo. A company may recognize that it needs to be different if it hopes to meet future challenges. Studies at the Institute for Strategic Learning show that less than 10 percent of companies think they have most of the learning organization characteristics described in the assessment instruments.

Another purpose is to encourage dialogue, a common understanding, and the sharing of different perspectives about a company and what it needs to be successful.

In Step 1, the key decision is who "owns" the assessment process. Generally, learning organization assessments should not be an HRD or OD responsibility, though the professionals in those areas can serve as facilitators and resources. But the people who make other key business deci-

■ *Assessments frequently foster a healthy dissatisfaction with the status quo* ■

sions should have the main responsibility. Over time, learning organization assessments should be integrated with a company's strategic planning process.

Many firms establish learning organization steering committees or task forces to represent stakeholders in developing and planning an assessment, analyzing results, and developing learning organization strategy. Our experience at the institute shows that the success of that approach depends on how much the task force or committee is integrated with a company's management structure. If a learning organization initiative is done "on the side" and doesn't involve key decision makers, it is not likely to produce the desired results.

For example, in one health care firm, only one member of the 12-person strategic leadership team was willing to serve on the steering com-

mittee conducting the assessment. When the committee presented its recommendations to the leadership team, there was little understanding or support for the initiative. Moreover, the proposed initiative seemed to compete or conflict with other initiatives the team had endorsed during recent planning sessions.

Step 2: Select tool and methods. In this step, determine which instrument you will use and how you will use it. See the *ASTD Guide to Learning Organization Assessment Instruments* following page 64. Most are self-administered, self-scored, statistically validated, Likert-type survey questionnaires.

The guide divides the items in each instrument into two categories: Level of Learning and Organization Systems, based on the Learning Organization Assessment Framework (American Society for Training and Development, 1995) developed by Martha Gephart, Victoria Marsick, Mark Van Buren, Michelle Spiro, and Lisa Lucadamo.

Level of Learning items assesses learning at individual, team, and organizational levels. Organization Systems items assess various systems based on how much they are structured to support learning. They fall into the following subcategories:

- vision and strategy
- leadership and management
- culture
- structure
- communication and information
- performance management
- technology
- change management.

The guide shows that the instruments vary in how much they focus on the different levels of learning and system subcategories.

Most of the instruments were developed from learning organization models created by the instruments' authors. Although the instruments originated from different models, they are similar in several ways, including the recognition that organizations learn as whole systems; the importance of continuous learning at individual, team, and organizational levels; and the need for a supportive culture and leadership.

The main difference is the varying

perspectives on such issues as whether responsibility and direction setting should be at the individual or organizational level, whether team learning should be differentiated from team work, and whether learning should be valued as an end or a means to achieve business ends.

In selecting an instrument, consider the scope—how comprehensive should the assessment be? An underlying concept of the learning organization is systems thinking. A company should be viewed as a whole system, in which all areas have complex, interrelated effects on each other. Unless you have a compelling reason to limit your survey to one level of learning (individual, team, or organizational) or one system (such as, vision and strategy), you should select an instrument with a broad focus.

A second consideration is values. Values alignment between an instrument and a company is essential for an effective assessment. Whether a firm is results-oriented or people-oriented, the instrument should have the same orientation.

Another option is to customize a standardized instrument. Most developers will work with a company to create an organization-specific tool. Another option is to develop your own assessment tool.

Step 3: Administer and explore results. All members of a company should be involved and share decision making, so the first choice is to administer the instrument to everyone, if possible. When that isn't feasible—for example, in huge firms or when people have been "over-surveyed"—a large representative sample is OK. In deciding the sample size, consider whether you want to present results by subgroups. If so, identify the subgroups (business units, departments, functions, positions, and so forth). Also consider how much variation you assume exists in the population, based on other surveys. Do people tend to agree, or do their perceptions vary widely?

Most instrument providers will help you determine the appropriate sample size and sampling method. It can be useful to administer the instrument not only to employees, but also to other stakeholders, such as customers and suppliers.

Before administering a survey, conduct a pilot test by meeting one-on-one with a few people (five to 10) in the sampling and going over each of the survey items. You can do that with a small group, though there's a tendency for groups to discuss the survey content rather than their interpretations of the items. In group settings, it's also harder to detect any one person's confusion about specific items.

The pilot test may determine that some items should be reworded for clarity or translated into organization-specific terms. A glossary can help, especially if it's repeated on each page of the instrument.

There are two basic ways to administer a survey: People can com-

■ *A company should be viewed as a whole system, in which all areas have complex, inter-related effects on each other* ■

plete it independently or in small groups. Most providers suggest a group setting. That helps clarify the purpose and use of the survey and clear up any confusion about the instructions or terms. It's often recommended that instruments be administered as part of a workshop taking a few hours to a few days. That provides opportunities for immediate feedback, the exploration of results, and preliminary action planning. It also increases the emphasis on the secondary, but important, goals of the assessment. The workshops can be facilitated by assessment experts, or internal or external consultants certified in the particular instrument. Some instruments require only experienced facilitators or trainers using a facilitator's guide.

In individual administration, people complete the assessment independently and return it within a specified time frame. It's recommended to follow up with a focus group

or workshop. Individual administration requires a more thorough pilot test than group administration to ensure that everyone understands the survey items.

Step 4: Develop a learning organization strategy. A critical step in a learning organization assessment is developing a comprehensive, multiyear, companywide learning organization strategy. The strategy provides a systematic game plan for building learning organization capabilities. One element is the degree to which the firm has learning organization characteristics. How prevalent are the characteristics at the individual, team, and organizational levels? How evident are the characteristics in such systems as vision and strategy, leadership and management, culture, and technology? An analysis may show that people in different segments of the organization have different perceptions.

Respondents should answer each survey item two ways: what exists currently and what should exist. A gap analysis can identify the areas where little or no gap exists and areas with the greatest gaps.

For example, the assessment may find that the area in which it is most developed as a learning organization is vision and strategy. That area involves stakeholders in creating a shared vision and scenarios for the future. In such cases, the learning organization strategy might be to expand and institutionalize that capability further by involving customers and other stakeholders in strategic planning.

An assessment may determine that individual learning is an area needing attention. It may find that employees have little responsibility for their own learning, which is perceived to occur only in classrooms and not integrated with real work. In addition, continuous learning is not considered relevant to performance management or appraisal systems. In such cases, strategies would likely focus on those aspects of individual learning and performance management.

The central strategy decisions regarding a learning organization should involve senior management and be integrated as fully as possible in the decision-making, strategy-development process. Broad involvement is also en-

couraged, either by forming a learning organization group with senior managers and others, or through workshops or focus groups that explore the survey results and implications.

Step 5: Plan learning organization initiatives. In Step 5, identify specific "who will do what" actions to build learning organization capabilities. The box, Actual Learning Organization Initiatives, on page 62 shows case examples.

It wasn't long ago that turning the learning organization concept into a reality was often a stumbling block. But a growing body of best-practice, how-to resources and support mechanisms can help us create intervention plans. The resources include case studies, Web sites and listservs, guides and resource kits, regional learning organization networks, and university-sponsored programs. For example, the ASTD Learning Organization Forum provides networking with other pro-

■ **Learning organization interventions typically challenge the status quo and underlying assumptions about the way things are done** ■

fessionals actively engaged in learning organization initiatives.

However, it can be misleading to look at a single approach or case study and say, "That's what we need to do to create a learning organization." What works in one situation can fail miserably in another, for two reasons. One, learning organization interventions typically challenge the status quo and underlying assump-

tions about the way things are done. An intervention can trigger strong defensive reactions. Two, an intervention may be foreign to people and, without careful integration, may be viewed as the latest program du jour.

Here are some ways to address those concerns.

- ▶ Use language that fits the company. If it's suspicious of jargon, keep learning organization terms to a minimum.
- ▶ Build on structures and processes that are already in place rather than introduce new ones. For example, Motorola used an established senior executive program as the vehicle for a new strategy-linked action involving senior vice presidents.
- ▶ Recognize past successes and grass-roots approaches that represent learning organization concepts rather than bring in something new from the outside.

Step 6: Implement learning organization initiatives. This step involves

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OVERCOMING HURDLES

The Noah Principle. "One survives, not by predicting rain, but by building arks."

A learning organization means taking action to build an organization that can weather future storms. It's the antithesis of the boiling frog syndrome, in which a company fails to see that the world has changed and that if it doesn't adapt, it will die. To overcome that hurdle, become a Noah in your own company and, in specific terms, highlight the potential effects of external changes. Ask, "If we continue to do what we're doing, given what's happening in the marketplace, where will we be five years from now?"

Find a few Noahs in line management by identifying the unit leaders who embrace the learning organization concept as a business necessity. Get them to sponsor and champion a pilot learning organization assessment.

The Dilbert Principle. People who specialize in learning organization work often sound as if they're in a Dilbert cartoon because they use such buzzwords as *dialogue*, *double loops*, *mental models*, and *chaos*. Using some special terms may be necessary, but it's more important that a learning organization survey be understood by everyone.

- ▶ Use the minimum amount of learning organization terminology in your survey.
- ▶ Develop or customize an assess-

ment instrument with company-specific language.

▶ Pilot-test all instruments by sitting down face-to-face with some of the people who will complete the survey. Find out whether they think the language is confusing.

▶ Provide company-specific definitions and examples of any terms that might be confusing.

The Elephant Principle. Trying to grasp the concept of the learning organization can be like the fable in which blind men try to describe an elephant, each by feeling only one

■ *A learning organization means taking action to build an organization that can weather future storms* ■

part. Similarly, one's perception of a learning organization as a whole may depend on which part one touches. The term means different things to different people. It's not uncommon for a group to spend hours or days striving to reach a shared understanding.

Don't spend a lot of time trying to define a learning organization. Instead, rely on an assessment tool to define it for your particular company.

The Bucket of Cold Water Principle.

In most companies, the characteristics of a learning organization are radical departures. It's like throwing a bucket of cold water on a company. That can be positive by raising "creative tension." To demonstrate, hold a rubber band between your hands. Imagine that the words *current reality* are written on one hand and *a vision of the future* on the other hand. How stretched is the rubber band in your company between current reality and a desired state?

▶ Be prepared that assessment results will be like a bucket of cold water and reassure people that it's common.

▶ Ensure that survey participants give a "what is" response and a "what should be" response to each item.

The So What Now? Principle. A major frustration of HRD professionals has been the difficulty in translating the learning organization concept into action. An assessment will go only so far. It can help identify present or absent learning organization characteristics, but it can't tell what to do to create them. The good news is that a great deal of help is available.

Administering an assessment and providing feedback on the results represent only small parts of the process. Be prepared to devote as much time and attention to strategizing and action planning (Steps 4 and 5) as to planning and conducting the assessment (Steps 1, 2, and 3).

putting learning organization initiatives into action. It's best to treat the implementation as a learning process. Instead of rolling out a highly visible learning organization initiative, start with several low-risk pilot initiatives. Through trial and error, your company can discover its own path to becoming a learning organization, in which failures are viewed as learning opportunities and successes are celebrated and leveraged throughout the company. It's important that ongoing formative-type evaluations be built into the implementation, based on predetermined success criteria for each initiative. Various

stakeholders (senior managers, initiative participants, and so forth) should be involved in setting the criteria and evaluating whether they are met.

From the beginning, the parties should commit to conducting periodic reassessments, annually or biannually. In transition periods (such as a start-up or merger), it may be necessary to conduct more frequent reassessments.

A reassessment is similar to an initial assessment—same instrument, same sampling method, and same administration process. That's the only way to determine whether progress has been made. After a reassessment,

a company should revisit its strategy (Step 4), revising as needed. To be successful, a learning organization initiative has to be institutionalized and made a way of life in a company.

Ideally, a learning organization assessment is a key measure of organizational performance. It's possible to establish baseline measurements on the results from the initial administration of the assessment instrument. Using that baseline, you can set specific goals and measure progress in subsequent reassessments. The progress in achieving the goals becomes one element for measuring and rewarding individual,

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team, and organizational performance.

For example, one company selected three assessment areas as the focus of its learning organization initiative, with the goal that 80 percent of the survey respondents would assess the company as having the desired characteristics "to a great degree." That goal was included in business plans and translated into business-unit and management performance objectives, both part of the company's performance management and incentive programs.

Using a learning organization assessment as a key performance measurement generally doesn't happen the first time a firm conducts an assessment. It usually takes two or three times before people think the measurements are valid and important enough to be used formally as business metrics.

During the next few years, it's likely that assessment approaches will become more sophisticated and increasingly linked to bottom-line business performance. And it should be possible to answer these questions:

- ▶ What learning organization characteristics are most correlated with high performance?
- ▶ How much do those characteristics vary across business settings and contexts?
- ▶ Are key characteristics missing in the current concept of the learning organization?
- ▶ How do those characteristics fit and relate to produce high performance? ■

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