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Systems, Culture, and Leadership in an Organizational Setting

Successful performance in any organization requires both awareness and expertise in the area of organizational culture. In its broadest sense, organizational culture is manifested through the day-to-day interactions of employees who are often globally dispersed. Few members of an organization work as an individual contributor; most must engage with others to work in a team environment. Contributing in these complex systems demands an awareness of formal and informal leaders, organizational maturity, employee motivation, and the forces of change on an organization.

Learning Objectives:

- ☑ Describe, compare, and give examples of the evolution of the industrial and postindustrial leadership models and their congruent organizational structures.
- ☑ Describe the basic goals of leadership within and across organizations.
- ☑ Compare and contrast leadership and management, and describe the nature of their complementary relationship.
- ☑ Describe and explain the effect of the forces of change on organizations and explore how these forces are driving a shift in the nature and practice of leadership.
- ☑ Explain the importance of creating a learning culture in a knowledge-based organization.
- ☑ Describe internal factors that undermine or contribute to a learning culture.
- ☑ Describe the importance of being a learning partner who serves all levels of leadership in an organization through learning expertise, partnering, and leadership programs

Leadership within an Organizational Context

Successful leadership is important to organizational success. According to DDI's Global Leadership Forecast 2008, 75 percent of executives surveyed identified improving or leveraging talent as a top business priority, citing it most frequently out of a list of 14 challenges that world business leaders recognize as critical for success.

Over 13,000 leaders worldwide indicated that their leadership development offerings did not prepare them to lead their organizations for the future. In particular, when asked about the primary reason that leaders fail, they ranked a lack of leadership skills (such as facilitating change, building a team, coaching) and interpersonal skills (such as building relationships, networking, communication) at the top of the list.

The respondents to the Global Leadership Forecast survey listed the major shortfalls in today's leaders and in leadership development programs:

- There aren't enough opportunities on the job for leaders to learn what they need to know or practice.
- Leadership development programs do not use enough methods to teach skills and provide opportunities to practice the skills.
- Confidence in leaders is declining.
- Most of the world's leaders are not high quality.
- More than one-third of all leaders fail.
- Leaders lack basic skills.
- Quality of development programs has declined.
- Leadership development programs are poorly executed and send inconsistent messages.
- Managers don't know how to—or just don't—help their reports develop.

As Ken Blanchard and Paul Hersey note in *Management of Organizational Behavior* (1982), "the successful organization has one major attribute that sets it apart from unsuccessful organizations: dynamic and effective leadership."

Defining Leadership

So what exactly is leadership? Some define it as the art of motivating a group of people to achieve a common goal. Leaders, using personality and skills, inspire others to achieve goals and objectives. In particular, skilled leaders possess the ability to

- influence people and organizations

- provide direction and strategy for accomplishing goals and objectives
- inspire and motivate others to achieve the goals.

Leadership is a process by which a person influences others (followers) to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. Leaders carry out this process by applying their leadership attributes, such as beliefs, values, ethics, character, knowledge, and skills.

Although a manager is responsible for managing, supervising, leading, and so on, and is granted the authority to accomplish certain tasks and objectives in the organization, this power does not necessarily make them a leader—rather, it simply makes them the boss. Leadership creates followers who want to achieve high goals, distinguishing it from management.

Some leadership theories purport that leaders are born. Other theories suggest that anyone can be trained to be a leader. No matter which theory you subscribe to, culture and leadership impact each other within an organization, each evolving and adapting over time.

Edgar Schein suggests that the culture in an organization is created by the actions of its leaders. When a culture becomes dysfunctional, leadership is needed to right the ship. To facilitate transformation in the organization and its culture, leaders must be able to perceive a problem and recognize the skills needed to influence the organization.

There are five basic goals of leadership:

- 1) To create a positive and effective atmosphere for communication
- 2) To develop and communicate a collective sense of vision
- 3) To inspire transforming/transformational change
- 4) To provide a sense of direction for the organization
- 5) To provide a conduit between the organization and the marketplace.

With leadership linked so closely to organizational success, what do WLP professionals need to know to effectively prepare their leaders, leadership development programs, and succession planning pipeline to meet the organizational challenges and goals in the future? WLP professionals should have a strong understanding of

- the evolution of leadership models
- forces of change on organizations
- the need for a learning culture in a knowledge-based organization
- factors that undermine and contribute to a learning culture.

The following sections describe each of these items in detail and relate how each is important to WLP professionals working with and developing an organization's leadership

development programs.

Evolution of Organizational Structures

An organizational structure refers to the design of an organization, such as the division of product lines, market areas, functional responsibilities, and the reporting structure of these entities. Leaders within an organization determine the organizational structure for optimal effectiveness and to seek efficiencies in running operations.

How do leaders decide which organizational structure is best for an organization at a particular point in time? Some leaders settle on one organizational structure and maintain that same structure for years. Other leaders perceive that constantly changing external factors require them to redesign the organizational structure in response, prompting many “reorgs” and changing the structure, roles, and responsibilities of employees often. Still other leaders base the organizational structure on the strengths of individuals within the organization.

Historically, many different organizational structures have been used from tribal, agricultural, and family-business organizational structures to hierarchical and flatter organizations.

In today’s business world, complex problems cannot be solved by one person in a top-down (hierarchical) organizational structure. Because of the forces of change on the organization and the complexity of the decisions, today’s business leaders need partnership and collaboration to effectively lead their organizations. To be a strategic consultant and leader, WLP professionals should have a sound understanding of different types of organizational structures and leadership models, which provide them with a birds eye view of the dynamics involved in generating and sustaining an organization’s culture and success.

Tribal, Agricultural, and Familial Organizational Structures

The first organizational structures (tribal, agricultural and familial) developed out of necessity. As populations increased in developing cultures, so did the need for more resources such as food and security. These increased pressures on the culture led to social hierarchies. Different cultures and circumstances produced different kinds of responses to those pressures. Typically certain forms of chieftainship emerged followed gradually by a whole class or classes of people who had leadership roles.

Organizational structures developed during ancient times of hunters and tribes. Tribal organizations were often structured and led by royal and religious power structures. For example, tribal hierarchies often had the elders at the top representing the chiefs and the leadership of the community. Their principal role was to provide a source

of authority and advice, insuring an orderly and systematic performance according to the shared traditions of the community.

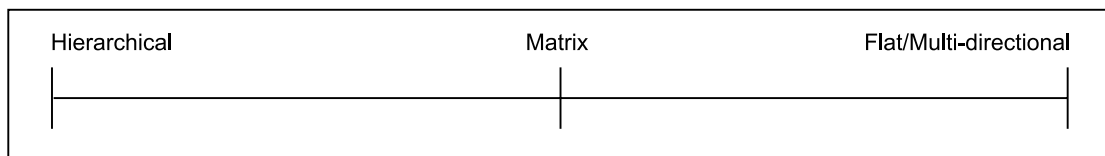
The agricultural revolution brought with it a transition from nomadic and hunter/gathering societies to agriculture and settlement. Agricultural societies not only began domesticating plants and animals but also began transforming from small, mobile groups of hunter-gatherers, into sedentary societies that could support larger populations, labor diversification, trading economies, centralized administrations and political structures, and hierarchical ideologies.

Similarly, think about the organizational structure for a family business. Typically the family members, trusted colleagues, co-founders and friends are in the key leadership or management positions entrusted to make decisions that run the business.

In these structures, a strategic leader makes all key decisions. In particular, these structures are useful for small groups or entrepreneurial businesses as it enables the founder to control growth and development.

In more modern times, many organizations or departments within large organizations leverage one or more organizational structures (hierarchical, matrix, or flat/multi-directional), which can be plotted on the following spectrum based on their characteristics and authority.

Figure 5-1. Organizational Spectrum

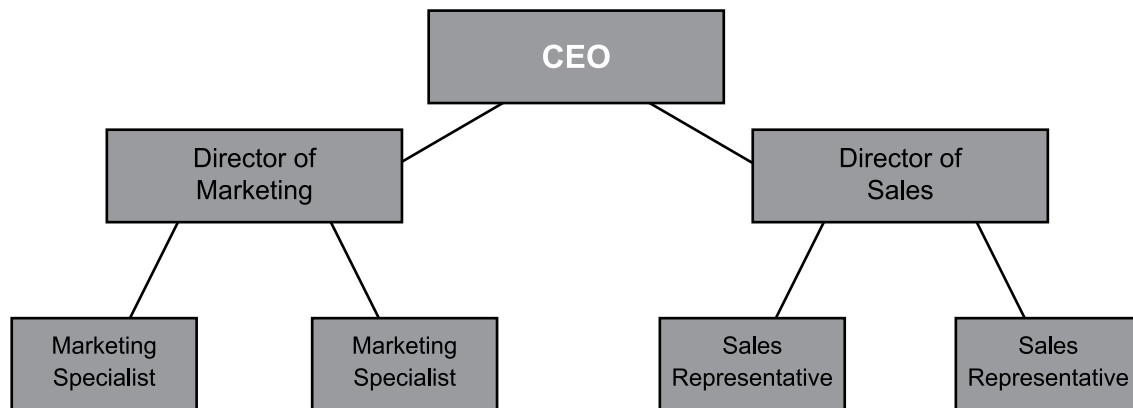


Hierarchical Organizational Structures

The hierarchical or bureaucratic management structure (also known as silos or stove pipes) is used to create a strong, centralized organization with functional areas (marketing, sales, research, customer service, manufacturing, and so on) reporting into the CEO of the organization.

In this model, as depicted in Figure 5.1, all activities are performed within functional groups led by a department head or a division head. Each department maintains a strong concentration of technical expertise. Functional managers can hire a wide variety of specialists and provide them with easily definable paths for career progression. The functional managers maintain and control their own budgets and the lines of authority and responsibility are clearly defined. This structure is often associated with industrial leadership models, which are discussed in the next section.

Figure 5-2. Hierarchical Organizational Structure



Advantages of a hierarchical organizational structure:

- simple and easy-to-comprehend structure
- well-defined management authority and job responsibility
- easier budgeting and cost control
- better technical control because specialists can be grouped to share knowledge and responsibility
- good control over personnel since each employee has one clear boss
- vertical and well-established communication channels
- quick decision making within the functional area.

Disadvantages include:

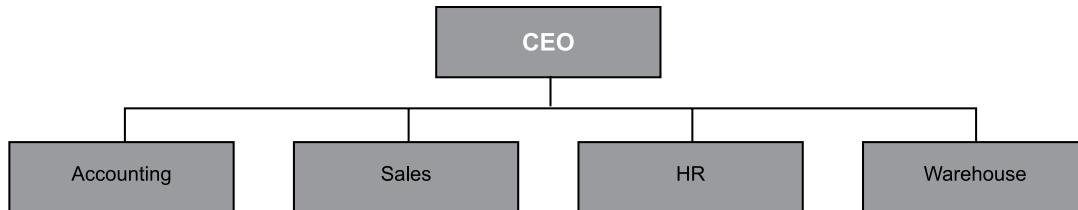
- little cross-organization communication from the worker bees to the upper management
- increasingly high-wage, low-skill frontline workforce with little chance of advancement
- ideas oriented with little regard for other functional areas or projects within the organization
- infrequent coordination among departments (or other functional areas) as department members are interested solely in their own internal operations.

Flat Management Models

Flat organizational models (also known as horizontal) refer to a structure with few or no levels of intervening management between staff and managers. The idea is that well-trained workers will be more productive when they are more directly involved in the decision-making process, rather than closely supervised by many layers of management.

This structure is generally possible only in smaller organizations or individual units within larger organizations. When it reaches a critical size, an organization can retain a streamlined structure but cannot keep a completely flat manager-to-staff relationship without impacting productivity. Certain financial responsibilities may also require a more conventional structure. Some theorize that flat organizations become more traditionally hierarchical when they become geared towards productivity.

Figure 5-3. Flat Organizational Structure



Advantages of a flat management model:

- Employee involvement is promoted through a decentralized decision-making process.
- The level of responsibility of baseline employees is elevated and layers of middle management are eliminated.
- Comments and feedback reach all personnel involved in decisions more quickly.

One disadvantage is:

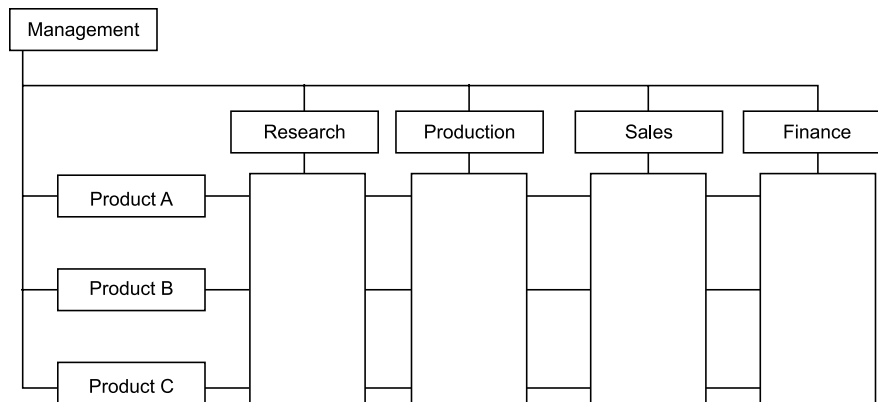
- Organizational structure generally depends upon a more personal relationship between workers and managers, so the structure can be more time consuming to build than a traditional bureaucratic or hierarchical model.

Matrix Management Models

The matrix models (sometimes called multi-directional structures) combine line and hierarchical structures with a general manager at the top of the hierarchy. The purpose of matrix structures is to integrate diverse areas of expertise. For example, projects in architectural firms often have teams of engineers, accountants, architects, computer analysts, and designers. Managers coordinate elements of their respective projects and gather needed support from various departments. Groups of individuals from each department cooperate with the project manager and fulfill project-related responsibilities. Department managers, however, have line authority over these groups. A challenge with matrix

organizations is that there is often little to no loyalty of employees to the project since they are only on loan for the duration of the project. Their formal performance review manager (who also makes the hire, promotion, and fire decisions) is the department manager, not the project manager.

Figure 5-3. Matrix Organizational Model



Large matrix organizations change constantly because the groups work as ad hoc committees, taking short-term assignments and beginning new ones when projects end.

Advantages of a matrix management model:

- Company can respond swiftly to client and project needs.
- There is no risk in losing the project in the bustle of company business because one general manager oversees all efforts.
- Decision makers can take thorough advantage of the wide range of skills and specializations by applying these assets as needed from project to project.
- Limited resources can be leveraged across multiple projects.

Disadvantages include:

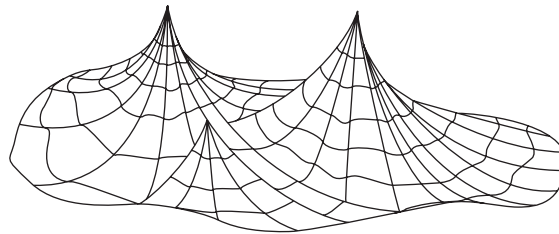
- Project and department managers can become involved in power struggles over getting project support and providing that assistance.
- This structure is more complex and, therefore, more expensive to develop and operate than others.
- A matrix involves a great deal of group decision making, which, if not managed carefully, can result in lengthy meetings and discussions.
- Power struggles often arise between individual contributors and their alliances to a direct manager and the project.

Fishnet

In “Upsizing the Individual in the Downsized Organization: Managing in the Wake of Reengineering, Globalization, and Overwhelming Technological Change,” authors

Johansen and Swigert explain that the “fishnet” organization is an alternative to the lumbering hierarchical organizations today. An example is the government bailout discussions of the Big Three automobile manufacturers in Detroit in 2008. These auto manufacturers have huge bureaucratic (hierarchical) organizations, which are slow to institute change and adapt when the business model needs to change. Many of today’s corporate organizations are being built by people who believe in the rigid structures of industrial leadership models. However, in today’s environment many organizational structures are giving way to more horizontal structures with complex yet flexible webs of interconnection.

Figure 5-4. Fishnet Organizational Model



During the 1990s many organizations began to take a different view regarding the structure of their workforce out of necessity. Fishnet structures emerged as an informal structure to meet the immediate demands of an organization and provide long-term flexibility. As shown in figure 5.4, the fishnet organization has a “visible form, like the strong rope or cord that holds the net together. But informal, ad hoc networks may then appear and disappear as the net is rearranged.” The fishnet organization can only be facilitated by the use of information technologies, including a combination of telecommunications and computing. Information technology is considered the “cord out of which the organizational structure is woven.”

The fishnet organizational structure allows the executive committee to exert control and continuity, while the decentralized units (where the work gets done) allow for flexibility in response to uncertainty or changes. One major difference between matrix and fishnet organizations is that the fishnet forms around the task, so the people accomplishing the tasks also own the project. There is no lending out of project resources as there is in a matrix organization.

The fishnet structure is flexible and “it can form and re-form varied patterns of connection. The middle manager may at one time be at the apex, at another in the middle. The fishnet organization rearranges itself quickly while retaining its inherent strength.” Fishnet organizations have a dynamic flow of people around a problem, which enables nimbleness in response to internal and external pressures. Many people are uncomfortable with this type of organizational structure because there is no real structure as in a bureaucratic model.

Today, organizations are continually restructured to meet the demands imposed by

the environment. Restructuring can produce a major change in the role of individuals in both formal and informal organizations. While these changes are well intended, many employees go through a process described as “freezing and unfreezing” during the changes.

Typically the employees resist changes unless they have compelling reasons to modify their behaviors and accept the changes. During this process—no matter which organizational structure is instituted—formal channels must be developed to ensure that each individual has a clear description of the work and their authority and responsibility within the new organizational structure.

Understanding these various organizational structures and their implications is important for WLP professionals as these structures impact how learning is rolled out within an organization.

Evolution of Leadership Models

A review of the leadership literature reveals the evolution in leadership thought as a series of schools developed over time. Early theories tend to focus on the characteristics and behaviors of successful leaders, while later theories consider the role of followers and the contextual nature of leadership. Leadership models can be defined within two chronological time periods: the industrial and postindustrial.

Industrial Models

The industrial perspective of leadership is a natural outgrowth of the organizing principle of bureaucracy (the hierarchical organizational structure) and is congruent with Henri Fayol’s administrative theory of management (i.e., plan, organize, command, control, and direct).

These ideas and models came into being during the rise of the industrial revolution when people were leaving their farms and moving to cities to work in factories producing tangible goods. Factories needed a way to organize workers with experience in a limited scope of tasks. Senior managers or factory owners led and commanded people to do their jobs in a certain way, and thus the industrial leadership model emerged. Industrial era leaders treated people as interchangeable parts, as easily replaceable as a part on a factory machine.

Industrial leadership theories made a giant leap forward following World War II. The United States emerged from the war as the mightiest industrial nation on earth, winning the war in large part because of its ability to out-produce its enemies. Moreover, the rest of the industrialized world, (i.e., Japan, England, Germany, and Western Europe) had been ravaged by war, leaving the United States as the only country still intact. At war’s end, the United States shifted its wartime production machine into producing consumer goods, many of which were designed to rebuild war-torn nations. In effect, the United

States had a monopoly on producing goods simply because other nations' production abilities had been devastated by war.

Almost immediately following the war in the early 1950s business schools sprang up and began to teach business management and leadership. Researchers, scholars, and practitioners based their instruction of leadership and management on the modern factory as the epitome of how a business should run. The United States was creating great wealth, the baby boom was on, and millions of jobs were created and filled by willing workers returning from war.

Moreover, the United States was selling all the goods and services it could produce. To that end, the industrial leadership models represent a hierarchical and frequently authoritarian perspective where leadership is vested in the most senior employees in the organization, such as the CEO or President.

In the industrial models, leadership is only what the leader does. Followers are simply expected to do what the leader tells them to do. James MacGregor Burns, the patriarch of leadership theory, succinctly explained this when he said, "the leadership approach tended often to be elitist—it projects a heroic figure on the background of drab, powerless masses."

Insofar as learning is concerned, the leader does all the learning in industrial models. The leader has the supreme picture of the organization—often referred to as the vision—and the leader's job is to convince others of the worth of that vision.

One of the hallmarks of the industrial leadership theories are the mixed or interchangeable use of the terms leadership and management. The aphorism "If an organization is well managed, it is well led" fits well within the industrial leadership model.

Theory X

Effectively-used participative management, a leadership strategy that had a tremendous impact on managers, was proposed by social psychologist Douglas McGregor's in his thesis *The Human Side of Enterprise* (1960). The key concept is that leadership strategies are influenced by a leader's assumptions about human nature. As a result, McGregor summarized two contrasting sets of assumptions made by managers in industry.

Theory X, which is congruent with industrial leadership models, is the traditional way of looking at the workforce. Theory X is an approach that assumes that people would rather play than work. Theory X postulates:

- Most people do not like to work and will avoid it when they can.
- Most people need to be coerced, controlled, or threatened with punishment to persuade them to work.
- Most people want to be told what to do. They want to avoid responsibility.

The contrasting set of assumptions, known as Theory Y, which is more in line with postindustrial leadership models, is discussed later in the chapter.

Some more examples of industrial leadership theories:

Great Man/Woman Theory

This theory assumes that leaders are born, not made. Essentially, great leaders will arise when there is a great need. Early research on leadership was based on people who were already great leaders. These people were often from aristocracy, as few people from lower classes had the opportunity to lead. This contributed to the notion that leadership had something to do with breeding.

Trait Theory

The Trait theory arose from the Great Man/Woman theory as a way of identifying the key characteristics of successful leaders. This theory assumes that people are born with inherited traits and some of these traits are particularly suited to leadership. Early research on leadership was based on the inheritance of such characteristics or traits. The underlying assumption is that if others could also be found with these traits, they too could become great leaders.

Group Approach

The group approach to understanding leadership began to dominate leadership literature in the 1940s. It assumes that leadership is the process by which an individual takes initiative to assist a group to move towards goal achievement in a given situation.

Contingency Theory

Although behavior theories may help managers develop particular leadership behaviors, they give little guidance as to what constitutes effective leadership in different situations. Contingency theory assumes that the leader's ability to lead is dependent upon various situational factors, including the leader's preferred style, the capabilities and behaviors of followers, and various other situational factors.

All industrial leadership models and theories blend the notions of leadership and management and essentially consider the two terms to have similar meanings. These leadership models also do not deal with the complexities of today's workplace and the influential impact that these complexities have on an organization. Industrial models were solely focused on the leader.

Postindustrial Models

How do postindustrial leadership models differ? Postindustrial leadership models recognize that the level of complexity in today's work environment has increased dramatically, along with the speed of change, and the amount of information widely distributed to almost everyone in the organization. In this environment, it is everyone's job to learn

continuously because leadership is demanded on every level of an organization.

The personal computer and the Internet have spawned a multitude of industries worth trillions of dollars. Technology has impacted and revised just about every facet of work in the 21st Century. Today we speak of the majority of workers not in terms of physical labor but in terms of knowledge work.

With the advent of knowledge workers and the role they now play in the economics of developed countries, there has been recognition of the importance of every individual in any organization to be a fully involved member of a leadership dynamic. Postindustrial models of leadership recognize this transformative change. They reflect the complexity of the environment within which leadership is affected and the need to meet the demands of rapid change through a transforming change process which seeks to invite followers, now referred to as collaborators or partners, to do leadership in the dynamic of an organization.

Leadership is no longer the inherent possession of only the leader. Further, in postindustrial leadership models, leadership and management have a clear distinction. Leadership is about making transforming change—creating greater levels of effectiveness—while management is about making incremental change, or achieving greater levels of efficiency. Organizations need both leadership and management because they are complementary processes and support each other.

In this environment, postindustrial leadership is incongruent with the structure and nature of bureaucracy because the factory model is entirely too limiting for the development of collaboration and continuous learning across the organization.

Theory Y

McGregor's Theory X was akin to the industrial leadership models. McGregor's Theory Y, which is more aligned with postindustrial leadership models, postulates:

- Most people will work to achieve goals to which they are committed, especially if rewards result from the achievement of those objectives.
- Most people can learn to accept—and even seek—responsibility.

Leadership in postindustrial times is defined by people working together to create transformative change in an environment built on trust.

Some more examples of postindustrial leadership models:

Transformational

Transformational leadership is the ability to raise others to a higher level of morality. This leadership model assumes that people will follow a person who inspires them and supports the tenet that a person with vision and passion can achieve great things. Transformational leadership starts with the development of a vision, a view of the future that will excite and convert potential followers. Once the vision is crafted by the leader (or

in collaboration with a senior team) the next step is to constantly sell the vision. This type of leader takes every opportunity and will use whatever works to convince others to climb on board the bandwagon. In creating followers, the transformational leader must be careful in creating trust as his or her personal integrity is a critical part of the package. In effect, the leaders are selling themselves as a part of the vision.

Collaborative

Collaborative leadership is characterized by very different roles and responsibilities. According to David Chrislip and Carl Larson, in *Collaborative Leadership* (1994), collaboration efforts cross many organizational boundaries. Because participants in groups come from different organizations and institutions, they need to work collaboratively to accomplish goals and objectives. Leaders can emerge in these situations that have no formal power or authority. Leadership in this situation is in what is perhaps the most difficult context, as all group members are peers. Collaborative leaders focus on promoting and safeguarding the collaborative process. They rely on the group to work with content and substance issues, while the leader's task is to ensure the process is constructive and produces results, not to impose their views on collective issues. Collaborative leadership allows for the talents of many to come together to focus on the issues and challenges at hand. It facilitates big changes as people define a future state and then work to achieve that change.

The Dilemma of Servant Leadership

The servant leadership model emphasizes the leaders' duty to serve his or her followers. Thus, leadership arises out of a desire to help others to achieve and improve rather than a desire to lead. There are two criteria of servant leadership: 1) the people who grow as individuals become wiser, more autonomous, and more likely themselves to become servants and 2) the extent to which the leadership benefits those who are least advantaged in society.

Categorizing servant leadership is difficult. There is some debate as to whether it is an industrial or postindustrial model, and so it is a unique opportunity for WLP professionals to better understand the differences between the two leadership models. The dilemma stems from the use of the terms leadership and leader. This issue sheds light on one of the most important issues in the study of leadership.

Industrial modes of leadership used the term leader and leadership interchangeably. Industrial models are characterized by a few qualities: the leader does the leadership and the followers follow, the terms manager and leader are interchangeable, and the notion of leadership and management are hard to differentiate. The industrial models cloud the true difference between leadership and management from the postindustrial perspective.

Even though servant leadership extols the use of collaboration and development of followers, the servant leader is the single unitary actor performing acts of servant leader-

ship. In line with industrial models, followers continue to follow even though they might be more inclined to work for or serve a servant leader.

However, in the postindustrial models, leader and leadership are understood to be two distinct ideas. The leader may be given the responsibility to deal with an issue, but leadership is the process of building relationships or other functions to transform a real, complex issue. More importantly, a true leadership dynamic involves a diversity of talent and the capabilities of others. The term follower is incongruent with the notion of a true leadership dynamic.

In postindustrial leadership models, the term follower is replaced with the term collaborators or partners because they are fully involved leadership participants. This is further clarified with the clear distinction between leadership (substantive or transforming change) and management (incremental change). In the postindustrial sense, leadership and management are different yet complementary processes that support the development and success of an agency or organization.

How then can a servant leader be considered a part of the postindustrial movement? If a servant leader sees themselves as the single actor in the dynamic, then it remains an industrial notion. In fact the definition of servant leadership centers on the leader as the main player on the stage.

If the servant leader sees himself or herself as doing collaborative leadership—a model where each stakeholder is co-equal in the process and where the functions or the process of doing leadership is focused on making transforming change—then it would make sense to include the servant leader in the postindustrial notions of leadership. To this end, the notion of a servant leader is postindustrial in its perspective, yet servant leadership remains industrial in its interpretation.

The industrial leadership models focus on the leader as a frontal figure who stands from the rest as different and leads the rest of the people. Servant leadership theory now shifts the focus to recognize the importance of the leaders' relationship with his/her followers and stresses an interdependence of roles. The leader is now the team leader instead of the solo leader.

In summary, the postindustrial leadership models create relationships and partnerships to make transforming change within an organization. These models focus on the people and process of leadership. Postindustrial models recognize a clear line of demarcation between leadership and management.

Why is it important for WLP professionals to understand these various leadership models and theories? WLP professionals must be equipped to identify the models of leadership applied in their organizations and to effectively serve as strategic advisor to C-level executives by helping to choose or develop the right leadership programs to meet the needs of the organization.

Comparing Leadership to Management

Today there is a clear demarcation between leadership and management. Both of these roles complement each other, but the biggest difference is the type of change they work to create. Leadership concentrates on big, transformative, or substantive change. Consider the global financial crisis of 2008. The world's financial giants realized they could not continue on the same path and experts stressed the need to transform the global financial mechanisms. This is big change that requires strong leadership.

Management comes into play once the global financial policies are changed or reworked, and the implementation of those policies needs to be completed efficiently. Management will tweak or create incremental change to the new policies to derive the optimum return from a given set of inputs.

Managers, by definition, have subordinates. Management is an official position of authority that focuses on carrying out the organizational goals in an efficient manner. Exceptions to this rule do happen in organizations, such as when a manager's title is honorary or is the result of seniority with no formal authority.

Managers have a position of authority vested in them by the company, and their subordinates work for them. Management is transactional—meaning, the manager tells subordinates what to do, and the subordinates do what they are told because they have been promised a reward (e.g., earning a salary or benefits) for doing so.

Leadership, although closely connected to management, is about influencing others (followers) in the organization to achieve greater effectiveness and fulfillment of the organizational purpose and goals. Leaders by definition do not have subordinates, at least not while they are leading. Many organizational leaders do have subordinates, but only because they are also managers. For example, the CEO of an organization is not only a leader, but also a manager of people with subordinates.

When leaders want to lead, they give up formal authoritarian control because following is always voluntary. Leaders often have a charismatic, transformational style which inspires others to follow. Leaders influence not only internal workers, but also external stakeholders such as stockholders. Leaders often perform an external scan; they examine the strengths, threats and weaknesses of the organization, identify the gaps that exist and prevent the organization from achieving its goals. As a result of this external analysis, leaders build their strategic plans to close the identified gaps.

Leadership Styles

Leadership styles are not independent from leadership theories; they are the theories in practice. Leadership styles are the manner and approach of providing direction, implementing plans, and motivating people.

There are as many different leadership styles as there are leaders. The following classification of leadership styles can help WLP professionals to recognize not only the various leadership styles within an organization and but also their own leadership styles. This

enables WLP professionals to adapt their own styles as needed.

The Contingency leadership theory assumes that the leader's ability to lead is dependent upon various situational factors, including the leader's preferred style, the capabilities and behaviors of followers, and other situational factors. Leaders employ different styles of leadership depending on the needs and skills of employees as well as workplace constraints and circumstances.

Although the list of different leadership styles is vast, most of them fall into the following categories:

- *Directive leadership*: Specific advice is given to the group and ground rules and structure are established. For example, clarifying expectations, specifying or assigning certain work tasks to be followed.
- *Supportive leadership*: Good relations are promoted with the group and sensitivity to subordinates' needs is shown.
- *Participative leadership*: Decision making is based on consultation with the group and information is shared with the group.
- *Achievement-oriented leadership*: Challenging goals are set and high performance is encouraged while confidence is shown in the groups' ability.

No matter what role leaders and WLP professionals hold within an organization, the leadership style adopted is critical to their success. By understanding these leadership styles and their impact, WLP professionals can understand more about the leaders that they interact with and can develop themselves into more flexible, better leaders.

Forces of Change on Organizations

How many organizational changes have you experienced during your career? Think about how often some organizations change their structures, performance appraisal forms, leadership, or processes.

Many organizational change initiatives involve major role shifts and realignments of systems, processes, and culture. Leaders within organizations often need to drive change through the organization to accomplish the business goals and objectives.

To facilitate change, there are several driving forces required to shift industrial leadership models to the postindustrial perspective:

Speed of change

The growth of content, innovation, and technology is faster now than any other era in history. This speed of innovation drives the speed of change in organizations. Keeping up with the rapid pace of change in today's world is essential for today's leaders and organizations to succeed. Peter Senge, author of *The Fifth Discipline* (2006), points out

that leaders can't keep up with rapid change through the traditional top-down control mentalities, nor can they do it with no formal structure or processes, or total chaos would ensue. Today's leaders need to find the right balance between too much and too little structure for an organization to rapidly adapt its capabilities to survive.

Due to the seriousness of today's change-related problems and the great potential for opportunities, it is essential that as many people as possible learn how to better assimilate major change transitions. This challenge is best approached, however, by focusing on those in leadership positions. Only leaders—those who hold positions of formal and informal influence—can cast aside outdated methods of change and embrace new behaviors and procedures.

Information overload of knowledge workers

In today's organizations, people are overwhelmed with information. For example, Ford has more than 300,000 IT users, in 20 basic business functions, interacting through more than 2,400 applications. The users of all of this technology can easily be overwhelmed. To move organizations to postindustrial models, people must be empowered to find solutions to problems because all decisions can't be pushed from the top down.

Complexity of issues and tasks

Change initiatives in an organization vary in size and scope. If the change is a simple one, known as incremental change, the organization is essentially asking people to continue what they are doing, but in a faster, better, cheaper way. If the change is more complex, but other organizations have undertaken this change and their best practices (or benchmarks) can help guide your organization's change, it is a transitional change. The most difficult type of change, known as transformational, will alter the course of things in the industry and put the organization on the forefront of a new paradigm. Depending on the type of change, there may be various external forces driving the change in the organization.

Global competition and globalization

Globalization in its literal sense is the transformational process of local or regional phenomena into global ones. It can be described as a process of blending or homogenization by which the people of the world are unified into a single society and function. This process is a combination of economic, technological, socio-cultural, and political forces. Globalization is often used to refer to economic globalization, which is the integration of national economies into the international economy through trade, foreign direct investment, capital flows, migration, and the spread of technology. The changing landscape of competition from across the sea often forces organizations to change to keep pace and continue to compete in the market.

When the economy became global, technology, which had been a competitive advantage

only for a few big companies with deep pockets, became affordable and widely available. Competition forced organizations to make process improvements, operate with less overhead, and become more efficient.

Organizational restructuring

For organizations to work, several elements must align: structure, strategy, work and job designs, systems and processes, people, rewards, and culture. Each time organizations change any of these, there is a chance that the people and processes no longer align with the organization's business goals and objectives.

Increased turnover

Succession planning is a systematic process for identifying and developing candidates to fill leadership or management positions. As senior and experienced workers leave an organization, a potential knowledge and skill gap exists unless the organization is proactively developing its talent to fill these gaps. Most organizations have no succession plan.

Lack of Training

In DDI's Global Leadership Forecast 2008, HR professionals indicated that on average, 37 percent of those who fill leadership positions fail. This trend indicates that leaders and managers are increasingly dissatisfied with their internal development programs. A business would not survive if over one-third of its customers were dissatisfied with its goods and services. Yet, most leaders and managers were not satisfied with what their organization offered to help them develop their own leadership capabilities. In fact, this most recent measure was at its lowest point since the survey data started in 2001.

When the respondents were asked about the primary reason that leaders fail, they ranked leadership skills and interpersonal skills (such as building relationships, networking, and communication) at the top of their list. Flaws in basic interpersonal skills were found at every organizational level.

Decreased loyalty to employers

Turnover can drive change in an organization. Today's workers have an amazing amount of skill and knowledge, and for many organizations these knowledge workers are the glue that continues to hold the organization and its processes together. With competitors offering better salaries, career advancement, and job security, today's employees are much less loyal to employers compared to previous generations.

Increased demand for employee job satisfaction

Today's employees are more likely to jump to different organizations during their careers

to find more and more job satisfaction. The flux of incoming and outgoing people bring with them different perspectives and work experiences. It may take some employees time to adjust to the organizational culture and processes of the new employer.

Difficulties transferring knowledge to emerging leaders

Leaders who move up the management ladder face special challenges as they make the transition from one level of responsibility to the next, often due to a lack of experienced midlevel managers to facilitate the process. A recent study ranked making a transition at work first in level of difficult from a list of nine life challenges, outpacing events such as bereavement, divorce, and moving.

With each step up the corporate ladder, leaders' responsibilities expand and their decisions affect more people. Although emerging leaders and the transition process are a significant force of change within an organization, many have no development program for the transition to strategic leader. Even those organizations with transition preparation programs fell short as their leaders indicated that they still felt ill-equipped for their expanding roles.

Senior leadership hired externally

When organizations hire externally for top leadership and management positions, the new leader/manager may have numerous benefits, and may serve as a force of change on the organization.

Executives from other companies or other industries bring with them fresh ideas and processes, particularly in key functional areas such as human resources, finance, and supply chain management. A senior hire in one discipline will bring a wealth of ideas that can improve other parts of the organization. In addition to the acquisition of best practices, looking outside for talent helps an organization benchmark itself.

However, new leaders bring with them previous organizational structures and cultures that they may wish to change in the current organization.

Whether an external hire succeeds in the new position often depends on the company's human resources team. The HR team should understand a company's business strategy and proactively put systems in place to ensure new executives adjust to their new culture. The HR department provides the new executive with a mentoring and coaching network that will serve as a guide through the critical first two months on the job. The executive should refrain from making radical changes at the start of their tenure.

Increased diversity in the workforce

Integrating diversity (such as different genders, ages, races, and cultures) in to organizational change efforts can enhance the success of most types of organizational change. Organizational change and diversity efforts are linked; most organizational changes involve components of diversity. For example, an organizational redesign

may combine functions that have previously been separate, such as marketing and manufacturing. The combination of these two cultures requires special attention to their similarities and differences.

One example of workplace diversity is the gap between generations in the workplace. The United States is undergoing the biggest generational transition in history. Approximately 77.5 million Baby Boomers will begin retiring in the next five years, and within the next 15 years, the workplace will shift to a new generation of leaders with an entirely different approach to leadership. The unique work ethics and values of each generation define the gap between the generations. For example, Baby Boomers are willing to sacrifice family time in order to climb the corporate ladder and reap bigger incomes, while members of Generation Y want challenging work assignments, but are not willing to sacrifice their personal lives. Embracing the differences and hiring all types of workers may ease the transition.

How does the generational gap and a diverse group of leaders impact today's work environment? WLP professionals need to understand what motivates each generational group and to provide learning opportunities that are flexible enough to meet the needs and interests of each group. Few organizations can afford to turn off this next generation of leaders.

Organizations will need to learn how to deal with external forces that are fundamentally reshaping its environment. Today's organizations face change forces from inside and outside of the organization. It is up to the leadership and the change leaders—the people who study models and practices for guiding change within organizations—to ensure that the desired changes are implemented successfully and that negative forces are minimized or eliminated.

The Need for a Learning Culture

Peter Senge is the creator of the “learning organization” philosophy, which he defines as an organization “where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together.”

Organizations have seen the rise of the learning organization philosophy. The learning organization is one that promotes, encourages, and sets itself up to provide an environment built on the need for continuous learning.

In knowledge-based organizations, leaders should be focused on creating a leadership culture that promotes and values interdependence, adaptability, flexibility, and autonomy.

Senge notes that as the world becomes more interconnected and business becomes more complex and dynamic, work must become more “learningful.” He also points out that organizations can no longer rely on any one person to learn for the organiza-

tion and then have everyone else following the “orders of the grand strategist.” In this respect, postindustrial leadership models and the learning organization are congruent concepts. The organizations that will survive and thrive in the future are those that tap into the worker’s commitment and capacity to learn at all levels in the organization.

A cornerstone of the learning organization is personal mastery, where organizations encourage the growth of their people by supporting a commitment to development and life-long learning. He postulates that organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning, but no organizational learning occurs without individual learning.

Personal mastery is a process and a lifelong discipline. As such, organizations focus on the percentage of informal versus formal training. To support lifelong learning, knowledge workers learn through traditional training methods, but also through informal methods such as learning from coworkers, working in teams, and so on. In a learning organization, creating a learning culture is everyone’s responsibility.

Defining a Learning Culture

Most organizations today realize that managing talent has the same importance as managing other aspects of performance, such as systems or processes. Companies feel the pressure to innovate, and to continually energize their most important competitive advantage: their people. Peter Senge defines a learning organization as “an organization that is continually expanding its capacity to create its future.” The term learning organization eventually arose as a convenient umbrella term to designate the kind of organization that commits itself to disciplines such as systems thinking, mental models, personal mastery, shared vision and dialogue to develop its learning capabilities.

There are several factors that undermine a learning culture, as well as several factors that contribute to a learning culture.

Factors that Undermine a Learning Culture

A learning organization is an ideal. In one sense, all organizations that continue as the world around them changes are learning, but some are better at it than others. While these learning organizations are doing some things right, they still face internal factors that can undermine their progress toward a learning culture. Some of these internal challenges include: competition for scarce resources, conflicting and competing goals among departments and groups, communication issues, and not having the necessary formal structures to facilitate organizational learning.

Competition for Scarce Resources

In the global economy, organizations can look for talent around the world, but even those workers who may be plentiful and cheap now need to grow their skills. Companies in China and India, two fast-growing economies, are already finding that competi-

tion is high for scarce resources. In particular, these countries have already found that employees with a lack of managerial skills can hold back growth.

Conflicting and Competing Goals Among Departments and Groups

Departments or functional business lines have conflicting and competing goals. Every organization has limited resources to achieve the business goals and objectives. When different groups have competing goals, they are unwisely using up valuable company resources and hindering achievement of the organizational goals.

Lack of Support

In hierarchical organizational structures, where lines of business are operating in their own silos, a lack of communication and formal structures can undermine the development of a learning culture. For example, organizational boundaries prevent collaboration among colleagues, which prevents personal mastery, so the learning culture of the organization becomes stagnant. It is only when organizational boundaries between departments and groups are broken down that the organization can realize a culture of learning via collaboration.

Factors that Contribute to a Learning Culture

According to Peter Senge, the line manager has the most responsibility for employees' growth and development, not the HR department. The line manager must be committed to learning as an organization. A line manager in a learning-oriented organization is responsible for producing results and enhancing the capacity of people to produce results in the future. While the HR function can help this work, it is the learning environment in the day-to-day work that truly matters in growing people. Some additional factors that contribute to a learning culture are: team building, reaching across departmental boundaries, conflict resolution, leaders modeling organizational values and integrity, and the promotion of learning culture through informal means.

Team Building

The capabilities of working teams determine what an organization can achieve. In *The Fifth Discipline* (2006), Senge asserts that the working team is the fundamental learning unit in any organization. The success of a team is never just a matter of adding up individual skills or learning. For example, one cannot just gather a group of excellent basketball players or a group of exceptional performing artists and expect to get good results. A team of any kind must grow and develop together.

Reaching Across Departmental Boundaries

As Senge notes, “Organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning, but without it, no organizational learning occurs.” To tap into the potential of people, employees need to be encouraged to reach across departmental and group boundaries to collaborate. It is through this continued quest for more information and knowledge that the continual learning process becomes part of an organization’s culture.

Conflict Resolution

Learning cultures are fueled in an organization when conflict is resolved or negotiated in such a way that all parties are satisfied with the outcome. Learning cultures can not have a divisive mentality. By searching for solutions, the individuals and groups learn, which in turn spurs further learning and promotes change. If learning is a part of an organization’s culture, the right decisions are advantageous to all groups and departments which is a win for the organization as a whole.

Leaders Model Organizational Values and Integrity

The role of leaders contributes to a learning culture. Personal mastery—the discipline of continually clarifying and deepening personal vision, focusing energies, developing patience, and seeing reality objectively—is a key tenet of the learning organization. For an individual worker to realize personal mastery, they must have the support and encouragement of their direct managers as well as top leadership. These leaders need to model the organizational values and integrity that they want to encourage in the organization.

Promotion of Learning Culture through Informal Means

In any organization, a great deal of information is shared through informal means, such as talk around the water cooler. The role of the grapevine in office life can play a significant role in developing a learning culture. When trying to influence and facilitate organizational and cultural change in an organization, strategically selected champions can help to promote learning in the organization by working through informal networks and in collaboration with others.

An organization’s problems are easy to articulate but often difficult to resolve. Many solutions rarely address the underlying systemic cause. Most people do not know how to identify or solve the root cause of a problem. It may be difficult to see the interrelationship of causes that have existed for many years, whereas the problems of today are very visible.

It takes organizational learning and team learning to identify and resolve the underlying systemic cause. Organizations that focus on creating the right formal structures, resources, and strategies to support the sharing and learning of organizational knowledge are on

the right path to resolve these challenges. Organizations can facilitate these processes through the sharing of best practices, building competency models, and training employees.

Role of WLP Professionals in Leading Change

What exactly is the WLP professional's role in facilitating a learning culture and leading change? There are four key tenets that WLP professionals should consider:

- Work to be a learning leader.
- Act as a partner and learning expert at the executive level.
- Serve leaders at all levels of the organization.
- Develop leadership programs that transform the organization.

The learning function is where many organizations need to reconsider how to learn, grow, and adapt to future requirements. Learning is usually placed in the hands of the HR department and occurs in a traditional class setting. However, classes take learners out of their natural environment, which is why activities such as mentoring and coaching have received more attention in recent years.

Leaders and managers who participated in DDI's Global Leadership Forecast 2008 survey indicated overwhelmingly that there were not enough opportunities for them to learn on the job. Leaders are often dissatisfied with the leadership development methods and tools used by organizations. While knowledge or how-to advice from books or online sources can be very informative, these leaders indicated these methods did not have a lasting impact unless they were followed by opportunities to practice and use their newly-acquired skills on the job.

In the DDI survey, more leaders gave high effectiveness ratings to learning activities that involved interacting with others, such as workshops or coaching. Leaders gave their highest ratings to activities that offered them opportunities to learn and apply their new skills on the job, such as moving to a new position or taking on special projects. For example, multinational leaders found assignments that placed them abroad the most useful.

How can the learning function break the current organizational boundaries to facilitate learning and change in the organization? WLP professionals need to partner with line managers. WLP professionals can examine the business strategy and the goals required to grow the business. In this role, they can help leaders and managers in growing their people. WLP professionals can augment and help to facilitate this process—but it must be managerial commitment and accountability to development people—not the sole responsibility of the learning function.