BUILDING AN
INNOVATIVE
LEARNING
ORGANIZATION

A FRAMEWORK TO BUILD A SMARTER WORKFORCE, ADAPT TO CHANGE, AND DRIVE GROWTH

RUSSELL SARDER

WILEY

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For my parents,
who raised me to become a passionate lifelong learner.

Contents

Preface

Anyone who stops learning is old, whether at twenty or eighty.[1]
—Henry Ford

When people discover that I launched NetCom Learning at the ripe old age of 21, they often ask, "Russell, how did a computer scientist from Bangladesh end up starting a business? How did a guy without any business experience become CEO of a successful company?"

"For one reason," I respond. "My love of learning."

My passion for learning is the dominant force in my life. My parents raised me to be curious, to read, and to ask questions, and in the process they helped instill in me a deep understanding that learning is the key to a successful, satisfying life. It is this passion for learning that took me from a middle-class boyhood in Bangladesh to my success as a leading American CEO.

Today I see that without realizing it, I built a framework for learning that has helped me focus on what I need to know and allows me to keep growing and developing new skills. I set learning goals and identified the competencies I needed, and then determined the best methods for mastering those competencies. I surrounded myself with mentors and hired coaches;

took courses in sales, marketing, communication, accounting and finance, leadership and management, and more; and read everything I could get my hands on. I applied everything I learned, using my business as a laboratory to test new skills and concepts.

As I developed more and more knowledge and expertise, I discovered that I could apply my personal learning framework to my business. By developing and implementing a learning plan that encompasses all levels of the organization, we have become a learning organization that is able to respond quickly to change and distinguish itself from the competition.

I believe that learning is the key to success for everyone and that everyone is capable of continuing to learn and grow throughout their lives. Dr. Edward Hess says it clearly in the title of his book: *Learn or Die.* The book is about learning organizations, but the statement is true for everyone, everywhere. Lifelong learning offers us the solutions to so many of the world's problems. Learning lifts people out of poverty, as evidenced by the success of effective learning programs for disadvantaged populations in developing countries and inner-city communities. Learning is the means by which we will find a way to save our environment before it's too late. Learning from our mistakes is how we keep from making those same mistakes again and again.

What Successful People Have in Common

There are a number of things that are important to success. Intellectual curiosity is important. People who are motivated and want to do well. But people who are self aware and understand their strengths and their weaknesses and work to improve themselves, who put people around them who help them play to their strengths and compensate for their

weaknesses, make a big difference. Learning is a huge part of success. I say this to every young professional who is beginning a first job. More important than anything is learning.[2]

—Hank Paulson

The people we seek to emulate—people like Steve Jobs, Bill Gates, Bill Clinton, Oprah Winfrey, and Mahatma Gandhi—have certain characteristics in common: They are passionate about what they believe in, they work hard and stay focused on their goals, they are confident and competitive—and they are all lifelong learners.

But learning is not only vital for success in life and business; learning also makes us mentally stronger. When we learn, the connections between our brain cells grow stronger, and new pathways are etched into our brains. As Dr. Frances Jensen, a neuroscientist and author with Amy Ellis Nutt of *The Teenage Brain: A Neuroscientist's Survival Guide to Raising Adolescents and Young Adults*, told NPR's Terry Gross in 2015, "The whole process of learning and memory is thought to be a process of building stronger connections between your brain cells. Your brain cells create new networks when you learn new tasks and new skills and new memories. Where brain cells connect are called synapses. And the synapse actually gets strengthened the more you use it."[3]

What Successful Organizations Have in Common

If you are not learning, you're not moving forward and you can't be competitive. You can't even see what's coming towards you. For instance, what good is it if you're building the best buggy whip for a horse and buggy when cars are the disruptive

innovation that's on the landscape? If you truly are committed to leading your organization and taking it to the next level, you have to always be making sure you're not building the best buggy whip.[4]

—Roseanna DeMaria

Successful organizations, such as Google, General Electric, the U.S. military, and Columbia University, also have certain characteristics in common: a flexible business model, a strong leadership team, sufficient resources, a clear understanding of their market segment, a clear focus on what drives profitability, and a clear understanding of their purpose—why the organization exists. They share another vital characteristic as well: They are learning organizations, able to remain competitive and continue growing in a rapidly changing global environment. They value, promote, and support learning at all levels and have learning plans and systems that enable them to translate that learning into action.

Learning organizations are better able to compete because they are more able to innovate and respond quickly to change in a world where change is one of the few things we can count on. The leaders of those organizations know that they can't move forward by standing still, and they can't pull ahead of the pack by doing things the same old way, year after year. Not satisfied with the status quo, they are constantly seeking ways to improve their products and services and differentiate themselves from the competition.

One reason that learning organizations gain the advantage is that they can attract, retain, engage, and motivate the best employees. Even during the recent recession, when many thousands of people were looking for work, organizations found it difficult to recruit good employees—and that is still the case. Learning organizations recognize that few people come equipped with all the necessary skills; instead, they seek employees who are

willing and able to learn, have open minds, and are unafraid of change. Learning organizations also understand that today's best and brightest want more from their jobs than the security of a paycheck. Instead, they constantly seek opportunities to grow and develop their abilities.

About This Book

In this book, I share the framework that has helped both my organization and me succeed. You'll discover:

- Why learning organizations have the advantage in our rapidly globalizing, highly technological world; the key changes that affect an organization's ability to succeed; the characteristics of a learning organization; and a framework to guide your journey toward becoming a learning organization (Chapter 1)

- The importance of an organizational culture that values and supports learning at every level, how to recognize a learning culture, and what it takes to build a culture that attracts the best employees and helps the organization to continually improve (Chapter 2)

- How a learning plan helps you make your vision of a learning organization a reality, the components of a learning plan that serves as the foundation for your organization's transformation, and how to develop an effective learning plan that ensures your learning programs and activities are aligned throughout the organization (Chapter 3)

- The importance of developing learning goals at all levels of the organization, from senior executives to entry-level staff; how to create a goals cascade that aligns organizational, team, and individual learning goals with the organization's values,

mission, and strategic goals; and questions to ask when setting learning goals (Chapter 4)

- What competency models are and how they serve as the foundation for recruiting, planning learning programs, and more; the four primary types of competencies an organization needs; the ways in which competency models are changing to address the needs of twenty-first-century organizations; and how to develop competency models for your organization and use them to assess learning needs (Chapter 5)

- An overview of the different ways in which people learn, the value of informal as well as formal learning, the five primary learning methods for helping people strengthen competencies and develop new competencies, criteria for selecting the best learning methods to meet individual and organizational goals, and ways to help ensure that people are able to apply what they learn (Chapter 6)

- The crucial role of ongoing evaluation to the success of your organization's learning plan, an overview of evaluation methodologies, how to develop measurement criteria, and questions for selecting the right evaluation methods (Chapter 7)

- How a comprehensive system for managing your learning operation helps ensure that your learning plans and programs remain aligned with your mission, vision, and business needs; how such a system keeps everything running smoothly and lets you respond quickly to change; the components of an effective learning operation; the roles of a CLO and a learning management service; and how to select the right learning technologies from a dizzying array of options (Chapter 8)

- Why the ability to succeed and thrive depends increasingly on not what people know, but how well they are able to learn;

what you can do to promote learning in your organization, in your community, and throughout the world; and how to become a lifelong learner yourself (Chapter 9)

About the Sarder Learning Framework

This book is not a scientific tome or an academic treatise. My learning framework, which has been tried and tested in my own company and with many of my clients, is based on real-world experience and knowledge gleaned from a vast array of sources, including:

- Respected authors, such as Peter Senge, Michael Marquardt, and Edward Hess

- CEOs and CLOs from Fortune 500 companies

- More than 50,000 NetCom Learning clients, who come from a vast range of organizations, including AOL, Coca-Cola, United Healthcare, Comcast, and the Walt Disney company

- Our NetCom Learning partners, who include Microsoft, Oracle, Autodesk, and Adobe Systems

- Learning professionals, including the more than 1,000 learning professionals who have taught classes for us over the past 17 years

Learning from Others

My constant search for opportunities to learn from others led me to start Sarder TV, an online media company that provides exclusive interviews with more than 150 leaders, authors, and learning professionals who share their insights about the ways in which learning is key to success. Because I believe so strongly in the power of learning from others, I have included excerpts from

many of those interviews in this book. My hope is that sharing what others have learned will help you build a stronger organization, one that is able to succeed in the world of today *and* tomorrow.

—Russell Sarder, October 2015

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Why Become a Learning Organization?

With tougher competition, technology advances, and shifting customer preferences, it's more crucial than ever that companies become **learning organizations**. In a learning organization, employees continually create, acquire, and transfer knowledge—helping their company adapt to the unpredictable faster than rivals can.[1]

—David Garvin

We constantly hear about the success of Google, which has topped *Fortune*'s best companies list for the past five years, where job applicants beat down the door to get in. We may not know as much about the other companies on the magazine's Best

100 list, such as Allianz Life Insurance Company, SAS, Edward Jones, and Children's Healthcare of Atlanta. What we do know is that, like any successful organization, for-profit or nonprofit, corporate or private sector, those organizations have this in common: They understand the value of learning.

The fact is that organizations don't succeed by staying the same. The landscape is littered with companies like once hugely successful Blockbuster. When Blockbuster filed for Chapter 11 bankruptcy in September of 2010, the prevailing theory was that it had been put out of business by Netflix or was a victim of the recession. In reality, Blockbuster put itself out of business. It went under because it failed to keep up with the changes in technology that gave customers options for the way they accessed film entertainment. Decision makers said, "Blockbuster is never going to go out of business. The Internet is too weak, too slow. There's not enough bandwidth." Yet, in the same difficult economy, Netflix thrived. The reason? As technology and customer preferences changed, Netflix looked ahead and was able to adapt.

Those lessons are everywhere. In *Good to Great to Gone: The 60 Year Rise and Fall of Circuit City*, Alan Wurtzel, son of Circuit City founder Sam Wurtzel, describes the collapse of one of the first and most successful big-box stores. At its peak, Circuit City had more than 700 stores and annual sales of $12 billion. But facing growing competition from upstarts such as Best Buy, Circuit City's management stubbornly held on to the business practices that had made it successful, unable or unwilling to change its business model to meet its customers' changing needs.

It's happening today. Amazon.com and Google hope to disrupt the package delivery business with drones that can drop packages right on your doorstep, bypassing UPS and FedEx. The *Wall Street Journal* quoted a UPS representative who said,

"There remain numerous reasons why drones are not a feasible delivery method at this time."[2] No one denies that drone technology isn't there yet and regulations still need to be put in place. But it seems more than possible that those obstacles will be overcome sooner rather than later, and when that happens, today's package-shipping companies could very well find themselves going the way of Blockbuster.

It could happen to us all.

Key Changes That Affect Success.

Change comes in various forms. Our business models and strategies, which may have worked just fine for years, may no longer keep us relevant in the face of a global economy and changing customer preferences. We can no longer count on a stable, malleable workforce, because today's workers are quick to change jobs in search of new opportunities. Technology is changing so rapidly that we almost have to run in place to keep up, and we must keep up to stay ahead.

Changes in Technology

> Information technology and business are becoming inextricably interwoven. I don't think anybody can talk meaningfully about one without . . . talking about the other.[3]
>
> — *Bill Gates*

Seven Technology Trends

In a recent survey, GlobalWebIndex found that adults now spend close to two hours a day on social media.[4] Google processes more than 1 billion search queries every day. Every minute, more than 100 hours of footage are uploaded to YouTube—that's more content in a single day than all three major U.S. networks broadcast in the last five years combined. Facebook transmits the photos, messages, and stories of more than 49 billion people, almost half of the Internet population and a fifth of humanity. The *Wall Street Journal* projects that 28 billion devices—ranging from wearable devices to vehicles—may be connected to the Internet by 2020.[5]

Technology is changing the way we live, the way we work, the way we communicate, the way we get our information, and the products and services we want and need. We can compete only by anticipating and keeping up with the technology and leveraging it to drive our businesses. Today, that means understanding the potential impacts of seven technology trends: mobile, social, the Internet of Things, 3-D printing, big data, the cloud, and security.

Mobile.   The hundreds of thousands of people in Times Square on New Year's Eve 20 years ago were using cameras with film to snap their photos of the big event. Now they all hold smartphones and send their photos across the world in a few seconds. My nephew in Bangladesh, a developing country, uses Skype on his phone to call me for advice about girls he meets on Facebook, which he also accesses on his smartphone. Apple recently released the Apple Watch, freeing customers of the need to reach into their pockets every time they want to make a call, check their e-mail, or do any number of other tasks. Tablet computers make it possible to write, read, and edit documents anywhere, at any time, without the need to lug around a laptop. All these mobile devices are having an earthshaking impact on the way we live, work, and do business.

Social.   Survey after survey suggests that we spend a significant percentage of our waking time on social media. Think about what will happen a few years down the road when just about everyone has a smartphone, a smart watch, or some mobile device that hasn't even been invented yet. Everyone will be connected with everyone else, in all corners of the world. What will that mean for the way we do business? The way we run our workplaces?

The Internet of Things.   Several of my friends use a wearable fitness tracker called Fitbit. You might even wear one yourself.

Almost 11 million of them were sold in 2014 alone.[6] Fitbit is part of what's called the Internet of Things, which essentially means anything that is connected to the Internet, which will increasingly include almost everything we use, from appliances to cars to medical devices. Brendan O'Brien, the chief evangelist and cofounder of Aria Systems, said, "If you think that the Internet has changed your life, think again. The IoT is about to change it all over again!"[7]

3-D Printing.   Perhaps the most potentially disruptive new technology is the 3-D printer. Straight out of *Star Trek*, the 3-D printer now lets you print just about anything, from a pencil holder for your desk to a replacement kidney, and the technology is only getting better. Researchers are even working on ways to print food products, electronic components, and more.[8] The *Wall Street Journal* predicts that this new *thing* is likely to disrupt our entire manufacturing industry.

Big Data.   According to the SAS Institute, "Big data is a popular term used to describe the exponential growth and availability of data, both structured and unstructured."[9] At the 2003 Techonomy conference, then Google CEO Eric Schmidt said that "every two days now we create as much information as we did from the dawn of civilization."[10] *Every two days!* That's an almost inconceivable amount of information, with crucial implications. Yet it's not the amount of information that is important. What's important is how we use it. We need people and technologies able to access it, store it, find it, analyze it, and determine how to apply it. The organizations that do that best will have a real competitive advantage.

The Cloud.   In an e-mail to employees on his first day as CEO, Microsoft's Satya Nadella said, "I believe over the next decade

computing will become even more ubiquitous and intelligence will become ambient. . . . This will be made possible by an ever-growing network of connected devices, incredible computing capacity from the cloud, insights from big data, and intelligence from machine learning."[11] Nadella saw the trends: billions of mobile phones, the Internet of Things, and big data. All that information needs to be stored somewhere. That somewhere is *the cloud*, which implies a mist-like structure in the stratosphere but is simply another term for the Internet. Instead of filling up the hard drives of our computers, we now have the means of storing our files and data where we can access them from anywhere and share them with others when we wish. The cloud has both opportunities and challenges. We need a good understanding of the opportunities and challenges of this new technology so that we can use it to our advantage and keep our organizations running efficiently.

Security. Our increasing reliance on technology raises an increasing concern with security, and for good reason. As we move more and more of our data into the cloud, as we connect all our devices, from smartphones to refrigerators, to the Internet, as we spend an increasing amount of time on social media, we need to find ways to keep sensitive, confidential, and proprietary data out of the hands of hackers—and our competitors. How are we going to protect ourselves? What technologies and access policies do we need? These are questions we can't ignore.

Business Model Change

> Upscale grocery store chain Whole Foods (often referred to as "Whole Paycheck" because of its high prices) announced this week that it's launching a new offshoot brand—with lower prices—to appeal to younger, millennial shoppers.[12]
>
> *—Sam Sanders*

At Microsoft's Build 2015 conference, the company announced new Microsoft Azure data services for intelligent applications; Visual Studio and .NET tools and runtimes for Windows, Mac, and Linux; and APIs that enable developers to build rich applications with Office 365.

According to CEO Satya Nadella, "Microsoft has bold ambitions for platforms that empower developers across Windows, Azure and Office. Together, we will create more personal and more intelligent experiences that empower billions of people to achieve more."[13]

You can't move forward by standing still while things are changing all around you. Blockbuster and Circuit City went under because they failed to change their business models to keep up with a changing environment. In contrast, Microsoft, Whole Foods Market, and other successful organizations succeed because their business models and business strategies are works in progress that they modify constantly to stay abreast of—ahead of—changes in customer needs and preferences.

That's what we do at NetCom Learning. We opened our doors in 1998 as a provider of live, in-person technology and business training courses in various classrooms in the United States. As the technology evolved, we saw that the way our customers preferred to learn changed, too, which led us to reduce our focus on public, instructor-led, location-based courses and shift our emphasis to personalized, online blended learning— anywhere, anytime learning that our customers could access from any of their devices, from anywhere in the world. When we saw that an increasing number of organizations were starting to expand their learning and development programs, we shifted our business model again so that we could provide the advice and expertise they needed.

Job Role Change

Microsoft used to be a software company. Now it is building software for mobile devices and building its own devices.[14] Its software developers need to be able to develop applications for mobile devices instead of PCs. The company's leadership team needs to understand new technologies so that they can shift the company in the right direction. The marketing team needs to be able to reposition the company brand and use social media to market Microsoft's products. The sales team needs to be able to shift to the cloud version of the software from the original prepaid, licensed model.

When technology and business models change, certain jobs no longer become necessary, and new jobs need to be created, posing both challenges and opportunities for an organization and its employees. The organizations and individuals who are able to anticipate and prepare for these changing jobs have the advantage.

Globalization Impact

> Globalization has changed us into a company that searches the world, not just to sell or to source, but to find intellectual capital—the world's best talents and greatest ideas.[15]
>
> —*Jack Welch*

We live in a global world. Goods, people, ideas, and money move readily across borders. Events that happen on the other side of the world can quickly ripple through our own economy. Competitors are everywhere. New markets constantly emerge, and our customers are increasingly diverse. Our employees come from different cultures, and they have different experiences, expectations, and perspectives. All this interconnectedness has opened up vast new

opportunities—and it presents many, many challenges. To gain the advantage, we need to understand what globalization means to us and learn to navigate its tricky waters.

The Learning Advantage

In this rapidly changing, highly competitive environment, learning organizations have a crucial advantage. They can respond more quickly and effectively to change. They are better able to keep ahead of the competition by coming up with innovative products and services. They are less likely to become mired in inefficient practices, more able to address problems quickly, and better at operating efficiently. Crucially, they are far more likely to attract and retain the best employees.

The Hiring and Retention Advantage

> When an employee feels listened to or invested in, they feel much more loyal to the organization because they feel that somebody cares about them.[16]
>
> *— Rachel Tuller*

Competing successfully in the war for talent can make the difference between an organization that continues to succeed, year after year, and one that withers away and dies. A few years ago, I asked a group of CEOs at the Inc. 5000 Conference, "What is the biggest challenge you are facing in your organization right now?" Almost 90 percent of them gave the same answer: "We are unable to locate the right candidate with the right skills at the right time." The respondents to a 2009 American Society for Training & Development (ASTD) Skills Gap poll agreed: 79 percent of companies surveyed reported that they faced skills gaps within their organization.[17] Yet, at the time the country

faced a 10 percent unemployment rate. Only two years later, 3 million jobs were waiting to be filled,[18] and 65 percent of CIOs were struggling to locate skilled IT professionals.[19]

Although the economy has finally improved and the unemployment rate is (thankfully) dropping, large numbers of people are still looking for work. Yet organizations are still finding it difficult to recruit and retain the right employees.

Why is that so?

It's a complicated question, and there is no right answer. The impacts of globalization, changing technology, and changes in workforce demographics certainly contribute to the situation. Two other key factors are the shift to the knowledge economy and changes in the jobs themselves. People today seek jobs for which they are fully prepared but which no longer exist, while organizations try to find employees who come to the job "fully formed," with all the necessary knowledge and skills to jump right in on Day One.

Learning organizations have the advantage when it comes to hiring the best employees and keeping them from leaving in search of more attractive opportunities. That's because, given the choice, people want to work for organizations that give them the chance to develop and grow. A 2014 survey, *Global Human Capital Trends 2014*, by Deloitte, found that a primary reason employees leave their jobs is lack of opportunity. The same survey found that investments in training, development, and job mobility led to higher performance in organizations of all types.[20]

The Innovation Advantage

Becoming a learning organization will not only help your organization recruit the right employees but will also give your organization an advantage by making your employees better at everything they do. By not being locked into rigid hierarchies,

stifled by bureaucratic procedures, and held back by outdated ways of thinking, you'll be able to bring the right people together at the right time to address problems and come up with innovative solutions more quickly than your traditional counterparts. As a learning organization, you won't sit at the side of the road like a car with a flat tire while your competition whizzes by. Instead, you will be constantly coming up with better products and services, better ways to meet customers' changing needs and preferences, and more cost-effective ways to meet your goals.

Investing in Learning Is Good Business

> Training and developing employees is much more than an employee benefit. It is a critical business driver that leads to high-performing employees and solid workforce retention.[21]
>
> — *GE Capital report*

According to Josh Bersin, writing in *Forbes*, American companies spent 15 percent more on corporate training in 2013—$70 billion in the United States and more than $130 billion worldwide, this after two previous years of increase.[22] That's no small change. But that investment can reap real, quantifiable rewards. That's why top organizations such as GE consider investments in learning and development as essential as those in research and development, marketing, and technology. Of the 12 industrials that formed the original Dow Jones Index, GE is the only one that remains part of that index. The company's success is attributed to legendary leader Jack Welch, who transformed it into a learning organization during his 20-year tenure as chair and

Learning Is . . .	
Opportunity	Empowering
Enriching	Survival
Confidence	Fundamental
Fun!	

CEO. During that period, GE's value increased by 4,000 percent.[23]

What Learning Is

> Learning: the activity or process of gaining knowledge or skill by studying, practicing, being taught, or experiencing something.[24]
> —*Merriam-Webster's Online*

Much of the learning that takes place in organizations is formal learning intended to meet a specific, immediate need, such as teaching someone to do a new task, improving team functioning, or preparing employees to take a certification test. That kind of learning is training: generally short term, practical, and focused on helping people do something or do something better.

Education, another type of formal learning, differs from training in that it is generally long term, not so focused on immediate needs. Education gives us the knowledge base that is the foundation for learning. It helps us understand concepts and continue developing our abilities. The impacts of education might not be apparent for a while, and they may never be obvious at all, but they are essential nevertheless.

Learning is not limited to formal programs with specific objectives. We learn constantly from what we read, from what we see in videos and on television, in our interactions with others, and from our daily experiences. Much of that learning goes unnoticed: You might come up with the answer to a question in conversation without realizing that you learned that information from something you read weeks or even months ago. You might find that you've become a better presenter, unaware that you'd picked up tips from watching a colleague at work. The leaders of learning organizations recognize the value of this kind of informal learning. They encourage people to learn from their everyday experiences and interactions in the course of their work.

What a Learning Organization Is

> [A learning organization is a place 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 to see the whole together.[25]
>
> *— Peter Senge*

A learning organization differentiates itself by valuing and supporting organization-wide learning from the top down. Learning is more than a menu of classes and online programs that employees can participate in when they need to close a performance gap. Instead, it is embedded in every aspect of the organization—in the ways in which decisions are made, problems are addressed, information is shared, the organization is structured, and the physical space is organized.

In a learning organization, the leaders continuously demonstrate by their words and actions their belief that learning is crucial to the organization's growth and ability to compete. The leaders are learners themselves who know that no matter how successful they are, and how much knowledge, experience, and expertise they possess, they always have a great deal more to learn. They know that learning comes from everywhere, so they elicit ideas and opinions from everywhere—from employees at all levels, as well as from customers, vendors, colleagues, competitors and others.

The leaders of a learning organization continuously strive to communicate their vision and promote the value of ongoing learning. But they do far more than just talk. They actively demonstrate that they care about employees' learning and development by providing the necessary resources. They share information openly and involve employees in the decisions that affect

their work and their lives. They flatten hierarchies and eliminate unnecessary policies and rules. They encourage questions and reflection and create an environment in which people can easily collaborate and take risks. They help people to learn from their mistakes and see problems as opportunities.

A Framework for Building a Learning Organization

Learning Culture	Learning Plan	Learning Operation
Right Leader	Learning Goals	Content
Right People	Competency Models	Delivery
Right Behaviors	Learning Methods	Technology
Right Resources	Learning Assessments	Administration & Marketing
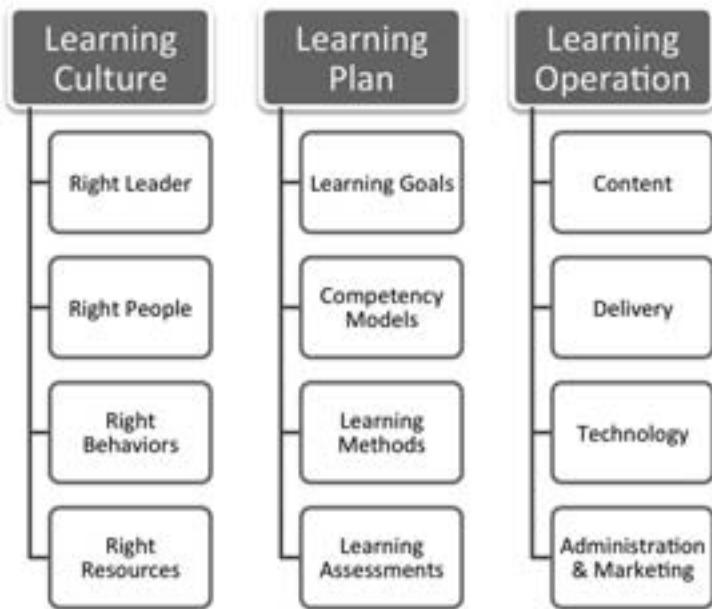
Sarder Framework: Building the Learning Organization

Building a learning organization doesn't happen just because you and your senior leaders think it's a good idea, and it doesn't happen overnight. It takes a long-term commitment, a deep well of patience, thoughtful planning, and a steady supply of resources. You'll need to build a learning culture, develop learning plans, and create a system for managing your learning operations. You'll find details about each of those key steps in later chapters. Here is an overview.

Learning Culture

The Components of a Learning Culture

Culture can be defined as "the sum total of ways of living built up by a group of human beings and transmitted from one generation to another."[26] It's culture that makes one country, region, or group of people different from another. It's easy to see those cultural differences when you travel, in such things as the food people eat, the way they behave, the way they dress, and their celebrations and rituals.

Organizations also have unique cultures that shape their workplaces, and it's that culture that differentiates a learning organization. In contrast with traditional hierarchical organizations, the culture of a learning organization promotes and supports learning at all levels and in a variety of ways.

To build a learning organization, you must deliberately and consciously transform the existing culture into a learning culture. Accomplishing that transformation requires the right leaders, the right people, the right behaviors, and the right resources.

The Right Leader

> Setting the example is all about . . . *putting* your money where your mouth is. It's about *practicing* what you preach. It's about *following through* on commitments. It's about *keeping* promises. It's about *walking* the talk. It's about *doing* what you say.[27]
> —*Jim Kouzes and Barry Posner*

Transforming an organization's culture starts at the top. The CEO and leadership team must have the vision and the will. They must *want* to build a learning culture. They must *believe in* the value of learning. Most of all, they must *be learners* themselves. Leaders who are passionate learners communicate their vision and continuously promote the value of learning throughout the organization. They help people understand why learning is important to achieving both the organization's goals and their own. But they do more: They walk the talk. They set the example by being learners themselves. They create and maintain a learning environment, provide learning programs and activities, and reward learning efforts.

The Right People. You can't build a learning organization alone. A learning culture is built by its people. To transform your organization's culture, you need people who have open minds, are good collaborators, are willing to question the status quo, are not afraid of change, and welcome opportunities to learn. Learning organizations actively seek such people among their current employees and when they recruit and hire.

The Right Behaviors. Collaboration, innovation, experimentation, risk taking, and information sharing are hallmarks of a learning organization. In such organizations, people challenge established ways of doing things and explore new ideas for getting

better. People are actively engaged in the learning process and openly share their learning with others.

You may encounter resistance when you try to encourage these behaviors. We human beings seem to be naturally designed to resist change. Most of us find it easier to keep doing things the old way, no matter how ineffective or cumbersome, than to step out into the unknown and take the risks involved in trying something new. Harvard business professor Rosabeth Moss Kanter cites three causes of this resistance to change: loss of control, uncertainty, and surprise.[28]

That resistance to change is one reason why you need to involve people at all levels—even people outside of the organization, such as key clients, consultants, and vendors—in building a learning organization. Involving people helps reduce their resistance by giving them some control over what is to be changed, reducing the uncertainty about what might happen as a result, and eliminating the surprise that comes when decisions are made opaquely and at the top. There's another benefit as well: You may find that some of the best ideas about how to go about the process come from your line staff, not from your managers.

The Right Resources.   Traditional organizations often consider learning and development as something to be supported only when the resources are available and something to cut back when they are not. But treating learning as a discretionary expense not only makes it difficult to maintain a vibrant learning and development program throughout the organization but also sends a clear message that the organization doesn't consider learning all that important.

The leaders of learning organizations recognize that learning is an essential cost, and they demonstrate their support by providing the necessary resources, even when times are tough. Following the Sarder Principle, they spend at least 2 percent of their total revenue on learning and development.

The Sarder Principle: Two Percent of Revenue to Learning and Development

Learning Plan

The Components of a Learning Plan

Your learning plan describes what will be done to translate your vision of a learning organization into reality. It includes organizational, team, and individual learning goals; the competencies needed to achieve goals; the learning methods you will use; and the ways in which you will evaluate outcomes.

Learning Goals.   The goals in your learning plan provide targets to aim for by describing what you hope to accomplish within specified time frames. They also help ensure that your learning initiatives clearly align with the organization's mission, values, and strategic goals.

Your learning plan will have three levels of goals: the organization's learning goals, learning goals for each team, and individual learning goals for each employee.

Learning Goals Cascade

Organizational learning goals describe the desired outcomes of learning initiatives that help the organization achieve its strategic goals. Team learning goals describe what the team will do to get better at helping the organization achieve its mission. Individual learning goals describe what individual employees will learn to get better at their jobs and advance their careers. Goals at every level help keep everyone focused and heading in the same direction.

Learning goals are particularly important for individuals because well-thought-out goals can increase people's motivation to learn. Children do not need that motivation—they learn because they are naturally curious about the world, and some

carry that curiosity into adulthood. But once we become adults, most of us need a specific reason to embark on a learning process. We'll learn for personal reasons: taking classes in art for our own enjoyment, studying computer programming or getting an MBA to improve our job prospects, or reading histories or fiction because we like to see the world through other people's eyes.

At work, however, people often see learning as unnecessary and irrelevant, a waste of their time (and too often it is). They will sit through a class or do the exercises in a self-study program, but their attention is elsewhere. As a result, they are unlikely to remember or apply what they've learned.

In a learning organization, people know *why* they are learning. Learning programs and activities are clearly linked to organization, team, and individual success. People participate actively in developing their own learning plan, so they have some control over their learning and understand its importance. They are held responsible for their own learning, and they are rewarded for learning efforts and success.

Competency Models. For your organization to succeed, you need people with the knowledge and ability to do certain things. Competency models describe what your employees need to know and be able to do for the organization to achieve its strategic goals. Job descriptions are based on competencies, and your recruiting efforts focus on the competencies required for a specific job. But even the most qualified and experienced employees have gaps between the competencies they need and the ones they have, and employees may need new competencies when things change. Your learning plans address the gaps between the competencies your organization needs and the ones your employees have.

Learning Methods. Your learning plan describes the learning methods you will use to help people close specific competency

gaps: classes, e-learning and Web-based programs, coaching, mentoring, and on-the-job training.

When selecting learning methods, it's important to understand that learning is not a one-size-fits-all activity. As educators know, some children learn well by sitting silently at their desks listening to the teacher or reading, while others need to see pictures or demonstrations and still others learn best when they are active.

It's the same with adults. Some learn best by listening, others by watching, and others by doing. Some prefer to work in groups, while some do better working on their own. Learning programs that fail to consider these differences may not meet everyone's needs, so when designing or purchasing programs, you need to consider how effective they will be for different types of learners. Your choice of learning methods will also be affected by what people need to learn, the urgency, where learners are located, the time they have available for learning, your budget, and more. The more you know about the options, the better able you will be to select the right learning methods for a given situation.

Learning Assessments.   Organizations make a significant investment of time, effort, and money to develop and implement their learning strategies. Unfortunately, many neglect to take the steps needed to determine how well—even whether—their investment is paying off. Even the most costly and most well attended learning programs may be doing the organization and its employees little good. Programs that were useful when they were first implemented may go on and on like the Energizer Bunny, well past the point at which they have ceased to be relevant.

Successful learning organizations build a variety of assessment measures into their learning plans so that they can constantly track and evaluate their learning programs. They collect, share, and analyze data about how well programs are meeting

both organizational and individual needs, and they reevaluate programs that are not working as intended, are no longer relevant, or are no longer necessary.

Learning Operation

The Components of a Learning Operation

If you've ever been involved in building or remodeling a house, you know that there are seemingly innumerable tasks and numbers of people involved. Without someone to organize, plan, oversee, manage, and direct the project, the expensive endeavor is likely to degenerate into a shambles.

In the same way, there are lots of tasks and people needed to plan, develop, organize, implement, and evaluate organizational learning. To achieve their goals and use resources efficiently, top learning organizations centralize learning operations under a single contractor, so to speak, an individual, team, or outside professional who makes sure that everything gets done, and done

smoothly; data and information are readily accessible; tasks and activities are coordinated; and unnecessary redundancy is avoided. A carefully managed learning operation that covers content, delivery, technology, and administration and marketing facilitates access to learning, keeps learning programs and materials current, and provides tools for identifying needs and measuring outcomes.

Content.   Carrying out learning initiatives involves a huge amount of content: learning programs and materials, competency models, performance and needs assessments, evaluations, instructor and vendor information, and more. You will need to develop or purchase a system for collecting all that content, organizing it, keeping it up to date, and ensuring it can be easily accessed when it is needed.

Delivery.   Today's organizations have many options for delivering learning, and it's not always easy to decide which ones will be the most effective and cost-efficient Managing your learning operations includes choosing the right option or options to fit your budget, meet specific goals, and match both learner and organizational needs.

Technology.   Technological tools are essential for managing twenty-first-century learning operations. But it's amazingly easy for organizations to spend huge sums of money on technology and still be unable to manage their learning initiatives effectively and efficiently. It's vital to understand the options so you can select those that are right for you.

Administration and Marketing.   A staggering number of tasks are involved in managing learning operations, from storing and organizing assessments and materials to purchasing, developing, updating, and scheduling courses to letting people know what's

available to overseeing tuition reimbursement programs to negotiating with vendors. Whether you handle these tasks in-house or outsource them to a company that specializes in managing learning operations, a centralized administrative and marketing function helps you control costs and ensure that everything gets done and done right.

To Consider: What are some ways in which becoming a learning organization can benefit your organization?

What's Next: Building a learning organization means transforming the culture so that learning is valued and supported at every level. That's what we'll discuss in Chapter 2.