

The Modern Learning Organization: A Path Forward

Executive Summary

The modern learning organization has to survive and produce results in a complex, ever-changing world. To address this challenge, *Chief Learning Officer* magazine editors and researchers and a team of senior learning executives have developed a model for the modern learning organization.

This model highlights critical characteristics of a successful learning organization, starting with leadership commitment, a learning strategy aligned to organizational strategy and a sound approach to execution that delivers internal impact and business results. These are the functional components of a high-performing organization with a strong learning culture dedicated to driving competitive advantage.

Introduction

In the business world, there is a complex process and equation to determine an organization's value. Business valuation is estimated by considering an organization's assets and liabilities. Is learning and development part of an organization's valuation equation? If so, does it fall on the asset or liability side of the ledger? And what exactly is the difference between a learning organization that is an asset (high performing) and one that is a liability (low performing)? How do we determine the value of a modern learning organization, and what differentiates high-performing from low-performing organizations?

Academics and researchers have pondered how to measure the value of learning organizations and differentiate among them for years. In 2010, the Institute for Corporate Productivity revealed five domains to differentiate high-performing from

low-performing organizations: strategy, leadership, talent, culture and market. David Mallon of Bersin & Associates identified high-impact learning cultures as those that:

- Practice greater business efficiency.
- Value the customer.
- Have market leadership.
- Strive for great customer satisfaction.
- Establish ongoing sustainable growth in business performance.

A far back as 1998, Swee Goh wrote in the *SAM Advanced Management Journal* that high-performing learning organizations have the following core strategic building blocks: mission and vision; leadership; experimentation; transfer of knowledge; and teamwork and cooperation. The American Management Association developed a model of high performance that centers on five major characteristics:

- Strategic approach.
- Customer approach.
- Leadership approach.
- Processes and structure.
- Values and beliefs.

Roland Deiser wrote in his 2009 book *Designing the Smart Organization: How Breakthrough Corporate Learning Initiatives Drive Strategic Change and Innovation* that the high-performing comprehensive corporate learning paradigm should:

- Perceive learning as strategic and as an organization process.
- Include social, political and ethical competencies.
- Place learning primarily in horizontal peer-to-peer relationships.
- Put existing perspectives and behavior into question.
- Focus on ongoing innovation, change and transformation.
- Embed learning in practice.

FIGURE 1



LEARNINGELITE

Taken together, research reveals commonalities among characteristics of high-performing learning organizations, such as a solid strategy, focus on customer needs, leadership involvement and a strong learning culture. The interaction and individual contribution of these core characteristics make a high-performing organization sustainable and able to gain competitive advantage.

In simple terms, where an aligned learning strategy is precisely executed to drive business performance results, the learning and development valuation equation is:

**LEARNING STRATEGY + EXECUTION =
BUSINESS PERFORMANCE RESULTS**

In an effort to further define the components of the valuation equation for a modern learning organization, *Chief Learning Officer* editors and researchers surveyed a panel of learning executives, coordinated a focus group and gathered industry executives together for a think tank. The culmination of the research yielded a comprehensive model that defines the *Chief Learning Officer LearningElite*.

As seen in Figure 1, the modern learning organization has an aligned learning strategy that is precisely executed, delivering learning impact that drives business performance results all while backed by leadership commitment. By design, the model is intended to drive future behaviors of learning organizations toward high-performing outcomes that benefit organizations and the field of learning and development. In the end, it is a path forward for the modern learning organization.

Components of the LearningElite Model

Learning Strategy

The strategy of the modern learning organization must be directly linked to and embedded in the core organizational strategy. Any learning organization that is divested from the broader organizational strategy is functionally disconnected and ultimately will not be able to meet its customers' needs. Deiser writes that the business strategy should align to the learning strategy and that learning should drive the business strategy. The act of doing business itself is a continuous learning process, and new insights have an impact on the business model and on the way a corporation organizes to compete. Deiser's suggestion may seem provocative, but it illustrates the strategic role corporate

learning and development can play in the organization and even a driver for innovation and competitive advantage.

In his column in *Chief Learning Officer* magazine, Bob Mosher wrote, "What if our goal for the new millennium was to create performing organizations?" He suggested that learning professionals are in the "performance business, not the knowledge-gain business." This position is a role reversal for traditional learning and development organizations. Instead of focusing on closing knowledge gaps, it pushes learning professionals to provide the tools to support learners when and where they need it.

Ultimately, any organization without a fundamental learning and development strategy is not positioned to sustain a competitive workforce or a competitive advantage.

Learning Execution

A solid learning strategy is worthless if it is not meticulously and precisely executed. In their book *Execution: The Discipline of Getting Things Done*, Larry Bossidy and Ram Charan argue that to have realism in strategy you have to link it to your people process so that the multiple moving parts of the organization are aligned to get you where you want to go. Execution is more than getting things done. It's having the right plan in place with the right people to get the right things done, and assessing along the way. From a learning perspective, sound execution is based on a plan rooted in a solid technological foundation to support the people who execute a standardized process of developing and delivering learning solutions when and where learners need it. Not only is how it is done important, but how we are doing at it is important, too. Measurement of the execution plan allows for course correction and managing change.

Internal Learning Impact

Although strategy and execution are crucial, how do we know what we are doing is adding value? Do we have the right strategy? Are we executing the right things to the best of our ability? Do we have the right people in the right places? None of this is clear if we don't have a systematic method of measuring learning strategy, execution processes and workforce. From a macro-perspective, the learning and development organization must demonstrate that it is moving the internal needle in order to add value. Internal metrics that are meaningful to the organization — illustrating the contribution of learning and development — must be established, communicated and act as the driver for change. Metrics need to demonstrate that training procedures are embraced and effective at yielding proven results.

One way to ensure that a learning organization has a positive

About *Chief Learning Officer* Magazine

Chief Learning Officer is the foremost resource in the rapidly growing industry of workforce learning and development. The flagship magazine and related network of publications, electronic media and international events have made *Chief Learning Officer* the pre-eminent source of thought leadership for senior-level executives. The magazine provides them with constant access to reliable, relevant information, as well as forums for connecting with other global learning leaders.

impact is to install a learning governance model or board. The learning governance board oversees the learning organization, helps set priorities and secures additional resources as needed. The board serves as an internal change agent for the learning and development organization. A governance board allows for a more agile learning organization to keep up with the speed of change.

Business Performance Results

Traditionally, the learning and development organization has been held accountable for producing internal results only, but the modern organization is now responsible for proving its contribution to the performance of the business. Making this connection is not simple, and showing the linkage is sometimes nothing more than a leap of faith. However, the most advanced learning organizations have baseline plans in place to show how they improve corporate metrics and benchmark their organization against others.

The learning and development function exists in an interconnected, complex environment. As a good steward of resources, the learning and development function must deliver value to the broader organization, external and internal customers, partners, suppliers and to the field of learning and development. A 360-degree perspective is the only way to truly assess the value of a learning organization across the value chain. Learning and development professionals are not merely consumers of learning content, but should rather be active participants in this self-generating field. They benchmark against the best and provide lessons learned to support the continued advancement of the field.

Writing in *The Ultimate Question*, F. Reichheld said a company earns “good” profits when it so delights its customers that they willingly come back for more — and tell their friends and colleagues to do business with the company. Earning good profits all around should be the goal and disposition of learning and development.

Leadership Commitment

An aligned strategy that is cleanly executed may not produce impact or results if it's not backed by leadership. A lack of commitment, either implicit or explicit, from leadership to support learning and development is a reflection on the organization's value as a whole. An organization that is not a learning culture cannot maintain a competitive advantage. If executive leadership is clearly behind learning and development, it will resonate across the organization and create desired results. When learning is viewed as a key business or strategic endeavor, barriers are removed, results are expected and positive outcomes are delivered. Learning and

development is considered a strategic asset when senior executives care about the mission and require results. When learning and performance is central to an organization's values and goals, it will have leadership commitment and empower the learning and development function to deliver results.

Conclusion: A Path Forward

The modern learning organization is now more than ever required to deliver results not only internally but to the entire organization. The LearningElite model emphasizes that value of having a strong learning strategy linked to the organizational strategy. Learning initiatives should be tightly executed and monitored. The resulting outcomes of learning and development's efforts must add value internally as well as externally.

The LearningElite model is built with the expectation that each characteristic will evolve and change over time. However, in the meantime, it is designed to drive future behaviors of learning organizations toward the most productive outcome to benefit organizations and the learning and development industry. It is a path forward for the modern learning organization. ■

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