



Refocusing corporate learning

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Roland Deiser will be a keynote speaker at the 2011 AITD National Conference that's being held in Melbourne on April 13 and 14. This article is a revised excerpt from his recent book, *Designing the Smart Organization: How Breakthrough Corporate Learning Initiatives Drive Strategic Change and Innovation*.

Most people would agree that in our times of globalization and discontinuous change, the ability to innovate and to learn faster than the competition has become the most important element of sustainable strategic advantage. Despite this insight, issues related to learning and corporate capability development do not have an adequate voice in the boardroom.

Whining about this situation is common but it does nothing to change this situation. To become a serious player, the practice of corporate learning needs to develop a different identity. It needs to move beyond its current role as a mere provider of qualification services and begin to act at the core of the business process. Effective corporate learning must extend its traditional professional domain and focus not only on people excellence, but also become a key enabler of organizational and strategic excellence. Let us have a brief look at the three arenas that a more comprehensive approach to learning must address.

People excellence

Creating people excellence is at the heart of the current paradigm of corporate learning, which must make sure that the qualifications, skills, and competences of a company's workforce stay continuously aligned with the strategic requirements of the firm.

This is a herculean task. Accelerating technological change shortens the shelf life of knowledge, and industry discontinuities force companies to continuously develop and change their business models. Strategic moves often lead to a reconfiguration of the desired capability portfolio, requiring the development of new skills and new competences. All this puts a significant pressure on organizations to stay cutting edge with its workforce's level of qualification. Equally challenging are the assurance of a large enough leadership pipeline and the development of leadership capabilities on all levels of the organization, so leaders can be more effective in dealing with the complexities of a globally networked world.

The tools to create people excellence reach from technical skill training to top business school programs, from carefully designed action learning programs to coaching and team development exercises, from creating informal learning environments to enabling

communities of practice. They feature traditional classroom instruction, advanced e-learning tools, sometimes even video games and virtual platforms such as Second Life. The creativity and quality of learning designs in the corporate settings is usually much higher than in the external educational system because of a higher pressure to create results. Corporate learning is pretty good in the domain of people excellence.

Organizational excellence

Creating people excellence is an important domain of learning; however, it does not address the learning and development needs of the organization. You may develop the best and brightest people, but they won't perform well if they are hamstrung by organizational inertia, multilayered hierarchies, cumbersome decision processes, or a culture of mistrust and intrigue. Corporate learning remains toothless if it does not get a say in the overall design of the organization.

Redesigning structures, mechanisms, incentive systems, and policies to increase the overall learning capability of a company are among the most powerful tools of learning interventions. They can't rank high enough on the top leadership agenda. Organizing an enterprise in ways that foster discourse, cross-boundary collaboration, entrepreneurial risk taking, diversity, innovation, and more can be a much more efficient and effective intervention than spending money on training, coaching, and executive education while leaving the context untouched.

We know that learning processes are stimulated and driven by creating a difference or an irritation in a system, and interventions can be created to do just this. Creating an organizational initiative that stimulates the right learning is more art than science; as

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every context is unique, it also requires diagnostic skills, political sensitivity, and design creativity and sophistication, but the rewards are a quantum leap richer than those derived from smart but narrow learning designs that focus on people qualification only.

Furthermore, corporate learning must contribute to developing and nurturing the right organizational capability portfolio. Such capabilities include not only people skills but the more deeply embedded core competences that can make a difference in the marketplace, such as speed of processes, technological expertise, precision engineering, large-scale distribution skills, mass customization, open innovation, brand equity, or whatever constitutes the core of competitive advantage. The challenge is to create a learning architecture that enables through its smart design a high-performing organization that excels in decision-making and execution, is agile, and has a capability for continuous innovation and change.

Finally, corporate learning can play a particularly important role in supporting the success of a merger. Mergers and acquisitions frequently fail to realize their full potential because post-merger integration activities lack sophistication and are not designed as strategic and organizational learning processes. Under a learning perspective, every merger or joint venture provides an Eldorado of opportunity to reframe mindsets and to loosen up petrified structures. No function is better suited to provide platforms for discourse on the strategic meaning and the organizational

implications of a merger. No other function has the organizational learning design expertise that is required to harvest the diversity of perspectives and cultures that comes with mergers.

Strategic excellence

The third and most complex domain of corporate learning is developing strategic excellence by supporting a company's efforts to achieve and sustain industry leadership. There are some basic principles that organizations need to follow if they strive for strategic excellence, and this is where a smart corporate learning architecture comes into play.

For one, companies need strategic sensibility; they need to stay alert to the dynamics of their industry to remain competitive in the present, and they need to sense discontinuities in their environment that may trigger radical change. In addition, companies need strategic creativity to respond to the industry dynamics by creating new business models that shake up the current rules of the game. They need to be able to identify opportunity spaces that result from the discontinuities and exploit them for their strategic benefit. Staying alert requires the development and nurturing of sense-making skills at the boundaries of the organization that are in touch with the real world, as well as creating institutionalized spaces of irritation that can regularly stir up the existing cognitive maps. Exploiting emerging opportunity spaces requires the ability to look at the world through continuously refreshed lenses that see beyond

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the mainstream industry paradigm. And it requires a culture of bold entrepreneurship that encourages experimentation and allows failure.

A smart corporate learning architecture can help set up such spaces of irritation and design “sensitive touch points” in the environment to enhance continuous learning. It can also play a role in pushing for policies that foster organizational boldness through the design of protected ‘entrepreneurial spaces’ that seek business model innovation. Such strategic learning designs help to fight the ‘disease of the leader’—the tendency of leading corporations to rest with arrogance and pride on their success and remain stuck in business models and organizational routines that sooner or later become obsolete.

Furthermore, industry leadership is closely connected with the ability to maximize the performance of the value chain and the company’s entire external partner network. This requires an architecture that engages stakeholders in an ongoing conversation to optimize the overall network design. Just as creating *organizational excellence* is a question of designing structures, mechanisms, processes, and policies that make the company learn, creating stakeholder network performance is similarly a question of smart trans-organizational design. However, this design cannot be imposed. Orchestrating networks requires skills that follow a different logic than hierarchically powered leadership. A smart corporate learning architecture needs to provide common spaces that instigate cross-boundary dialogue and ultimately create enabling mechanisms that foster collaboration, trust, and openness—important conditions for high-performing networks.

Exhibit 1 provides a summary of the three domains and examples of topics they address. It is easy to see that they are closely interrelated and feed on each other. People excellence drives organizational excellence (and vice versa), and organizational excellence affords industry leadership. Investments in one domain are likely to boost the other domains as well, as long as their interdependencies are consciously managed.

Unfortunately, in many companies the interaction of the domains creates a negative loop instead. Bad leadership and skills deficits result in a low performing organization, and a dysfunctional organization inhibits people excellence. Poorly designed organizations lose in the battle for industry leadership, and a weak strategic position eventually leads to low performance and demise.

It is the mission of a great corporate learning architecture to provide the overall framework for a concerted development of excellence in the domains of people, organization, and strategy. Establishing and managing such a framework is a conceptually challenging and politically delicate task that requires top management attention; done well, it moves corporate learning center stage as a new type of

business practice that is indispensable for the long-term survival of the firm. ■



Exhibit 1: Corporate Learning Domains

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