



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.*

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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CHAPTER

1

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,