

**TRANSFORMATIONAL LEADERSHIP AND LEARNING
ORGANIZATION - A STUDY WITH SPECIAL REFERENCE TO
THE ORGANIZATIONAL LEADERSHIP IN KERALA**

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By

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Ph. D. Thesis under the Faculty of Social Sciences

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Certificate

Certified that the thesis titled “**Transformational Leadership and Learning Organization: A Study with Special Reference to the Organizational Leadership in Kerala**”, is based on the bonafide research work done by Shri. Geo Baby (Reg. No. 3027) under my guidance and supervision. It is further certified that the thesis is not previously used for the award of any Degree, Diploma and Fellowship or for awarding other similar titles of recognition.

All the relevant corrections and modifications suggested by the audience during the pre-synopsis seminar and recommended by the Doctoral committee have been incorporated in the thesis.

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Declaration

I, Geo Baby, do hereby declare that the thesis titled “**Transformational Leadership and Learning Organization: A Study with Special Reference to the Organizational Leadership in Kerala**” submitted to Cochin University of Science and Technology, Kochi - 22, for the award of the Degree of Doctor of Philosophy under the faculty of Social Sciences, is the authentic record of original and independent research work done by me under the supervision and guidance of Dr. K. George Varghese, Professor (Rtd.), School of Management Studies, Kochi - 22. I further declare that this thesis has not previously formed the basis for the award of any Degree or Diploma or Fellowship or other similar titles of recognition.

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I dedicate this thesis to my Parents & family to whom I owe my life;
Prof. P. R. Poduval and Late Prof. Ancheri Sreekumar
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Abstract

There are various studies conducted on transformational leadership and learning organization. The term gets more importance in current scenario as the technological advancement and many other factors made organization unsustainable without learning culture. The objective of this study was to identify relationship between transformational leadership and learning organizations. The study was conducted in 27 organizations inside Kerala and the tools used for the study are Multifactor leadership questionnaire (MLQ) 21 items by Bernad M Bass and B J Avolio and the Dimensions of learning organizations questionnaire (DLOQ) 43 items by Watkins and Marsick. The study has used confirmatory factor analysis, one way ANOVA, Pearson correlation analysis and Canonical discriminant function analysis for deriving the results. The result of this research proves that, there is a significant relationship between transformational leadership and learning organization. There is a significant positive impact of the factors of Transformational leadership i.e. idealized influence, inspirational motivation, intellectual stimulation, individual consideration, contingent reward, management by exception and laissez faire leadership in discriminating high, medium and low learning organization.

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TRANSFORMATIONAL LEADERSHIP

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1.1 Introduction

The world is facing the challenges of VUCA (Volatile, Uncertain, Complex and Ambiguous) time. Adaptability and modifiability become critical factors in sustaining success. We have proven examples around where certain leaders succeed in such a dynamic environment by maintaining their organization continuously adapting and this study is a humble attempt

to substantiate this relationship. The initial three chapters clarify the topic and variables under research.

The term leadership has various interpretations. In simple terms, leadership is getting others to follow or getting people to do things willingly. It is a matter of making a difference.

Professor Warren G. Bennis (1985) *"Leaders are people who do the right thing; managers are people who do things right."*

Dwight D. Eisenhower (1985) *"Leadership is the art of getting someone else to do something you want to be done because he wants to do it."*

Leaders help themselves and others to do the right things. They set direction, build an inspiring vision, and create something new. Leadership is about mapping out where you need to go to win as a team or an organization; and it is dynamic, exciting, and inspiring. Yet, while leaders set the direction, they must also use management skills to guide their people to the right destination, in a smooth and efficient way. Some leaders are successful, while others fail. The truth is that there is no "magic combination" of characteristics that makes a leader successful, and different characteristics matter in different circumstances.

1.2 Nature of Leadership

- Effective leadership is a key factor in the life and success of an organization
- Leadership transforms potential into reality.

- Leadership is the ultimate act which brings success to all of the potent potentials that is in an organization and its people.
- Leaders propose new paradigms when old ones lose their effectiveness.

This doesn't mean, however, that you can't learn to be an effective leader. You just need to understand the various approaches to leadership, so that you can use the right approach for your own situation. One way of doing this is to learn about the core leadership theories that provide the backbone of our current understanding of leadership.

John Maxwell (2011) *“Leaders become great, not because of their power, but because of their ability to empower others”*

Leadership is mostly used as a synonym to management. But there is a large difference between the two terms. Management concerned with activities to face the complex business problems and on the other hand leadership is dealing with the changes. Leaders establish direction by developing a vision for the future; then they align people by communicating this vision and inspiring them to overcome hurdles. Whereas management brings about order and consistency by drawing up formal plans. Leadership is the ability to influence a group toward the achievement of a set of goals or vision.

1.3 Earlier Studies in Leadership

The primitive stage of leadership study was mainly on the traits of leaders and which were done in between 1920 and 1940. Among them Stogdill (1948), ‘big five’ behavioural theories of leadership traits were

prominent. Trait theories help to identify traits and qualities (for example, integrity, empathy, assertiveness, good decision-making skills, and likability) that are helpful when leading others. However, none of these traits, or any specific combination of them, will guarantee success as a leader. Traits are external behaviors that emerge from the things going on within our minds – and it's these internal beliefs and processes that are important for effective leadership.

Another milestone theory in leadership research was Fiedler's (1967) theory of contingency. The study of Fiedler gives an insight of simple and clear tasks and situations with very high or very low leader acceptance required task- oriented leadership and complex tasks required relationship- oriented leadership. Later Fiedler and Gracia (1987) proposed the cognitive resource theory (CRT) and which related a leader's cognitive resource to group performance. The path goal theory of motivation was proposed by House (1971). House suggested four types of leaders: directive, supportive, participative and achievement oriented. The leader must use an appropriate style to smoothen the path to the goals.

Hersey and Blanchard (1982) proposed a theory known as the situational theory of leadership by combining the grid approach and contingency theories. According to this theory, leadership is a function of the situation and an effective leader is one who assesses the situation accurately, uses a style appropriate to the situation, is flexible and is also able to influence and alter the situation.

Even though the situational theory of leadership suggests that leadership effectiveness depends on the use of a style appropriate to the situation and that there is no best leadership style

1.3.1 Search for the Leadership Style

Conventionally, there are large numbers of leadership styles such as autocratic, laissez-faire, democratic, participative, etc. Any of these and several other models of leadership highlights about under the broad headings of trait approach to leadership, behavioural approach to leadership and contingency approach to leadership does not fit into the structure of learning organization. However, it is in nearly last two decades of the 20th Century that some other kinds of leadership styles came to be advocated under the broad head of change leadership. These styles include Charismatic and Transformational Leadership

1.3.2 Transactional Leadership

Transactional leadership is one in which a leader simplifies subordinates role and discuss requirements, initiates structure, provides rewards and displays consideration for subordinates. Therefore, the transactional leader's ability to satisfy subordinates may improve productivity. They may also excel at management functions; they are hardworking, tolerant and fair-minded. They take pride in keeping things running smoothly and efficiently. They also evince a sense of commitment to the organization and conform to organizational norms and values. However, they often emphasize on Plans, Schedules and Budgets in contrast to the real level of outcomes/performances.

1.3.3 Charismatic Leadership

It goes beyond the techniques of transactional leadership. The Charismatic Leader is one who has the capability to motivate subordinates to transcend their expected performance. Expressing differently, a Charismatic leader has the ability to inspire and motivate people to do more than they would normally do, despite obstacles and personal sacrifice. Subordinates eclipse their own self-interests for the sake of organization. If compared with transactional leaders, charismatic leaders are less predictable. They create an atmosphere of change, and they may be obsessed by visionary ideas that excite, stimulate, and drive other people to work hard. They are able to generate an emotional impact on their subordinates.

1.4 Meaning and Definitions of Transformational Leadership

There are various kinds of leadership models have been followed by various institutions around the globe. Among them, transformational leaders are those who inspires followers to transcend their own self interests for the improvement of the organization, and who is capable of having a profound and extraordinary effect on his or her followers. The transformational leaders are obliged to identify the needed change by making a vision for guiding through inspiration, and motivation. Transformational leadership is a leadership style that focused on effecting revolutionary change in organizations through a commitment to the organizations vision. This leadership style serves to enhance motivation, morale and performance of followers through various mechanisms, these includes commonality identifications of groups of individuals, collective identity of the organisation and being a role model to the group and inspire them with dialogue which

will improve their interest in the project; motivate the followers by emphasizing their ability and giving more freedom to perform the work by understanding their strength and weakness.

Bernard M Bass (1985) *“Transformational leadership involves inspiring followers to commit to a shared vision and goals for an organization or unit, challenging them to be innovative problem solvers, and developing followers leadership capacity via coaching, mentoring, and provision of both challenge and support”*.

Seth Godwin (2005) *“Transformational Leaders don’t start by denying the world around them. Instead, they describe a future they would like to create instead”*

Vinod K. Jain and O. P. Goyal (2005) *“Transformational Leaders are instrumental in bringing about marked changes both in subordinates and the organization. As a matter of fact they have the capability of leading changes in the organization’s mission, strategy, structure, and culture, aside from promoting innovations in processes and products. They do not depend merely on tangible rules and incentives to control the behaviors of employees, but also employ intangible qualities such as vision, shared values, and ideas to build relationships, give larger meaning to diverse activities, and find common ground to enlist followers in the change process”*.

According to Bernard M Bass (1990) “Transformational leadership encompasses several aspects, including:

- Emphasizing intrinsic motivation and positive development of followers

- Raising awareness of moral standards
- Highlighting important priorities
- Fostering higher moral maturity in followers
- Creating an ethical climate (share values, high ethical standards)
- Encouraging followers to look beyond self-interests to the common good
- Promoting cooperation and harmony
- Using authentic, consistent means
- Using persuasive appeals based on reason
- Providing individual coaching and mentoring for followers
- Appealing to the ideals of followers
- Allowing freedom of choice for followers.

Transformational leaders are expected to have a positive expectation on followers. They believe their followers can do best. As a result, they inspire, empower, and stimulate followers to exceed normal levels of performance. The main advantage for the follower is that the leader not only cares about the official formal needs but also give focus on their personal need and development. Transformational leaders fit well in leading and working with complex workgroups and organizations, where beyond seeking an inspirational leader to help guide them through an uncertain environment, followers are also challenged and feel empowered; this nurtures them into becoming loyal, high performers.

Examples

There are various examples for a transformational leader like Mahatma Gandhi and Rev. Dr Martin Luther King, Jr. The father of our nation is well known for his leadership of India's independent movement and philosophy of sathyagraha, ahimsa or nonviolence, pacifism. Martin Luther King, the speech "I have a dream" inspired people to support the civil rights movement of America

Transformational leaders pay more attention to the concerns and developmental needs of individual followers. They change subordinates awareness of issues by helping them to look at old problems in new ways, and they are able to stimulate, arouse, and inspire subordinates to put more efforts to achieve organizations goal. The trend in leadership, replacement of transactional leadership with transformational leadership represents a shift in theories of leadership.

1.5 Evolution of Transformational Leadership

The concept of transforming leadership was initially coined by James Mac Gregor Burns (1978), an American historian and political scientist and presidential biographer. In his book transforming leadership: a new pursuit of happiness he says "the protection and nourishing of happiness, for extending the opportunity to pursue happiness to all people, as the core agenda of transforming leadership". According to Burns, transformational leadership can be seen when "leaders and followers make each other advance to a higher level of morality and motivation". The strength of vision and personality, transformational leaders are able to motivate and inspire the followers to change the expectations, perceptions, and urge the

followers to work to achieve the common goal. The main differentiation of transactional leadership from transformational leadership style is that the relation between the leader and its followers is a 'give and take' relation. Transforming leaders are idealized in the sense that they work towards the benefit of the individual, team, organization and the community. The conclusions made by Burns say, both the transactional and transformational leadership style are mutually exclusive.

The studies made by Bernard M Bass (1985) expand the theory made by Burns. He developed the original idea of transformational leadership and which is known to be 'Bass Transformational Leadership Style'. The theory of Bass says the impact on followers shows the real transformational leaders. The trust, respect for the leader, administration of the followers shows the effectiveness of leadership.

Bernard M. Bass (1985) continuing the works of burn listed the psychological mechanisms that lie behind transformational and transactional leadership. He introduced 'transformational' and replaced the word 'transforming'. He used the theory of Burns and explained how to measure the transformational leadership and how it impact follower motivation and performance. The measurement is done in terms of the influence leader have on the followers. The followers of the transformational leader's show a feel of trust, admiration, loyalty, and respect for the leader and because of these reasons the followers get motivated and work harder than the expectation to achieve the goals. The increased result achievement is the outcome of the leader's inputs. The leader promotes his or her followers by offering something more than just working for self-gain. They nourish the followers with the motivational thoughts and give them an identity. The leader's

transformation was done with his own idealized influence (charisma) and intellectual stimulation and consideration. In advance to this leaders inspire the followers to come up with new and improved ways of doing things differently. In contrast to Burn's Bass suggest that the leadership can simultaneously display both the characteristics of transformational and transactional leadership style.

1.6 Components of Transformational Leadership

The full range of leadership introduces four elements of transformational leadership. The “Four I’s” of Transformational Leadership (Avolio, B. J. & Bass, B. M; 1991)



Figure 1.1: Components of transformational leadership

1.6.1 Individualized Consideration

The degree to which the leader attends to each follower's needs acts as a mentor or coach to the follower and listens to the follower's concerns and needs. The leader gives empathy and support, keeps communication open and places challenges before the followers. This also encompasses the need for respect and celebrates the individual contribution that each follower can make to the team. The followers have a will and aspirations for self-development and have intrinsic motivation for their tasks. Transformational leadership also involves offering support and encouragement to individual followers. In order to foster supportive relationships, transformational leaders keep lines of communication open so that followers feel free to share ideas and so that leaders can offer direct recognition of the unique contributions of each follower.

1.6.2 Intellectual Stimulation

The degree, to which the leader challenges assumptions, takes risks and solicits followers' ideas. Leaders with this style stimulate and encourage creativity in their followers. They nurture and develop people who think independently. For such a leader, learning is a value and unexpected situations are seen as opportunities to learn. The followers ask questions, think deeply about things and figure out better ways to execute their tasks. Transformational leaders not only challenge the status quo; they also encourage creativity among followers. The leader encourages followers to explore new ways of doing things and new opportunities to learn.

1.6.3 Inspirational Motivation

The degree to which the leader articulates a vision that is appealing and inspiring to followers. Leaders with inspirational motivation challenge followers with high standards, communicate optimism about future goals and provide meaning for the task at hand. Followers need to have a strong sense of purpose if they are to be motivated to act. The visionary aspects of leadership are supported by communication skills that make the vision understandable, precise, powerful and engaging. The followers are willing to invest more effort in their tasks; they are encouraged and optimistic about the future and believe in their abilities. Transformational leaders have a clear vision that they are able to articulate to followers. These leaders are also able to help followers experience the same passion and motivation to fulfil these goals.

1.6.4 Idealized Influence

Provides a role model for high ethical behavior, instils pride, gains respect and trust. The transformational leaders serve as a role model for followers. Because followers trust and respect the leader, they emulate this individual and internalize his or her ideals.

As a development tool, transformational leadership has spread already in all sectors of western societies, including governmental organizations. As an example, the Finnish Defense Forces is using widely Deep Lead Model as the basic solution of its leadership training and development. The Deep Lead Model is based on the theory of transformational leadership.

The success of transformational leadership occurs when the group of leader and followers will complement each other to increase the morale and motivation.

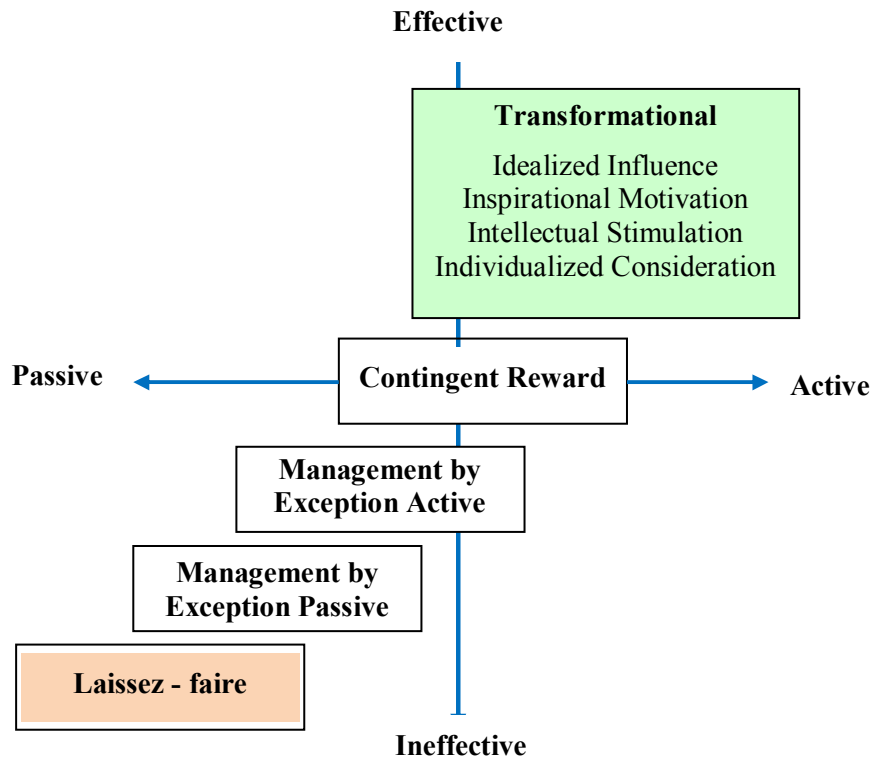


Figure 1.2: The full range of leadership model

In addition to the 4I components of leadership model, there are other components included in transformational leadership behaviour, along with Laissez-faire behaviour. The following are the components

1) Contingent reward (CR)

This positive transaction has been found to be sensibly effective in motivating others to achieve higher levels of growth and performance, although not as much as any of the transformational components. The contingent reward leadership involves the leader assigns or attains follower agreement on what need to be done with promised or actual

rewards offered in exchange for satisfactorily carrying out the assignment. Contingent reward is transactional when the reward is a material one, e.g.: bonus. Contingent reward can be transformational when the reward is psychological, such as praise.

2) Management by exception

This corrective transaction tends to be more ineffective than contingent reward or the components of transformational leadership. It can be active or passive. In active management by exception, the leader arranges to actively monitor deviances from standards, mistakes and errors in the follower's assignments and to take corrective action as necessary. In management by exception, passive implies waiting passively for deviances, mistakes and errors to occur and then taking corrective action. Active management by exception may be required and effective in some situations, such as when safety is most important. Leaders sometimes must practice passive management by exception when required to supervise a large number of subordinates who report directly to leaders.

3. Laissez faire leadership

In the model, the non leadership factor diverges farther from transactional leadership and represents behaviours that are non-transactional. Laissez-faire leaders may give their teams' complete freedom to do their work and set their own deadlines. They provide team support with resources and advice if needed, but otherwise don't get involved. This leadership style can be effective if the leader monitors performance and gives feedback to team members regularly.

It is most likely to be effective when individual team members are experienced, skilled, self-starters.

The laissez-faire leadership style is where all the rights and power to make decisions is fully given to the follower. This was first described by Lewin, Lippitt, and White in 1938, along with the autocratic leadership and the democratic leadership styles (Gastil, J. 1994).

1.7 Other Transformational Perspectives

The studies other than Bass's have contributed in unique ways to our understanding of the nature of transformational leadership. They are the research of Bennis and Nanus (1985) and the work of Kouzes and Posner (1987, 2002). These scholars used similar research methods and from this information, they constructed their models of leadership.

Bennis and Nanus

Bennis and Nanus asked different questions to leaders and from the answers they derived four strategies used by leaders in transformational organizations.

- 1) Transforming leaders had a clear *vision* of the future state of their organization: the vision usually was simple, understandable, beneficial and energy creating. The compelling nature of the vision touched the experiences of followers and pulled them into supporting the organization.
- 2) Transforming leaders were *social architects* for their organizations: this means they created a format for the formal meanings people maintained within their organizations. These leaders

communicated a direction that transformed their organizations values and norms.

- 3) Transforming leaders created *trust* in their organizations by making their own positions clearly known and then understanding by them: for organizations, leaders built trust by articulating a direction and then consistently implementing the direction even through the vision may have involved a high degree of uncertainty.
- 4) Transforming leaders used creative deployment of self through *positive self-regard*: leaders knew their strengths and weakness, and they emphasized their strengths rather than dwelling on their weakness. Based on the awareness of their own competencies, effective leaders were able to immerse themselves in their tasks and the overarching goals of their organizations. The study also found that positive self regard in leaders had a reciprocal impact on followers, creating in them feelings of confidence and high expectations.

Kouzes and Posner

Kouzes and Posner developed their model by interviewing leaders about describing their “personal best” experience as leaders. This model consists of five fundamental practices that enable leaders to get extraordinary things accomplished.

- 1) Model the way: The leader needs to be clear about their own values and philosophy and express it to others in their own voice. Leaders perform as a role model by their own behaviours. They

also follow through on their promises and commitments and affirm the common values they share with others.

- 2) Inspire a shared vision: effective leaders create compelling visions that can guide people's behaviour. They are able to visualize positive outcomes in the future by listening dreams of subordinates.
- 3) Challenge the process: challenging the process means being willing to change the status quo and step into the unknown. Leaders are like the pioneer, they want to experiment and try new things. They are willing to take the risk, willing to innovate, grow and improve.
- 4) Enable others to act: outstanding leaders are effective at working with people. They build trust with others and promote collaboration. They listen closely to diverse points of view and treat others with dignity and respect. They also allow others to make choices, and they support the decisions that others make.
- 5) Encourage the heart: leaders encourage the heart by rewarding others for their accomplishments. Effective leaders are attentive to this need and are willing to give praise to workers for jobs well done. The outcome of this kind of support is greater collective identity and community spirit.

1.8 The Working of Transformational Approach

The transformational leadership, in general, describes how leaders can initiate, develop, and carry out significant changes in organizations. Even

though it is not definite, the steps followed by transformational leaders usually take the following form.

Transformational leaders set out to empower followers and nurture them in change. They attempt to raise the consciousness in individuals and to get them to transcend their own self-interests for the sake of others. Transformational leadership created a culture in which employees felt empowered and encouraged to freely discuss and try new things.

To create change, transformational leaders become strong role models for their followers. They have a highly developed set of moral values and a self-determined sense of identity. They listen to followers and are not intolerant of opposing viewpoints. A spirit of cooperation often develops between these leaders and their followers. Followers want to emulate transformational leaders because they learn to trust them and believe in the ideas for which they stand.

It is common for transformational leaders to create a vision. The vision emerges from the collective interest of various individuals and units in an organization. It gives the leader and the organization a conceptual map for where the organization is headed; it gives meaning and clarifies the organizations identity. It also gives the followers a sense of identity within the organization and also a sense of self-efficacy.

The transformational approach also requires that leaders become social architects. This means leaders entering into the organizational culture and makes clear the values and norms of the organization. People need to know their roles and understand how they contribute to the greater purpose of the organization. Transformational leaders are out

front in interpreting and shaping for organizations the shared meanings that exist within them.

Throughout the process, transformational leaders are effective at working with people. They build trust and foster collaboration with others. Transformational leaders encourage others and collaboration with others. Transformational leaders encourage others and celebrate their accomplishments. In the end, transformational leadership result in people feeling better about themselves and their contributions to the greater common good.

1.9 Strengths of Transformational Leadership

In its present stage of development, the transformational approach has several strengths

- 1) Transformational leadership has been widely researched from many different perspectives, including a series of qualitative studies.
- 2) Transformational leadership has intuitive appeal.
- 3) Transformational leadership treats leadership as a process that occurs between followers and leaders.
- 4) The transformational leadership approach provides a broader view of leadership that augments other leadership models.
- 5) Transformational leadership places a strong emphasis on followers' needs, values, and morals.
- 6) There is substantial evidence that transformational leadership is an effective form of leadership.

1.10 Criticism of Transformational Leadership

Transformational leadership has several weaknesses.

- 1) It lacks conceptual clarity. It covers such a wide range of activities and characteristics including creating a vision, motivating, being a change agent, building trust, giving nurturance, and acting as a social architect, to name a few, it is difficult to define exactly the parameters of transformational leadership. In other words, the dimensions of transformational leadership are not clearly delimited.
- 2) The second criticism revolves around how transformational leadership is measured. Even though researchers use some versions of MLQ to measure transformational leadership, some studies also point out the validity of MLQ.
- 3) Transformational leadership treats leadership as a personality trait or personal predisposition rather than a behavior that people can learn. If it is a trait, training people in this approach becomes more problematic because it is difficult to teach people how to change their traits.
- 4) The other criticism some have made is that transformational leadership is elitist and antidemocratic. Transformational leaders often play a direct role in creating changes, establishing a vision, and advocating new directions. This gives the strong impression that the leader is acting independently of followers or putting him above the follower's needs.

- 5) Some study argues that transformational leadership suffers from a heroic leadership bias. Transformational leadership stresses that it is the leader who moves followers to do exceptional things. By focusing primarily on the leader, researchers have failed to give attention to shared leadership or reciprocal influence.
- 6) A final criticism is that it has the potential to be abused. Transformational leadership is concerned with changing people's values and moving them to a new vision. If the values to which the leader is moving his or her followers are not better, and if the set of human values is not more redeeming, then the leadership must be challenged.
- 7) History is full of examples of charismatic individuals who used coercive power to lead people to evil ends. For this reason, transformational leadership puts a burden on individuals and organizations to be aware of how they are being influenced and in what directions they are being asked to go.

1.11 Application of Transformational Leadership

Rather than being a model that tells leaders what to do, transformational leadership provides a broad set of generalizations of what is typical of leaders who are transforming or who work in transforming contexts. Unlike other leadership approaches transformational leadership does not provide a clearly defined set of assumptions about how leaders should act in a particular situation to be successful. Transformational leadership requires that leaders be aware of how their own behavior relates to the needs of their subordinates and the changing dynamics within their organizations. Bass and Avolio suggested

that transformational leadership can be taught to people at all levels in an organization and that it can positively affect a firm's performance.

Programs designed to develop transformational leadership usually require the leaders or their associates take the MLQ or a similar questionnaire to determine the leader's particular strengths and weakness in transformational leadership. Taking the MLQ helps leaders pinpoint areas in which they could improve their leadership.

One particular aspect of transformational leadership that has been given special emphasis in training programs is the process of building a vision. Working with leaders in vision statement is one way to help them enhance their transformational leadership behaviour. Overall, transformational leadership provides leaders with information about a full range of their behaviors, from no transactional to transactional to transformational.

1.12 Transactional and Transformational Leadership

This leadership style starts with the idea that team members agree to obey their leader when they accept a job. The "transaction" usually involves the organization paying team members in return for their effort and compliance. The leader has a right to "punish" team members if their work doesn't meet an appropriate standard.

Although this might sound controlling and paternalistic, transactional leadership offers some benefits. For one, this leadership style clarifies everyone's roles and responsibilities. Another benefit is that, because transactional leadership judges team members on performance, people who are ambitious or who are motivated by external rewards – including compensation – often thrive. The downside of this leadership style is that

team members can do little to improve their job satisfaction. It can feel stifling, and it can lead to high staff turnover.

Transactional leadership is really a type of management, not a true leadership style because the focus is on short-term tasks. It has serious limitations for knowledge-based or creative work. However, it can be effective in other situations.

Transactional leaders are those who guide or motivates their subordinates in the direction of set goals by clarifying role and task requirements whereas transformational leaders are who inspire subordinates to transcend their own self interests and who are capable of having a profound and extraordinary effect on followers.

As posted by Burns, transactional leadership can be seen as the counter to transformational leadership.

Table 1.1: Differentiating transformational and transactional leadership

Transformational Leadership	Transactional Leadership
Public and Private acknowledgements of achievements (higher level needs)	Rewards and Punishments (low-level needs)
Delegates tasks for supporters to act autonomously or in small groups	Micro manages team to ensure preset standards are met
Encourages change and thinking outside the box	Avoids change, works to keep things the same
Concerned with ideas over processes	Concerned with processes over ideas.

It is also important to point out that all types of leadership have a dark side when an abuse of power is realized. True transformational

leadership must involve efforts to develop supporters into leaders, for leaders who use their charisma and powers to create blind followers are not truly transformational.

1.13 Characteristics of Transactional and Transformational Leaders

Transactional leader:

- 1) Contingent reward: contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments.
- 2) Management by exception (active): watches and searches for deviations from rules and standards take corrective action.
- 3) Management by exception (passive): intervenes only if standards are not met.
- 4) Laissez- Faire: Abdicates responsibilities, avoids making decisions.

Transformational leader:

- 1) Charisma: provides vision and sense of mission, instills pride, value driven, courageous, gains respect and trust.
- 2) Inspiration: communicates high expectations, uses symbols to focus efforts and expresses important purposes in simple ways, visionary, Ability to deal with complexity, ambiguity and uncertainty.
- 3) Intellectual stimulation: promotes intelligence, rationality and careful problem solving.
- 4) Individualized consideration: gives personal attention, treats each employee individually, coaches advises.

1.14 Measurement

The Transformational leadership is measured using the Multifactor Leadership Questionnaire (MLQ) (Bass & Avolio, 1989), a survey which identifies different leadership characteristics based on examples and provides a basis for leadership training. Earlier research on transformational leadership was limited because the knowledge in this area was too primitive for finding good examples of the items in the questionnaire. Another weakness in the first version of the MLQ related to the wording of items. Most items in the scale of charismatic leadership described the result of leadership, instead of specific actions of the leader that can be observed and that, in turn, lead to the results. In response to the critics, Bass and Avolio included in the revised and now subsequent versions many more items that describe leadership actions that are observed directly. In this study, the researcher has used MLQ 1992 version with 21 items. They split out seven attributions associated with Transformational Leadership. This instrument is also being upgraded further by experts in the field.

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LEARNING ORGANIZATION

<i>C</i> <i>o</i> <i>n</i> <i>t</i> <i>e</i> <i>n</i> <i>t</i> <i>s</i>	2.1 <i>Introduction</i>
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	2.9 <i>Measurement</i>

2.1 Introduction

This chapter deals with the origin, definition, components, features, characteristics and nature of learning organization. This is to give insights into the topic and to generate information about learning organization.

2.2 Learning – Individual Learning- Role of Leadership

Learning is understood as the change of behavior through observation, exercise, or understanding. This is supplemented with five important components of learning:

- 1) Learning involves change: a change may be for good or poor. Change may not be clear until a circumstance arises in which the new action can occur. Learning is not always reflected in presentation

- 2) Not all changes reflect learning: to involve learning, the change should be relatively enduring. Temporary changes may be only thoughtful and fail to correspond to any learning. This condition, therefore, rules out behavioral changes caused by exhaustion or drugs.
- 3) Learning is reflected in behavior: a change in an individual's deliberation course or outlook, not accompanied by performance, is no learning. It should be further added that learning needs to effect in behavior potentiality and not essentially in the behavior itself. The cause for this difference lies in the fact that an individual may learn but remaining to lack of incentive, may not exhibit any altered behavior. The transform in behavior should happen as a result of experience, practice or training: this implies that behavior caused from maturity, disease, or physical damages does not constitute learning.
- 4) The practice or experience must be reinforced in order for learning to occur: if reinforcement does not accompany the practice or experience, the behavior will eventually disappear.
- 5) Though not implied in any standard definition of learning: contrary to popular belief, learning is not confined to one's schooling. Learning occurs throughout one's life.

One of the aspects of learning is the learning style. Learning style refers to the appraisal, methods and field associated with the learning process from a time perspective. A leader's long-term success depends more on the ability to learn than on the mastery of the specific skills or technical

knowledge. There are four styles (Kolb, A. Y., & Kolb, D. A. 2005) people use while learning: accommodation, divergence, assimilation and convergence. The four styles are based on dimensions: feeling versus thinking and doing versus observing

- 1) **Accommodator:** An accommodator learns by doing and feeling. He tends to learn primarily from hands-on experience. He tends to act on gut feeling rather than on logical analysis. An accommodator tends to rely more heavily on people for information while making decisions. He seeks action-oriented careers such as marketing, politics, public relations and management. (Kolb, A. Y., & Kolb, D. A. 2005)
- 2) **Diverger:** A diverger learns by observing and feeling. The diverger has the ability to view concrete situations from different angles. When solving problems, diverger enjoys brainstorming. He takes time and analyses many alternatives. Diverger is imaginative and sensitive to the needs of the other people. He seeks careers in entertainment, arts and services sector. (Kolb, A. Y., & Kolb, D. A. 2005)
- 3) **Converger:** A converger learns by doing and thinking. The converger seeks the practical use for information. When presented with problems and making decisions, the converger tends to focus on solutions. Converger tends to prefer dealing with technical tasks and problems rather than social and interpersonal issues. Converger seeks technical careers in various scientific fields and works at engineering, production supervision, IT and managerial jobs. (Kolb, A. Y., & Kolb, D. A. 2005)

- 4) **Assimilator:** an assimilator learns by observing and thinking. The assimilator is effective at understanding a wide range of information and putting into concise and logical form. It is more important for the assimilator that an idea or theory is logical than practical. Assimilator tends to be more concerned with abstract idea and concept than with people. He tends to seek careers in education, information and science (Kolb, A. Y., & Kolb, D. A. 2005)

2.3 Meaning and Definitions of Learning Organisation

The term learning organisation got more relevance in the current organizational scenario. The word got its interest from managers and organizational theorists looking for new ways of innovation. Organization's ability to manage change predict their future and make the continuous growth of an organization in part of its culture of an organization results in making continuous learning organization. Organizations have entered into the knowledge age, and where their new currency is learning. It is learning not the knowledge itself is critical. Learning is sense-making which leads to knowledge. When we talk about learning, we usually talk about findings and comprehensions made by somebody else's answer. Here are some of the answers given by experts on learning organizations.

“A learning organisation is an organisation that has developed the continuous capacity to adapt and change” (Stephen P. Robbins, Timothy A. Judge, Bruce Millett, Michael Jones, 2010).

“All organizations learn, whether they consciously choose to or not – it is a fundamental requirement for their sustained existence” (Daniel H Kim; 1993)

Jorma Ollila, former CEO and president of Nokia, (As quoted by Kavitha Singh, 2010, Organization Change and Development P. 330) *“The fact that learning organization has become a buzzword should not obscure the point that the idea provides Nokia with a fresh approach to understanding change”*

Peter Moore, former HR strategic aims of British Petroleum, (Kavitha Singh, 2010, Organization Change and Development P. 330) *“The learning organization is one that consciously manages its learning process at the individual, team and organizational levels as a primary means of achieving its vision, values and strategic aims”*

A learning organization is a term given to an organisation which facilitates its members to learn and continually transform. New competencies can accumulate as a byproduct of the day to day operations, which is known to be a process of uninterrupted learning. The opportunity of learning is available to every organization but most of the organizations lack an effective process for capturing such knowledge and institutionalizing it as an organizational competency. This is the essence of a learning organisation- the ability to use the day to day learning about customers, markets, technologies and so on and arranging and integrating that learning experiences to build new knowledge and capabilities.

The concept of learning organization is an outcome of the pressure facing modern organizations and facilitates them to remain competitive in the business environment. The idea is not a new one as the term learning organization flourished in the 90's, inspired by Peter M Senge's "The fifth discipline". The upshot was a compelling vision of an organization

comprising employees who are skilled at creating, acquiring, and transferring knowledge (David Garvin, 2008). These employees can be the real assets and transform the organization to nurture tolerance, foster open discussion, and think holistically and systemically. Such learning organizations would be able to adapt to the impulsive upcoming more quickly than their competitors could.

According to Peter Senge (1990) *learning organizations are organizations 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.*

According to Senge's definition, people in the learning organization collectively make an effort to develop their organization, and in order to do that, they continue their learning from each other.

Peter Senge (1990) *The basic reasoning for an organization to survive in an extensive competitive situation or of rapid change, it has to be flexible, adaptive and productive. In order to excel in these organizations need to 'discover how to tap people's commitment and capacity to learn at all levels'.*

Nancy Dixson (1993), *"The essence of organizational learning is the organizations ability to use the amazing mental capacity of all its members to create the kind of process that will improve its own"*

Malcolm Skilbeck (2001:146) *"The defining characteristic of the modern learning organisation is the readiness to recreate itself through a close*

understanding of its environment and the opportunities provided by that environment for both adaptive and novel ways of growing and developing”

The learning organization concept was coined through the work and research of Peter Senge and his colleagues. It persuades an organization to shift to a more interconnected way of thinking and crafting the employees in such a way that they can feel a commitment to learning.

Most of the organizations basically follow single loop learning. In which the correction of problem done based on the routine procedure and present policies. In learning organization, employees use the double loop learning in contrast to the single loop learning. In double loop learning when a problem arises, it will be corrected in a way that will change the organizations objectives, policies, and standard routines. Double loop learning changes the deep rooted values and norms within an organization. This will gradually give the opportunity to think different solutions and which will result in dramatic jumps in improvement.

Learning is an activity or process of gaining knowledge and skill by studying, practicing, teaching, or experiencing something. Learning has a severe impact on individual behaviour as it influences abilities, role perceptions and motivations. Along with its role in individual behaviour, learning is necessary for knowledge management. Knowledge management enhances the capacity of an organization to acquire, share and utilizes knowledge in ways that improve its survival and success.

According to Watkins and Marsick (1996), the learning organizations should;

- Create continuous learning opportunities(individual)
- Promote enquiry and dialogue(individual)
- Encourage collaboration and team learning(team)
- Establish systems to capture and share learning (Organization)
- Empower people towards a collective vision(Organization)
- Connect the organization to its environment (global)
- Use leaders who model and support being at the individual, team and organizational levels.

2.4 Features of Learning Organization

Peter Senge (1990) suggests that there are five basic features of learning organization:

1) Systems thinking

A good quality of Peter Senge's work is the way in which he puts systems theory to work. The Fifth Discipline gives a good opening to the basics and uses of such theory and the method in which it can be brought together with other theoretical plans in order to make sense of organizational challenges and issues. Systemic thinking is the theoretical foundation stone of his approach. It is the regulation that integrates the others, fusing them into a coherent body of theory and practice. Systems theory's ability to understand and address the whole and to examine the interrelationship between the parts provides, for

Peter Senge, both the incentive and the means to integrate the disciplines.

The basic tools of systems theory are moderately straightforward they can build into sophisticated models. Peter Senge argues that one of the key problems with many systems, we tend to focus on the parts rather than seeing the whole, and to fail to see organization as a dynamic process. Thus, the argument runs, a better appreciation of systems will lead to more appropriate action.

‘We learn best from our experience, but we never directly experience the consequences of many of our most important decisions’, he argues with regard to organizations. Normally people tend to think that cause and effect will be comparatively near to one another. Thus when faced with a problem, it is the ‘solutions’ that are close by that we focus upon. Typically we look to actions that generate developments in a relatively short time span. However, when viewed in systems terms short-term improvements often entail very significant long-term costs. For example, cutting back on research and design can bring very quick cost savings, but can severely damage the long-term viability of an organization. The fraction of the problem is the nature of the feedback we receive. Some of the feedback will be emphasizing (or amplifying) – with small changes building on themselves. Thus, we may slash our advertising budgets, see the benefits in terms of cost savings, and in turn further trim spending in this area. In the short run, there may be little bang on people’s demands for our goods and services, but longer term the decline in visibility may have rigorous penalties. An appreciation of systems will lead to recognition of the use of, and

problems with, such reinforcing feedback, and also an understanding of the place of balancing (or stabilizing) feedback.

The systems viewpoint is commonly oriented toward the long-term view. That's why delays and feedback loops are so vital. In the short term, you can often ignore them; they are negligible. They only come back to haunt you in the long term.

Peter Senge promotes the use of 'systems maps' – diagrams that show the key elements of systems and how they connect. However, people often have a problem 'seeing' systems, and it takes work to acquire the basic building blocks of systems theory and to apply them to your organization.

2) Personal mastery

Organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning. But without it no organizational learning occurs. Personal mastery is the discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively. It goes beyond competence and skills, although it involves them. It goes beyond spiritual opening, although it involves spiritual growth. Mastery is seen as a special kind of proficiency.

People with a high level of personal mastery live in a continual learning mode. Sometimes, language, such as the term 'personal mastery' creates a misleading sense of definiteness of black and white. But personal mastery is not something you possess. It is a process. It is a lifelong discipline. People with a high level of personal mastery

are acutely aware of their ignorance, their incompetence, their growth areas and they are deeply self-confident.

The discipline entails developing personal vision; holding creative tension (managing the gap between our vision and reality; recognizing structural tensions and constraints, and our own power (or lack of it) with regard to them; a dedication to truth; and using the sub-conscious.

3) Mental models

These are profoundly embedded assumptions, generalizations or even pictures and images that persuade how we understand the world and how we take action. We are often not that conscious of the impact of such hypothesis on our behaviour and thus a primary part of our task is to build up the ability.

The discipline of mental models starts with turning the mirror inward; learning to unearth our internal pictures of the world, to carry them to the surface and hold them meticulously to scrutiny. It also includes the ability to carry on meaningful conversations that balance inquiry and advocacy, where people expose their own thinking effectively and make that thinking open to the influence of others.

If organizations are to develop a capacity to work with mental models then it will be necessary for people to learn new skills and develop new orientations, and institutional changes that foster such change. Moving the organization in the right direction entails working to outdo the sorts of internal politics and game playing that dominates traditional organizations. It also involves seeking to distribute business responsibly far more widely while retaining coordination and control.

4) Building shared vision

Peter Senge initiates that if any one idea about leadership has inspired organizations for thousands of years, it's the capability to hold a shared picture of the prospect we seek to create. Such a vision has the influence to be elevating – and to encourage experimentation and innovation. Critically, it is argued, it can also promote a sense of the long-term, something that is fundamental to the 'fifth discipline'.

When there is a authentic vision, people excel and learn, not because they are told to, but because they want to. But many leaders have personal visions that never get translated into shared visions that galvanize an organization. The practice of shared vision involves the skills of detection shared 'pictures of the future' that foster genuine commitment and involvement rather than compliance. In mastering this discipline, leaders learn the counter-productiveness of trying to dictate a vision.

Visions spread because of a reinforcing process. Increased clarity, enthusiasm and commitment rub off on others in the organization. There are 'limits to growth' in this respect, but developing the sorts of mental models outlined above can significantly improve matters. Where organizations can transcend linear and grasp system thinking, there is the possibility of bringing the vision to fruition.

5) Team learning

Team learning is viewed as the process of aligning and developing the capacities of a team to create the results of its members who truly desire. It builds on personal mastery and shared vision – but these are not enough. As a team, people will be able to act together. When

teams learn together, not only there will be good results for the organization, but also members will grow more rapidly than could have occurred otherwise.

The discipline of team learning starts with ‘dialogue’, the capacity of members of a team to suspend assumptions and enter into a genuine ‘thinking together’. To the Greeks *dia-logos* meant a free-flowing if meaning through a group, allowing the group to discover insights not attainable individually. It also involves learning how to recognize the patterns of interaction in teams that undermine learning.

When dialogue is joined with systems thinking, there is the possibility of creating a language more suited for dealing with complexity, and of focusing on deep-seated structural issues and forces rather than being diverted by questions of personality and leadership style. Indeed, such is the emphasis on dialogue in his work that it could almost be put alongside systems thinking as a central feature of his approach.

2.5 Characteristics of Learning Organization

Garratt’s (1990) study specifically refers to four characteristics of the learning organization;

- It encourages people at all the organization to learn regularly and rigorously from their work.
- It has systems for capturing and learning information and moving it where it is needed.
- It values its learning.
- It is able to transform itself continuously.

Learning organizations understand that teams are the fundamental learning unit not individual. They develop a shared vision through which a particular purpose is established, and learning is based on this purpose. These organizations place learning in the mainstream of their operations. Learning, quality and customers are all so important that they are every one's job. A learning organization has a culture that embraces questioning and change. Learning take place in anticipation of change rather than just responding tactically to problems. In a learning organization technology serves the workforce, not vice-versa.

Under various studies made by Udai Pareek (2007; p 713-716), has highlighted eight characteristics of learning organization.

- 1) *Holistic framework*: This includes systems thinking, mainly the perceiving of interconnections and patterns amongst key variables. Organizational members are able to connect the organization to the environment. They are aware of the interconnections of the various systems and functions within the organization, between their organization and other organizations and agencies, and between the organization and the society. They are able to see not only the trees, but also the forest- seeing patterns rather than discrete events. This is possible only if the organizations take a long term view, seeing beyond the immediate and the present. Problems are seen and solved in the futuristic framework, and by working on the root cause rather than dealing with symptoms. The organization practices double loop learning, critically examines its theories or promises, by using boundary workers, customers, vendors, etc. as scanners of the environment.

- 2) *Strategic thinking*: This step of action includes, thinking of the consequences/ implications of each action, Preparing patterns of things to be done in a certain order and choosing the most important actions and the key variables making the most impact; prioritizing. This may mean, for example, willingness to close down unprofitable or irrelevant units/ activities. This is possible only when the organization reframes information at the strategic level. This involves double learning- questioning the current thinking, and not resting on past and current success. This includes differentiating roles in terms of policy, strategy, and operations. Providing support at the individual, team, and organizational levels. Sharing strategy at all levels, inviting comments and suggestions
- 3) *Shared vision*: Examining and developing vision is an important function of the top management. It involves developing a vision through participation from all levels, inspiring members by linking the vision with their personal goal. The top management not only creates an inspiring vision, but they also communicate the vision, and commits people to the vision by concretizing it. They value for creativity and which will develops transformational leadership.
- 4) *Empowerment*: Empowerment includes creating enabling structures and decentralization and delegation. Empowerment requires clarity of providing proper direction, trust and providing support when needed. Empowerment also requires the use of persuasive (rather than coercive) power and widespread participation and rewarding initiative and decisions

- 5) *Information flow*: There is enough sharing of authentic and critical information at all levels. There is free flow of information, willingness to pass on negative information. Rumours get minimized by opening up formal channels of communication (in the absence of which outside sources of information are more likely to be used). Encourage internal exchange of ideas. Information is used for planning and control. Monitoring and scanning capability is developed in the organization. Formative account and control (use of information for action)
- 6) *Emotional maturity*: Learning organizations are high in emotional intelligence. This includes a sense of control over the better part of one's destiny, optimism, self-discipline, commitment, and moderate risk-taking. The organization inspires self confidence (as against helplessness) and the belief that people can influence events. It encourages people to take responsibility (self-monitoring). It encourages people to learn postponement of immediate gratification of one's own needs for a greater goal. People become bold and moderate risk taking. They develop tolerance for and ability to manage ambiguity, and the faith that they have the critical competitive edge.
- 7) *Learning*: learning obviously is at the heart of the learning organization. It includes several mechanisms and sources; like valuing and encouraging self-development, learning from outside, interdisciplinary functioning, creating a climate conducive to learning. A learning organization encourages dialogue and discussion, and rewards flexibility. It results in openness. Learning is reflected in and promotes self reflection. It also encouraging and practicing "appreciative enquiry".

- 8) *Synergy*: learning organizations generate synergy through collaboration and teamwork. The basic quality for teamwork is empathy. Empathy requires each party to suspend its own assumptions and think together. Emphasis is on consensus building, through continued use of dialogues and debates. The different teams accept and make commitment to consensual decisions. Enough attention is given to process spending time on working through differences, negative feelings etc. The learning organizations use cross functional teams. They develop network capability.

2.6 Building a Learning Organization

There are various studies have conducted on ‘building a learning organization’. Three critical issues must be addressed before a company can truly become a learning organization, writes Harvard business school professor David Garvin. First is the question of meaning: a well-grounded, easy-to-apply definition of a learning organization. Second issue is the management: clearer operational guidelines for practice. Finally, better tools for measurement can be used to assess an organization's rate and level of learning. Using these "three Ms" as a framework, Garvin (1985) defines learning organizations as skilled at five main activities:

- 1) Systematic problem solving:

This activity mainly depends on the philosophy and methods of the quality movement. The basic idea of systematic thinking is relying on the scientific method, rather than guesswork, for diagnosing problems, insisting on data rather than assumptions as background for decision making and using simple statistical tools to organize data and draw

inferences. Most training programs focus primarily on problem solving techniques, using exercises and practical examples. These tools are relatively straightforward and easily communicated; the necessary mind-set, however, is more difficult to establish. Accuracy and precision are essential for learning. Employees must therefore become more disciplined in their thinking and more attentive to details.

2) Experimentation:

This activity involves the systematic searching for and testing of new knowledge. Using the scientific method is essential, and there are obvious parallels to systematic problem solving. But unlike problem solving, experimentation is usually motivated by opportunity and expanding horizons, not by current difficulties. It takes two main forms: ongoing programs and one-of-a-kind demonstration projects. Ongoing programs normally involve a continuing series of small experiments, designed to produce incremental gains in knowledge. Demonstration projects are usually larger and more complex than ongoing experiments. They involve holistic, system wide changes, introduced at a single site, and are often undertaken with the goal of developing new organizational capabilities. Because these projects represent a sharp break from the past, they are usually designed from scratch, using a "clean slate" approach.

3) Learning from past experience:

Companies must review their successes and failures, assess them systematically, and record the lessons in a form that employers find

open and accessible. Those mistakes happened in the past help the people make cautious in handling similar kind of problem. Unfortunately, too many managers today are indifferent, even hostile, to the past, and by failing to reflect on it, they let valuable knowledge escape. Learning process is not an expensive one. One can get the help from the educational institutions and get the case studies and project reviews at any point of time. Most organizations have a computerized data bank and which serves the purpose.

4) Learning from others:

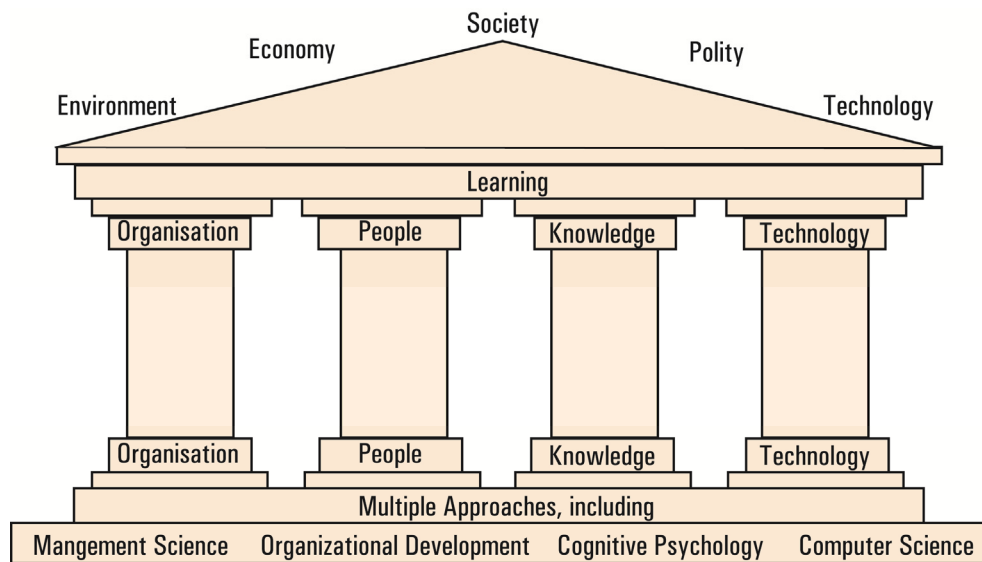
Not all learning comes from reflection and self-analysis. Sometimes the most powerful insights come from looking outside one's immediate environment to gain a new perspective. Enlightened managers know that even companies in completely different businesses can be fertile sources of ideas and catalysts for creative thinking. Learning is an ongoing activity hence uncovering, analyzing, adaptation and implementation are done throughout the organization. The greatest benefits come from studying practices, the way that work gets done, rather than results, and from involving line managers in the process. Almost anything can be benchmarked. Unfortunately, there is still considerable confusion about the requirements for successful benchmarking. Benchmarking is a disciplined process that begins with a thorough search to identify best-practice organizations continues with careful study of one's own practices and performance, progresses through systematic site visits and interview and concludes with an analysis of results, development of recommendations, and implementation. Whatever the source of outside ideas, learning will

only occur in a receptive environment. Managers can't be defensive and must be open to criticism or bad news. This is a difficult challenge, but it is essential for success.

5) Transferring knowledge:

For learning to be more than a local affair, knowledge must spread quickly and efficiently throughout the organization. Ideas carry maximum impact when they are shared broadly rather than held in a few hands. A variety of mechanisms spur this process, including written, oral, and visual reports, site visits and tours, personnel rotation programs, education and training programs, and standardization programs. Each has distinctive strengths and weaknesses. Reports and tours are by far the most popular mediums. Reports serve many purposes: they summarize findings, provide checklists of dos and don'ts, describe important processes and events and they cover a multitude of topics. Tours are an equally popular means of transferring knowledge, especially for large, multidivisional organizations with multiple sites. Each tour described the policies, practices, and systems that were most relevant to that level of management. Despite their popularity, reports and tours are relatively cumbersome ways of transferring knowledge. The gritty details that lie behind complex management concepts are difficult to communicate secondhand. Absorbing facts by reading them or seeing them demonstrated is one thing; experiencing them personally is quite another.

The following is a pictorial representation of learning organizational model laid down by Olivier Serrat (2009) giving more insight into the driving force of learning organization. For organizations wishing to remain relevant and thrive, learning better and faster is critically important. Many organizations apply quick and easy fixes often driven by advanced technologies. Most of them are fruitless attempts to create organizational change. However, organizational learning is neither possible nor sustainable without understanding what drives it. The figure below shows the subsystems of a learning organization:



Source: Olivier Serrat (2009)

Figure 2.1: Building learning organization.

a). Organization

A learning organization values the role that learning can play in developing organizational effectiveness. It demonstrates this by having an inspiring vision for learning and a learning strategy that will

support the organization in achieving its vision. The leadership of a learning organization is committed to the importance of learning and clearly communicates that learning is critical to organizational success. The leadership recognizes the importance of providing the motive, means, and opportunity for learning. The structure of a learning organization takes into account the common obstacles to learning so it is carefully aligned with strategy, avoiding the development of overloads and minimizing unnecessary levels of hierarchy. Communication systems are used to facilitate the lateral transfer of information and knowledge across formal structural boundaries. Adequate resources are allocated for learning in terms of time, space, specialist support staff, and budgets for knowledge management and learning infrastructure, formal and informal communities of practice and other value networks (both internal and external) and learning and development programs. Support to communities of practice, for example, is extended in a structured manner throughout their life cycle. To stimulate creativity and generate new insights and innovative practices, a learning organization takes a balanced approach to the importance of both planned and emergent learning. Emergent learning is equally important but takes an inherently more speculative and opportunistic approach. It is dependent on encouraging a passion for learning and knowledge sharing among staff members, developing learning competencies, creating opportunities for informal sharing, and cultivating a supportive learning culture. Failures and unintended outcomes are the focus of constructive discussions leading to new approaches. When such incidents involve clients, care is taken to protect their reputation.

b). People

A learning organization needs people who are intellectually curious about their work, who actively reflect on their experience, who develop experience-based theories of change and continuously test these in practice with colleagues, and who use their understanding and initiative to contribute to knowledge development. In short LO needs reflective practitioners. Reflective practitioners understand their strengths and limitations and have a range of tools, methods, and approaches for knowledge management and learning, individually and in collaboration with others. Reflective practice flourishes when people experience a high level of psychological safety and trust, and it is undermined when people feel exposed to unfair negative criticism and when they believe that they cannot rely on colleagues. Teamwork is, therefore, a vital ingredient of a genuine learning organization. To grow and protect the investment made in staff members, a learning organization pays careful attention to developing and retaining its people. Learning organizations also provide a wide range of opportunities for individual and collective learning and development.

c). Knowledge

Knowledge is a critical asset in every learning organization. Because learning is both a product of knowledge and its source, a learning organization recognizes that the two are inextricably linked and manages them accordingly. The units of knowledge production are both the individual and the collective. Learning organizations understand that while knowledge is created in the minds of individuals, knowledge development thrives in a rich web of social contact among

individuals, groups, and organizations. An organization's main repositories of knowledge are the design and delivery of its products and services and the strategies, systems, and procedures it has developed to guide its decision making. Feedback is the dynamic process of presenting and disseminating information to improve performance and it is a key element of learning organization. Key sources of knowledge in organizations are the data and information that emerge from monitoring systems and the analyses, conclusions, and recommendations that arise from self- and independent evaluations. A learning organization recognizes the importance of a resilient organizational memory. Learning organizations ensure that individuals and teams are encouraged to use a range of ways of surfacing their tacit knowledge and making it available to others through carefully targeted documentation and collaborative working practices. Learning organizations are networked with the wider world. They know how to create and run partnerships. Collaborative mutual learning arrangements with other organizations are common and fruitful.

d). Technology

Learning organizations know how to harness the power of information and communication technologies, without these technologies constraining knowledge management and learning. In a learning organization, information and communication technologies are used, among other purposes, to strengthen organizational identity; build and sustain learning communities; keep staff members, clients, and others informed and aware of corporate developments; create unexpected, helpful connections between people and provide access to their

knowledge and ideas; encourage innovation and creativity; share and learn from good practices and unintended outcomes; strengthen relationships; develop and access organizational memory; share tools, methods, and approaches; celebrate successes; identify internal sources of expertise; and connect with the outside world.

2.7 Developing Managers for the Learning Organization

The rationale is that learning will not happen until managers expose hidden assumptions and experiment with the new scenario. Pedler, Boydell and Burgoyne (1989) in a study of a number of companies on the learning company as a competitive advantage, list set of conditions describing a learning company. Some of these conditions include.

- Individuals, groups and departments exchanging and sharing information on expectations and feedback on satisfactions to assist learning.
- Information systems that enable members to question current operating assumptions and seek information for individual and collective learning.
- Culture and management style within the organization encourage experimentation, learning and development from success and failures.

The study made by Nancy Dixon (1993) gives emphasis on learning in organization both at individual and the collective level. The two main factors for prompting this new emphasis are the well documented increase in the rate of change and the level of change results in organizations facing

problems that are narrative. Without explicit answers organizations have to learn their way out of the problem rather than applying known solutions. Individual and teams find the circle of learning in order to act and acting in order to learn.

To facilitate organizational learning four fundamental changes in the way learning is designed to have been suggested;

1). Situating learning in real work.

The development process mainly happens in response to the challenges of life. It will be possible for managers to become more proficient at technical skills in a time away from work setting, but development occurs in the context. Management development happens when the issues and challenges of managing the organization which are the grist of changes. The experiential form of classroom training cannot provide reliability for the developmental need. Development occurs when managers attempt to deal with real problems about which they care deeply so that their intellect, belief, and emotions all are engaged. There can be no learning without action and no action without learning. Facing the real business problem will not provide sufficiently for development. There must also be the intention of learning from the experience. Action must be accompanied by the reflection on action and moreover on the outcomes of those actions. Reflection is most effective when it involves others who can provide perspective, that is a view from outside that the manager's current frame. The purpose of learning from others story doesn't preclude managers coming together, but it

does alter their reason for being together. The purpose is not to learning from an expert or to learn from others success, but to reflect together on their own actions.

2). Defining a less central role for experts.

The orthodox management training programs provide an action plan that might appear satisfying for real work. In such programs the managers are encouraged to try out the principles they have learned from their own workplace. We can term this as a theory then application model a reverse of this is suggested. A problem then theory model emphasise the problem faced by a manager, a troubled relationship with the superior being apprised by the specialist and the theory and principle will be identified to communicate with the management. The reversal is significant in that it echoes the new way organizations are attempting to deal with their problems. Theory or experts opinion become one input among many that might inform the reasoning of manager who is dealing with a difficult issue. The most positive thing in the problem then theory model include one's peer who may be able to help the manager to examine his assumption relating to the problem and thereby see the problem in a new light; data that results from action; customers who provide yet another perspective; and other stakeholders who can lead additional perspective and data to the understanding. The theory then applies model assumes that expert is able to predict what issues managers are going to face and thus are able to supply in advance theory that will address those issues.

3). Spaced rather than compressed time frame.

The expert programs will be in a structured time frame. It will last for two weeks or a month's time. This will give a gap from their current work. The problem with compressed schedules for management development is that they do not result in development. The development occurs over time and time is needed to see the result of the action, to talk with others, to gain perspective, to review theory that might inform one's thinking, to act again, to reflect again, to let go of old idea's, to try a new idea. The nature of development should match with the nature of workplace where challenges occur over time. Development occurs through the challenges of real work thus the schedule of a management development program must correspond to the schedule of the work world. If development is thought of as a time away from work then a management development program that lasts six months or one year is unreasonable. Many management development programs include a kind of follow up activity that consists of either bringing participants back together to see what they have accomplished or a phone call or survey to check on their progress. Neither of these activities is in the spirit of spaced learning. With spaced learning, periodic meetings are a part of the learning, not a way to determine if learning occurs nor to report on its results.

4). Learning in community rather than individually.

Learning in organization requires individuals to think for themselves and to use their own reasoning in the service of the organization. For learning organization to work individual reasoning must be sound. A study demonstrates the soundness of individual reasoning is often

questionable. The way individuals are able to correct the main human tendencies and thereby increases the robustness of their understanding is to test their conclusions against data. When the issues under consideration relate to the physical world individuals can measure and count to obtain objective data. Unfortunately, most of the critical issues managers face are matters of interpretation, not facts. The manager must come to recognise that the way he has been functioning is inadequate and the normal result is to doubt one's own competence. At the same time, managers may experience a new sense of hope and promise for the future, the exhilaration that comes with insight. In such a confusing time individual need the support of others and the knowledge that others have similar experiences. The community of learners provides an environment that both initiates and supports development.

2.8 Nature of Learning in Organization

- Knowledge, and therefore learning, is best produced in service of, and in the midst of the action.
- Learning is complex and various, and it includes knowledge, skills, insights, beliefs, values, attitudes and habits.
- Learning is individual and can also be collectively generated in groups and organisations.
- Learning is both a process and an outcome.
- Learning may be incremental or it can be transformational.
- Learning can be both the cause and the consequence of change.

- Learning can help people and organisations to see their current reality more clearly.
- Learning for the future can give organisations options for sustainable development, clarity of vision and the values and the behaviour needed to achieve their purposes.

The essential focus of a learning organization is on effectiveness in sharp contrast to efficiency and at times even going beyond the effectiveness via innovations. In fine and spacious words, it may be observed that the learning organization is an attitude or philosophy about what an organization can become.

2.9 Measurement

Walkins and Marsick identified seven dimensions of learning commonly found in organizations including creating continuous learning opportunities, promoting enquiry and dialogue, encouraging collaboration and team learning, empowering toward a collective vision, establishing a system to capture and share learning, connecting the organization to its environment, and providing strategic leadership to support learning. These seven dimensions not only identify characteristics of learning organisations, they also serve as action imperatives offering leaders a plan of action to begin developing a learning organization. Watkin's and Marsick's seven action imperatives include both the cognitive components and the structural components within an organization. Four of the action imperatives relate to the structural elements of the organization (yang, Watkins, & Marsick, 2004). There are seven dimensions of the learning organization (Marsick & Watkins, 1999; Watkins & Marsick, 1993, 1996) that form the basis of the DLOQ.

Dimensions of Learning organizations Questionnaire (DLOQ) (43 items) developed by Watkins and Marsick (1993, 1996), meets the three criteria of comprehensiveness, depth, and validity, and also integrates important attributes of the learning organization. The DLOQ, one full version with 43 measurement items, which has been shown to be useful as a diagnostic tool for practitioners who want a comprehensive assessment and information of the learning culture in order to make decisions on where to intervene.

In short to survive and to be successful in the field people operate, converting the organization into continuously adapting one is not an option but the only choice in front.

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REVIEW OF LITERATURE

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	3.3	<i>The Adaptive Learning Cycle</i>
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3.1 Introduction

“The future educational leaders of learning organizations will be transformational” Bernard M Bass (2000).

“In learning organizations, leaders treat the organization as a living system and find ways to encourage adaptive learning” Richard L Daft (1999).

Learning is generally believed as a change in behaviour or performance which occurs as a result of experience. A leader looks for ways to boost learning capabilities in individuals and in the entire organization. Learning organizations live in the cycle of learning.

The flow from great man leadership to rational management to team leadership to learning leadership illustrates trends in the larger world. The implication is that leadership reflects the era or context of the organization and society.

Shifting an organization toward superior learning and change requires changes in organizational design. In a steady environment, leaders can often use rational management to maintain control and solidity within the organization. Effective leadership can direct and manage resources by following organizational plan in achieving the organizational goals.

There are several studies conducted on transformational leadership and learning organization and few of them are in Indian context. Both transformational leadership and learning organization are getting importance in today's changing environment. The current organizations follow new strategies and expertise in their business process. The change in the whole world is drastic and those companies having anticipation of these changes in the environment will succeed.

Transformational leadership and Learning organization got popularized in 1980's and 1990's. The word transformational leadership was coined by Bernard M Bass and the term learning organization was introduced by Peter M Senge.

3.2 Leadership in Organization

Many old leadership concepts emerged during the times of solidity or at least when people believed the world was stable and could be predicted or controlled with logic and rationality. However, leaders in today's fast shifting world stand at the doorstep of a new era, and they are learning to free themselves from outdated practices and patterns to meet new challenges. Leadership is directly linked to the leader's way of judgment about self, followers, organizations, and the environment.

3.3 The Adaptive Learning Cycle

People become what they are expected to be is through enhancing performance. The adaptive learning cycle is a cycle of action, feedback, and synthesis that all living things share. The basic concept for survival of the fittest, the survival of any living organisms is by sensing the environment around it, responding with action, and correcting itself if feedback and synthesis indicate that previous actions were inappropriate. When feedback causes a plant, animal, person, or organization to change its behavior, learning takes place.

Learning organizations live the adaptive learning cycle every day. A transformational leader encourages ongoing experimentations, taking risks, making mistakes, and changing. Adaptive learning can lead to new products; new services and better ways of doing business that would be unlikely to emerge in companies that accentuate maintaining the status quo and avoiding risks.

3.4 From Efficient Performance to the Learning Organization

Shifting an organization toward intense learning and change requires changes in organization design. In a stable environment, the leader could effectively use rational management to maintain control and stability within the organization. The leader can direct and control organizational resources toward following plans and accomplishing specific goals. Knowledge and information are becoming more important than production machinery.

In this new era, many leaders are redesigning their companies toward the learning organization, one in which everyone is engaged in identifying and solving problems. A learning organization is a role model of what an organization can become when people put aside their habitual ways of thinking and remain open to new ideas and methods when everyone throughout the organization is continually learning. In the learning organization, leaders emphasize employee empowerment and give support for the collaborations across departments and with other organizations. The essential value is problem solving, in contrast to the traditional organization designed for efficient performance.

3.5 Organization Structure

The traditional organization structure, shaped like a pyramid with the CEO at the top and everyone else in layers down below, is an old story. These vertical structures were suitable for the stable environment but the chance of failure is high for the current fast changing environment. Hierarchical and vertical structures create distance between managers and workers and build walls between departments. They do not allow for the fast, coordinated response often needed in today's world. Many of today's

organizations are shifting toward horizontal structures based on work process rather than departmental functions.

Learning organizations are also strived to break down boundaries with other companies. Companies are collaborating in unprecedented ways to share resources and exploit opportunities. Emerging organizational forms, such as the network organization and virtual organization, are horizontal teams of companies rather than teams of individuals. Much like building blocks, parts can be added or taken away to meet changing needs.

3.6 Flow of Communication

Another response to the rapidly changing environment is the amount of formal structure and control placed on employees in the performance of their work. In chaotic environment, employee need more power and responsibility to make a conclusion and react quickly to changing conditions. In turbulent changing environment task tend to be much looser, free flowing, and adaptive. Leaders push authority and responsibility down to lower level of employees and encouraging them to take care of problems by working with customers. Team worker is highly valued and there are few rules and procedures for how things should be done. Thus the organization is more fluid and able to adapt to changes in the environment.

In young, small organizations, communication is generally informal and face to face. There are few formal control and information systems because the leader of the company works closely with employees in the day to day operation of the business. Because the organization is small it is easy for everyone to know what is going on. As organizations grow larger they establish formal systems to manage the growing amount of complex

information. In addition, information is increasingly used for control purposes, to detect deviations from established standard systems and goals. Extensive formal reporting systems allow leaders to monitor operations on an ongoing basis and help them make decisions and maintain steady performance. The danger is that formal systems become so deep-rooted that information no longer filters down to the people on the front lines who can use it to do their jobs better and serve customers well. In learning organizations, formal systems and structure play a much lesser part for completing the work. Instead, informal personal networks are the basis for sharing information and getting things done. Rather than having most information controlled by managers, information is dispersed throughout the organization.

Leaders not only spend more time on networking with others inside and outside the company, but they understand and nourish the personal networks of other people throughout the organization. Learning organizations encourage open communication. Knowledge is shared rather than hoarded, and ideas may be implemented anywhere in the company to improve the organization. People are valued and rewarded not just for what they know but for how much knowledge they share with others. Learning organizations also maintain open lines of communication with customers, suppliers, and competitors. Bringing outside people and organization into communication network enhances learning capability and the potential to better serve customers.

To promote the widespread sharing of information, learning organizations practices open book management, which means that data about

budgets, profits, expenses, and other financial matters are freely available to anyone.

3.7 Collaborative Strategy

In most of the traditional organization strategy formulation is done by top executives. Strategy is seen as something that is formulated and imposed on the organization to achieve a particular long term aim. Leaders always in the search of how the organization can best respond to competitors cope with difficult environmental changes, and effectively use available resources. It will give a boost to the organizations performance. In learning organizations, however strategy emerges bottom up as well as top down in the hierarchy. A strong shared vision is the basis for the emergence of strategy in a learning organization. When all employees are linked with the vision their summoned action will contribute to strategy development. Strategy can also emerge from collaborative partnership with suppliers, customers, and even competitors. Learning organizations have permeable boundaries and are often linked with other companies, giving each organization greater access to information about new strategic needs and directions.

3.8 Adaptive Culture

For an organization to stay healthy, its culture should encourage adaptation to the external environment. Many organizations become victims of their own success adhere to outdated and even destructive values and behaviours because of rigid cultures that do not encourage adaptability and change. One of the most important qualities for a learning organization to have is a strong, adaptive organizational culture. A learning organization

culture often incorporates the knowledge of the whole system rather than knowing apart of the system. People in a learning organization are aware of the whole system how everything fits together and the relationships among various organizational parts. The culture of a learning organization creates a sense of community, compassion, and caring for each other. The employees have the right to ask the questions of status quo and the current way of doing things. Constant questioning of assumptions opens the gates to creativity and improvement. In a learning organization the culture of organization encourages openness, beyond boundaries, equality, continuous improvement, and change.

3.9 Roles of Leaders in a Learning Organization

The interpretation that leaders set goals, make decisions and direct the subordinates, replicates an individualistic and traditional approach. Leaders have to build up relationships on a shared vision and shape the culture that can help to achieve. Also, aid people to see the whole system, assist team work, initiate change and develop the capacity of the people to shape the future.

3.9.1 The Role of Leadership by Peter Senge

Peter Senge emphasized the role of the leader in the creation of the learning organization. He defined three leadership roles (1990) that would reshape the old-fashioned approach to being the boss. These are:

Leader as Designer: Senge likens this to being the designer of a ship rather than its captain. He defined it in three ways:

- Creating a common vision with shared values and purpose.

- Determining the "policies, strategies, and structures that translate guiding ideas into business decisions."
- Creating effective learning processes which will allow for continuous improvement of the policies, strategies, and structures.

Leader as Teacher: The leader here is seen as a coach that works with the mental models present in the organization. He must understand the (usually tacit) concepts of reality and restructure these views "to see beyond the superficial conditions and events and into the underlying causes of the problems."

Leader as Steward: This is the vaguest of the three and refers largely to the attitude of the leader. He emphasizes the importance of a leader that feels he is part of something greater; whose desire is first and foremost not to lead, but to serve this greater purpose of building better organizations and reshaping the way businesses operate.

The first two roles outlined by Senge shed a lot of light into the requirements of effective KM and organizational learning. The simplest learning system can be built into departmental or subject meetings so that they become a peer learning network.

On analysis of this, it is observed that in a Learning Organization, the leaders have three distinct roles (Vinod K Jain & O P Goyal; 2005):

Create a Shared Vision: Vision is the vital objective level of organizations. Shared vision is a picture that shows an ideal future of the organization. Thus, the vision includes what the organization will look like, what could be

the performance outcomes, and underlying values. Vision may be forged by the leaders or with the help of employees participation; however, this must be widely understood and imprinted in employees' minds. Since the vision signifies desire in terms of outcomes hence, employees are free to identify and solve problems that help achieve that vision. Without a shared vision, employee action may not be a plus to the whole because decisions are uneven and take people in different directions.

Structure Design: Another crucial task of the leader is placing an organizational structure, covering policies, strategies, and formats that support the learning organization. Advantages such as horizontal relationships, including teams/committees/task forces wherein cross sections of employees communicate, are exploited for developing boundlessness structure. In such a structure, the employees are allowed to reach out to each other's departments rather than competing among themselves. The employees are made to understand that they have to take on new roles and learn new skills almost in a continuous manner.

Servant Leadership: A learning organization is truly built by servant leaders who works to fulfil subordinates prerequisites and goals as well as to accomplish the organization's larger mission. Such a leadership activates on the assumption that work survives for the development of the worker as much as the worker exists to do the work. As a matter of fact, servant leaders operate on two levels: one, for the fulfilment of their subordinates' goals and needs; and, two, for the realization of the larger purposes or mission of their organization. These leaders give up things such as power, ideas, information, recognition, credit for achieving the targets. They truly value other members of the organization, share power, encourage participation,

and enhance others self-worth and unleash people's creativity, and natural instinct to learn. Ultimately, they turn out to be the tool for deriving the subordinate's higher motives to work and bond them with the organizational mission and goals. They are devoted to structuring the organization rather than procure things for themselves.

3.10 Relationship of Transformational Leadership and Learning Organization

There is a greater relationship between the transformational leadership and learning organization. Even there are very few studies are conducted proving their relationship. The most proven relation between the two is a shared vision. The studies conducted by Udai Pareek (2007) are prominent in this aspect.

Udai Pareek (2007) in his studies conducted on learning organization derives eight characteristics of a learning organization. He pointed out these characteristics as holistic framework, strategic thinking, shared vision, empowerment, information flow, emotional maturity, learning and synergy. The tool he used for his study was visioning effectiveness (VE) scale to access the total vision effectiveness and eight subscales of visioning. This intern gives access to effectiveness of the visioning function of the top management in an organization.

According to him (Udai Pareek; 2007) *“visioning is the key transformational leadership function in an organization”*.

He says vision is the art of creating, communicating, committing people to and concretising vision into action. Vision is a most desirable and

realistic dream of a leader for his organization. So the main characteristics of vision are,

- 1) It is a dream: dream is an interactive sense of direction which others have not thought about or thought it to be an ordinary idea.
- 2) It is desirable for the future of the organization.
- 3) It is seen as desirable by its member.
- 4) It is realistic and it can be realised with joint efforts of people.

The third characteristic derived by Pareek on learning organization says about the relation between the learning organization and transformational leadership. Shared vision is the corner stone of a learning organization. Vision is foresight, the capacity to envisage future market trends and plan accordingly. In order to have a vision to achieve in future or outcome an organization has to work with people at the individual and group level as well as create facilitative structures to support and capture learning.

To have learning in individual and group level an increased need of leadership exists. The traditional leadership methodology of enforcement and directive principles are washed away. The new scenario points towards the increased group performance by empowering followers to perform their job independently from leader, highlight the importance of cooperation in performing group tasks and realign followers values to create a more comprehensive group. The role of a leader is a role of motivator and facilitator. They are individuals who influence a group of individual to achieve a common goal. The adequate level of transformational leadership skill is required for forming and disseminating a learning organization.

To explain the relationship between learning organization and transformational leadership the seven dimensions of learning organization are critically evaluated.

3.10.1 Continuous Learning and Transformational Leadership

The first dimension of a learning organization is continuous learning and which is important for the continuous improvement and the capacity to transform the organization. At group level and individual level continuous learning is reflected. The team performance according to the changing situation is an example for team continuous learning.

At the organizational level continuous learning from experience is important as the organization has to meet the economic conditions. Organization must learn continuously in order to deal with the current business environment. Transformational leader's self-awareness and organizational awareness and perspective deepen and broaden the continuous learning process of an organization.

Transformational leaders possess good listening skill and engage with empathy will reveal the organizational realities and this awareness and perspective development can be constructed.

3.10.2 Dialogue and Enquiry and Transformational Leadership

The second dimension of a learning organization dialogue and enquiry refers to organizations efforts of creating a culture of questioning, feedback and experimentation for the development of the organization. A learning culture is needed to be developed through questioning and dialogue is a way to sustain competitive advantage over the long term and to meet the turbulent changing environment.

In modern organizational scenario, dialogue and conversation are core process for building the organizational intelligence and community which enable other business process to adapt to change and create results. The dialogue and enquiry create a high degree of trust, managing change more effectively; create an atmosphere of cooperation, decentralization of power. The major leadership issues; such as diversity, teams collaboration, trust formation, community, individual change and relationship can be answered with a better environment of dialogue and questioning.

An article of David Brendel(2001) in Harward business review says, asking open ended questions helps new managers build trust. Asking open ended questions rather than making directive statement which prompts the respondent to think carefully and reveal what's on his or her mind. Open ended questions help to create developmental opportunities for direct reports, a performance improvement plan or, at worst, fire an underperformer. But failure is rare when managers use open-ended questions thoughtfully. Rather than bringing their own agendas, new managers ought to ask good questions, listen carefully to the replies, and facilitate dialogue.

3.10.3 Team Learning and Transformational Leadership

The third dimension of a learning organization; team learning reflects the spirit of collaboration and the collaborative skills that undergird the effective use of teams. Team learning is a necessary discipline an organization and its members must develop in order to build an effective learning organization. A learning organization is an organization that encourages and facilitates learning so that it can adapt and transform itself to achieve its

goals in a dynamic and competitive world. Generally it is stated that transformational leadership has a positive impact on learning processes in groups.

Transformational leaders are very well-suited to support exploratory innovations, because they serve as a role model when it comes to learning, they invite members to share their insights and question assumptions, and they encourage their colleagues or subordinates to think “out of the box”. Transformational leaders make their team members feel safe and free.

3.10.4 Embedded System and Transformational Leadership

The dimension of learning organization; embedded system indicates efforts to establish system's to capture and share learning. Learning organizations maintain embedded systems to capture and share knowledge so that the organization may perpetuate progressive, competitive development.

Information generation, buildup and application may be the source of superior performance. In order to achieve sustained competitive advantage through developing human capital, organizations, apart from human resource management practices, concentrate on developing transformational leaders and implementing knowledge management (KM).

Transformational leaders have potential to affect their employees' perceptions of human capital benefits. They also have the greatest potential to augment these benefits through involving them in the knowledge management process, establishing organizational culture, and encouraging communication among employees.

3.10.5 Empowerment and Transformational Leadership

This dimension of learning organization signifies an organizations process to create and share a collective vision and get feedback from its members about the current status and the new vision.

There is an increased recognition of the connection between the quality of life within organizations and delivery of quality and value to the customer. It is behaviour and attitudes which create the culture of an organization. Transformational leaders transform their follower's aspirations, identities, needs, preferences, and values such that followers are able to reach their full potential. The followers of transformational leaders also expected to identify with their leaders and therefore are expected to have greater feelings that they can have an impact on their organization, thus resulting their psychological empowerment. Through the use of feedback, encouragement,, and support, a follower's belief in his or her capability to perform activities is expected to be enhanced.

3.10.6 System Connection and Transformational Leadership

The system connection links the global thinking and actions to connect the organization to its internal and external environment. The global change also effect the events and situations and which will affect the way the business operates in a positive or negative way.

In most of the organizations, employee seeks for innovation contributes themselves towards the innovative approaches in their work. These employees are quick respondents to transformational leaders as they provide adequate resource and support. The amount of resources such as Knowledge

and finance affect the follower's perceptions of an environment supportive of innovation in their organizations.

An organization can grow through the knowledge and expertise it gain from the external environment. A higher level of technical and financial assistance acquired from outside the firm, the transformational leader will find more support for his or her vision and thereby his or her effect an organization's learning ability and innovation will be stronger.

3.10.7 'Provide leadership' and Transformational Leadership

The seventh dimension of learning organization, strategic leadership shows the extent to which leaders think strategically about how to use learning to create change and to move the organization in new directions or new markets. Strategic leadership is about transforming an organization through its vision and values, culture and climate, and structure and systems as well as through its strategy. This will create a strong connection and contribute towards the organization.

Transformational leadership is one of the best ways of performing strategic leadership (provided that the leader works authentically). The concept of transformational leadership extends beyond strategic leadership and day to day managerial or supervisory tasks can be executed in a transformational manner.

Leaders need to be committed to the accomplishment of organizational goals and to the goal of learning. Moreover, leaders need to create a climate of egalitarianism and trust where people are approachable and failures are a part of the learning process. Specifically, leaders need to help identify

performance gaps and then help set goals that encourage the search for knowledge to narrow and solve these performance gaps. Leadership is mentioned by virtually all writers as an important element in fostering a learning climate through their behaviours, such as seeking feedback, being open to criticisms, admitting mistakes and empowering their employees to make decisions and take some risks (Garvin, 1993; Slocum, McGill and Lei, 1994).

This study aims at studying the relationship between transformational leadership and learning organization with special reference to organizations in Kerala. There are many studies conducted over the years on transformational leadership and learning organization. The studies highly relevant to this research have been summoned. In this study, both the topic had given almost equal importance.

3.11 Studies on Transformational Leadership

Leadership typically reflects the larger society, and theories have evolved as norms, attitudes, and understandings in the larger world have changed. There are innumerable studies have been conducted on leadership and basic leadership theories have been categorized into six basic approaches. The great man theories, trait theories, behaviour theories, contingency theories, influence theories and relational theories are the categories of leadership theories.

One of the current and most popular approaches to leadership that has been the focus of much research since the early 1980s is the transformational approach. Transformational leadership is part of the “new leadership” paradigm (Bryman, 1992), which gives more attention to the charismatic

and affective elements of leadership. Bass and Riggio (2006) suggested that its popularity might be due to its emphasis on intrinsic motivation and follower development. Transformational leadership fits the needs of today's work groups, who want to be inspired and empowered to succeed in times of uncertainty. In a context analysis of articles published in leadership quarterly, Lowe and Gardner (2001) found that one third of the leadership theories already developed on either transformational or charismatic leadership. It occupies a central place in leadership research.

The pioneer in this leadership area is Bernad M Bass. Bass (1985) in his study "From transactional to transformational leadership: Learning to share the vision" gives a clear cut differentiation between transactional and transformational leadership. The author gives a brief on transformational leader by providing a good example of Xerox's Reprographic Business Group. The study identified two factors that characterize modern leadership, ie, initializing and organizing work and showing consideration for employees. He say, the leadership which is based on transactions between managers and employees, is called "transactional leadership". In most of the case the leadership is a prescription for mediocrity. The means of rewarding and giving a punishment is almost not in the hand of the managers and hence won't be practical in most of the organization. The author identified four main characteristics of transformational leader based on various studies. They are charisma, inspiration, Intellectual stimulation and individual consideration.

The effectiveness of transformational leadership identified through multi factor leadership questionnaire (MLQ). The analysis made by the author says two facts. One is the job satisfaction of subordinates' increases

when the leaders are transformational leaders. The second thing is that, leaders have better relation with their supervisors. The transformational leaders make the difference between success and failure. Employees are will perform well in their job as well believe they have a better performance appraisal system and the face to face communication also reinforce the fact. Transformational leadership should be encouraged because it encourages the overall performance level. Those companies adopting transformational leadership get a good image in-front of its customers, suppliers, financial backers, and the community, as they are eyeing the future and it help the recruitment also. The factors associated with transformational leadership can be assessed (using MLQ) for the selection, promotion and transfer of employees. The study says there is a greater chance of adoption of transformational leadership by the subordinate form their immediate supervisor. The transformational leadership can be trained and can be verified through MLQ.

The study also gives various methods of training and its implications in organization. He gives insight in to classes made by counselor, mediator, or supervisor, a workshop, and training in mentoring. The leadership training is found to be effective only if the leader has a self interest, otherwise it won't create any effect. The transformational leaders know the real caliber of each employee and the task will be designed and assigned keeping it in mind. Those organizations fostering transformational leadership through policies of recruitment, selection, promotion, training and development is likely to pay off in the health, well being and effective performance of the organization.

The previous studies on leaderships were mainly on transactional leadership. Kerr and Jermier (1978) approached leadership in an empowerment point of view. Leaders who have released from routine activity will improve their real power and influence increases as they are able to perform more important tasks of envisioning, engaging in boundary management, lobbying for the organization etc.

Bernad M Bass (1997) writes in his article titled “Does the transactional- transformational leadership paradigm transcend organizational and national boundaries?” there is universality in the transactional-transformational leadership paradigm. That is, the same conception of phenomena and relationships can be observed in a wide range of organizations and cultures. Exceptions can be understood as a consequence of unusual attributes of the organizations or cultures. Three corollaries are discussed. Supportive evidence has been gathered in studies conducted in organizations in business, education, the military, the government, and the independent sector. Like-wise, supportive evidence has been accumulated from all but 1 continent to document the applicability of the paradigm.

In India, Singh and Bhandarkar (1990) have presented case studies on five transformational leaders. Using factor analysis Udai pareek (1997) suggests seven transactional and seven transformational functions. The seven transactional functions includes policy making, planning, developing systems, monitoring performance, coordinating, rewarding, coaching. The transformational functions includes visioning, modeling, setting standards, building culture and climate, boundary management, synergizing, searching out and nurturing talent. Singh and Bhandarkar (1990) based on a consensus of managers, reported the following six main characteristics of transformational

leaders; empowering, risk taking, clarity of mission, team building, equanimity, evolving trust.

Niti Singh and Venkat R. Krishnan (2005) study on “Towards understanding transformational leadership in India: a grounded theory approach” an important factor that contributes to successful organizational transformation is leadership. Transformational leaders take strategic decisions and give shape to such changes, thereby ensuring that their organizations stay competitive. While the core of transformational leadership is universal, timeless and immanent, its behavioural manifestations, however, differ across cultures. This paper attempts to take a preliminary look at those behavioural manifestations of transformational leadership that are unique to Indian culture, most of which have been drawn from Singh and Bhandarker’s (1988) model. After using the grounded theory method for data generation, 1617 response sets obtained from 250 working managers were content analyzed. Results show that the universal dimension of transformational leadership constitutes 44 per cent of the responses, while culture-specific dimensions constitute the rest. The 56 per cent Indian cultural dimensions have been operationalized through seven sub-dimensions, ‘Nurturant’ (20 per cent), ‘Personal Touch’ (13 per cent), ‘Expertise’ (7 per cent), ‘Simple-Living-High-Thinking’ (7 per cent), ‘Loyalty’ (4 per cent), ‘Self-Sacrifice’ (3 per cent), and ‘Giving Model of Motivation’ (2 per cent). The paper concludes by discussing the importance of recognizing culture-specific manifestations for leading change.

The article of Joyce E. Bono and Timothy A. Judge (2004) titled “Personality and Transformational and Transactional Leadership: A Meta-Analysis” is a study on meta-analysis of the relationship between

personality and ratings of transformational and transactional leadership behaviors. Using the 5-factor model of personality as an organizing framework, the authors accumulated 384 correlations from 26 independent studies. Personality traits were related to 3 dimensions of transformational leadership—idealized influence—inspirational motivation (charisma), intellectual stimulation, and individualized consideration—and 3 dimensions of transactional leadership—contingent reward, management by exception—active, and passive leadership. Extraversion was the strongest and most consistent correlate of transformational leadership. Although results provided some support for the dispositional basis of transformational leadership—especially with respect to the charisma dimension—generally, weak associations suggested the importance of future research to focus on both narrower personality traits and non-dispositional determinants of transformational and transactional leadership.

Huey-Wen Chou, Yu-Hsun Lin, Hsiu-Hua Chang, Wen-Wei Chuang (2013) “Transformational Leadership and Team Performance The Mediating Roles of Cognitive Trust and Collective Efficacy” This study explores the relationships among transformational leadership style, cognitive trust, and collective efficacy as well as the impact of these variables on distal team performance. Data collected from 39 teams find that team cognitive trust as two process variables involves a transformational leadership process in which cognitive trust in the team leader and cognitive trust among team members mediate the impact of this leadership style on collective efficacy. Unlike previous studies, our results show that leveraging cognitive trust in the team leader is necessary but not sufficient for better proximal collective efficacy, which in turn facilitates distal team performance. Although cognitive

trust among team members was more closely related to proximal collective efficacy than cognitive trust in the team leader was, the factors that foster the development of cognitive trust among team members remain scantily explored in the transformational leadership literature and deserve more attention in future research.

Dong I. Jung & John J. Sosik (2002) had written an article on “Transformational Leadership in Work Groups The Role of Empowerment, Cohesiveness, and Collective-Efficacy on Perceived Group Performance”. It has been argued that transformational leaders increase group effectiveness by empowering followers to perform their job independently from the leader, highlight the importance of cooperation in performing collective tasks, and realign followers’ values to create a more cohesive group. A study was conducted to examine whether transformational leadership would be positively related to followers’ perceptions of empowerment, group cohesiveness, and effectiveness. Forty-seven groups from four Korean firms participated in this study. Results of partial least squares analysis indicated that transformational leadership was positively related to empowerment, group cohesiveness, and group effectiveness. Empowerment was positively related to collective-efficacy, which in turn was positively related to group members’ perceived group effectiveness. Implications for research and practice are discussed.

Hsiao, Hsi-Chi & Chang, Jen-Chia (2011) “The role of organizational learning in transformational leadership and organizational innovation” says Leadership is an important factor affecting organizational innovation. Many studies show that transformational leadership has positive and significant influence on organizational innovation. Based on a literature review and

previous work, this study aims to investigate the influence of transformational leadership on organizational innovation and to examine whether organizational learning is a mediator between their relationships. Structural equation modeling was used to test the model. The research sample consisted of 330 teachers in charge of administration in postsecondary schools. The findings of this study provide evidence that transformational leadership and organizational learning have significant positive relationship influence on organizational innovation. The research also demonstrates that there is significant effect on the role of mediation in organizational learning on the relationship between transformational leadership and organizational innovation. The study suggests that if school principals use the strategies of transformational leadership and organizational learning at the same time, organizational learning was highly effectiveness to achieve organizational innovation in the postsecondary schools.

Scott E. Bryant (2003) “The Role of Transformational and Transactional Leadership in Creating, Sharing and Exploiting Organizational Knowledge” says strategy scholars have argued that managing knowledge effectively can provide firms with sustainable competitive advantages. Leaders are central to the process of managing knowledge effectively. Managing knowledge includes three key processes: creating, sharing, and exploiting knowledge. Leaders are central to each of these processes at multiple levels of the firm. Examining the role of leadership in converting knowledge into competitive advantages is important to our understanding of leaders and organizations. Transformational leadership may be more effective at creating and sharing knowledge at the individual and group levels, while transactional leadership is more effective at exploiting knowledge at the organizational level. This

paper begins to integrate the transformational leadership literature with the organizational knowledge literature.

Lale Gumusluoglu and Arzu Ilsev (2009) made a study titled “Transformational leadership, creativity, and organizational innovation”. This study proposes a model of the impact of transformational leadership both on followers' creativity at the individual level and on innovation at the organizational level. The model is tested on 163 R & D personnel and managers at 43 micro- and small-sized Turkish software development companies. The results suggest that transformational leadership has important effects on creativity at both the individual and organizational levels. At the individual level, the results of hierarchical linear modeling show that there is a positive relationship between transformational leadership and employees' creativity. In addition, transformational leadership influences employees' creativity through psychological empowerment. At the organizational level, the results of regression analysis reveal that transformational leadership positively associates with organizational innovation, which is measured with a market-oriented criterion developed specifically for developing countries and newly developing industries. The implications of the findings along with some potential practical applications are discussed.

Fawzy Soliman (2011) in his paper “From knowledge management to learning organization to innovation: role of transformational leadership” examines the role of transformational leadership in moving an organization from being a knowledge based, to learning organization to become an innovative company. Important features of the leader such and ability to assist in developing and accommodating the implementation of: knowledge

management techniques, learning organization concepts and innovation protocols will be discussed in this paper. This paper demonstrates that shifting from organizational learning to become an innovative company involves a unique transformational leadership. In that regard, the paper also demonstrates that organizations need to create, capture, transfer, and mobilize knowledge before it can be used for innovation. Although technology supports the latter, these are primarily social processes within a cultural environment, and cultural change, however necessary, is a particularly challenging undertaking for the transformational leader. The paper will present a method of studying how leaders of successful companies found innovation as a way to create value for customers that is, a way to help customers obtain value for the goods and/or services.

The theory laid by J. P. Howell, David E. Bowen, Peter W. Dorfman, Steven Kerr and Philip M. Podsakoff (1990) "Substitutes for Leadership: Effective Alternatives to Ineffective Leadership" says that substitutes for leadership are often a superior alternative to the conventional remedies of replacement and training. Creating leadership substitutes in no way implies abolishing the leadership function; rather, it is in itself an act of leadership. Just as the conductor of a symphony orchestra should not and cannot be eliminated, he or she need not worry about directing individual symphony members on instrumental techniques or musical structure. The musical score and the high level of training and commitment of professional musicians obviate the need for the conductor to spend time on these matters; instead, the conductor creates a unique expression of the music from an ensemble of competent individuals.

“Leader Member exchange as a mediator of the relationship between transformational leadership and followers performance and organizational citizenship behavior” written by Hui Wang, Kenneth S. Law, Rick D. Hackett, Duanxu Wang and Zhen Xiong Chen(2005) have developed a model in which leader-member exchange mediated between perceived transformational leadership behaviors and followers task performance and organizational citizenship behaviors. The sample used for this study comprised 162 leader-follower dyads within organizations situated throughout the People's Republic of China. The study showed that leader-member exchange fully mediated between transformational leadership and task performance as well as organizational citizenship behaviors. Implications for the theory and practice of leadership are discussed, and future research directions offered.

The paper presented by Antoinette S Phillips and Arthur G Bedeian (1994) titled “Leader follower exchange quality: The role of personal and interpersonal attributes” is a study of 84 registered nurses and their supervisors revealed that leaders' perceptions of leader-follower attitudinal similarity and follower extraversion were positively related to the quality of leader-follower exchanges. Neither followers locus of control nor growth need strength was found to be significantly correlated with the quality of the exchange between leaders and followers.

“Leadership: Good, Better, Best” a paper by Bernard M Bass (1985), gives an insight in to contrast in transactional and transformational leadership styles and the results that are obtained when the managers select each approach. The second part says about the reports on surveys of

personnel in the military and in industry and examines factors in both approaches to leadership, as they emerged from the survey results.

An article titled ‘The influence of personality factors on transformational leadership; exploring the moderating role of political skill’ written by Simone Phipps and Leon Prieto (2011) says leader’s individual personality plays a role in determining his or her leadership style. This paper addresses this verdict by providing a theoretical examination of the relationship between the “Big Five” and transformational leadership (TFL), introducing political skill as a potential moderator. It investigates the dimensions of the Big Five as independent variables and explores how these intrinsic qualities correlate with transformational leadership. It also defends its proposal of political skill as a moderator of the Big Five-TFL relationship. Propositions concerning direct relationships and interactions are provided, as well as a conceptual model, implications, and suggestions for future research.

The paper submitted by Avolio et al. (2004) titled ‘Transformational leadership and organizational commitment: mediating role of psychological empowerment and moderating role of structural distance’ is a study on relation between transformational leadership and organizational commitment effecting structural distance between leaders and followers. The study was conducted using a sample of 520 staff nurses employed by a large public hospital in Singapore, and the result showed from hierarchical linear modeling (HLM) analysis that psychological empowerment mediated the relationship between transformational leadership and organizational commitment. Similarly, structural distance between the leader and follower moderated the relationship between transformational leadership and organizational commitment.

The article titled ‘What We Know about Leadership: Effectiveness and Personality’ written by Robert Hogan et al. (1994) speak about leadership. In his article he tries to define leadership from different past research papers to get more accesses and interpretation for the decision makers and to answer nine questions that routinely come up when practical decisions are made about leadership (e.g., whom to appoint, how to evaluate them, when to terminate them).

“Strategic Thinking” written by Ken Haycock, Anne Cheadle and Karla Spence Bluestone (2012) says Strategic thinking can be used in any organization seeking to gain a competitive edge. With a focus on improvement, often through creativity and innovation, strategic thinking builds a vision for an organization’s future prior to the linear process of developing a strategic plan.

The study made by Diane M Christophel (1990) titled “The relationships among teacher’s immediacy behaviors, student motivation and learning” says student state motivation and the combined impact of these factors on learning. The study used correlation analysis and the result of which reveals existence of relationship between learning and both immediacy and motivation.

The paper titled “How Does Contingent Reward Affect Enterprise Resource Planning Continuance Intention? The Role of Contingent Reward Transactional Leadership” written by Azadeh Rezvani et al. (2012) says during the past decade, an increased focus on charismatic and transformational leadership has led to a diminished recognition of the importance of transactional leadership behaviours for successful information systems. We

say that this is important because recent studies have shown that transactional leadership, in the form of contingent reward behaviour, can have substantial effects on employee attitudes, perceptions and behaviour. Therefore, in this study we discuss how contingent reward transactional leadership behaviour influences enterprise resource planning (ERP) users' continuance intention by proposing a research model that explains how contingent reward has a positive effect on ERP users' satisfaction and perceived usefulness which leads to ERP continuance intention. We further argue that distributive justice mediates this relationship. This study calls for managers to pay attention to the importance of contingent reward leadership behaviour in continuous intention of ERP.

The article 'The Two Faces of Transformational Leadership: Empowerment and Dependency' by Ronit Kark et al. (2001) says about the followers identification with the leader and the organizational unit, dependence on the leader, and empowerment by the leader are often attributed to transformational leadership in organizations. However, these hypothesized outcomes have received very little attention in empirical studies. They found that transformational leadership was positively related to both followers' dependence and their empowerment and that personal identification mediated the relationship between transformational leadership and followers' dependence on the leader, whereas social identification mediated the relationship between transformational leadership and followers' empowerment.

The study done by Gretchen M. Spreitzer et al. (1993) titled 'Empowered to lead: the role of psychological empowerment in leadership' says about the relationship between psychological empowerment and

leadership. Supervisors who reported higher levels of empowerment were seen by their subordinates as more innovative, upward influencing, and inspirational.

The article titled ‘Facilitating Empowerment in Organizations’ written by Bruce Nixon (1994) says about facilitating empowerment in organizations and helping managers enhance their capacity to learn and respond to change more effectively. Expresses the author's views on how the culture of organizations need to change (and the specific changes in attitude and behaviour this requires) if people are to cope well with uncertainty, change, complexity and huge pressures. Describes the methodology used with senior managers and directors in three different organizations over the past five years; the common and distinctive issues in those organizations; how the intervention strategies evolved differently in them; the successes and difficulties and the learning in these initiatives.

The article titled ‘Leading organizational learning: Reflections on theory and research’ written by Gary Yukl (2009) conveys some of the author's ideas about the influence of leaders on organizational learning. Limitations of some well known leadership theories for explaining this influence are described, and ideas for developing more comprehensive and accurate theories are suggested. Examples of specific ways leaders can influence organizational learning are provided. The methods used for most of the research on the subject are evaluated, and some alternative methods are suggested.

‘Leadership and sustainability’ is a paper prepared by Michael Fullan (2002). The purpose of this article is not to provide just an analysis of the

problem. It is to challenge to develop strategies, training, experiences and day-to-day actions within the culture of the organisation whose intent would be to generate more and more leaders who could think and act with the bigger picture in mind thereby changing the context within which people work in order to go beyond individual and team learning to organisational learning and system change. This, it seems to me, is the key to better organisational performance and to enhancing the conditions for sustainability.

Boris Groysberg and Michael Slind (2012) written an article in Harvard business review titled ‘Leadership is a conversation’ say physical proximity between leaders and employees isn’t always feasible. But mental or emotional proximity is essential. In this article the importance of dialogue and enquiry in leadership is pointed out.

3.12 Studies on Learning Organization

Learning organization is a concept that is becoming an increasingly widespread philosophy in modern companies, from multinationals to the smallest ventures. Globalization is the most obvious and clearest culprit. The spreading up of all elements of global trade- mainly because of information technology- and the decline of centralized economies have created an almost frenetic atmosphere within firms, which feel compelled to bring new products and services to wider markets ever more quickly.

“With-out learning, the wise become foolish; by learning, the foolish become wise”- Confucius.

The pioneer in studies of learning organization was done by Peter M Sange (1991) “The fifth discipline: the art and practice of the learning organization”. It is a books focusing on the group problem solving using system thinking method in order to transform a company into learning organizations. The five disciplines represent approaches for developing three capabilities for learning ie, fostering aspiration, developing reflective conversations and understanding complexities. The five disciplines of learning organizations are (1) Personal mastery: it is a discipline of continually clarifying and deepening the vision, of focusing our energies, of developing patience and of seeing reality as objectively. (2) Mental models are deeply ingrained assumptions, generalizations, or even pictures of images that influence how we understand the world and how we take action (3) Building shared vision: a practice of unearthing shared pictures of the future that foster genuine commitment and enrolment rather than compliance. (4) Team learning starts with dialogue, the capacity of members of a team to suspend assumptions and enter into genuine thinking together (5) system thinking – the fifth discipline that integrate other four.

Senge describes widely the role of what it refers to as "mental models," which he says are integral in order to "focus on the openness needed to unearth shortcomings" in perceptions. The book also focuses on "team learning" with the goal of developing "the skills of groups of people to look for the larger picture beyond individual perspectives." In addition to these principles, the author stresses the importance of "personal mastery" to foster "the personal motivation to continually learn how actions affect the world."

The Learning Disabilities

In addition to "disciplines," which Senge suggests are beneficial to what he describes as a "learning organization," Senge also posits several perceived deleterious habits or mindsets, which he refers to as "learning disabilities."

- 1) "I am my position."
- 2) "The enemy is out there."
- 3) The Illusion of Taking Charge
- 4) The Fixation on Events
- 5) The Parable of the Boiling frog
- 6) The Delusion of Learning from Experience
- 7) The Myth of the Management Team

The 11 Laws of the Fifth Discipline

- 1) Today's problems come from yesterday's "solutions."
- 2) The harder you push, the harder the system pushes back.
- 3) Behavior grows better before it grows worse.
- 4) The easy way out usually leads back in.
- 5) The cure can be worse than the disease.
- 6) Faster is slower.
- 7) Cause and effect are not closely related in time and space.

- 8) Small changes can produce big results...but the areas of highest leverage are often the least obvious.
- 9) You can have your cake and eat it too ---but not all at once.
- 10) Dividing an elephant in half does not produce two small elephants.
- 11) There is no blame.

In 1997, Harvard Business Review identified *The Fifth Discipline* as one of the seminal management books of the previous 75 years.

Fred Kofman & Peter Sage (1993) in their paper titled “Communities of commitment: The heart of learning organizations” says fragmentation, competition, and reactivates represent three key aspects of cultural dysfunction, in organizations and society. These are not just isolated behaviors but powerful strategies that have outlived their usefulness. They worked for many years in many domains and hence their dangerous side effects grow, these behaviors remain deeply rooted. On one hand they are counterproductive in some domains; our first response is "to overcome these problems." Overcoming, however, is part of the very mindset that generated the problems. Fragmentation, competition, and reactivates are not problems to be solved--they are frozen patterns of thought to be dissolved. Dissolution is not a traditional strategy; instead we try to "solve" fragmentation by promoting systems thinking. To "solve" competition, we do “team building” and devise more sophisticated coordination mechanisms. To "solve" reactiveness we apply "preemptive strikes" of proactive “leadership.” To address the roots of these problems don't need solutions but dissolutions. The solvent propose is a new way of thinking, feeling, and being: a relativistic worldview. Fragmentary thinking becomes systemic

when we recover "the memory of the whole," the awareness that wholes and parts operate in a circle of self-generation. Competition becomes cooperation when we discover the "community nature of the self" and realize that our role as challengers is to help each other excel. Reactiveness becomes creating when we see the "poetic power of language," how language brings forth distinctions from the undivided flow of life. Together these changes represent a new social "Theory of Relativity." The systems worldview do not strive to find the answer but to re-establish our perspective as a living system within other living systems, and thereby to recreate the only genuine context for change, communities of commitment.

David Garvin (1993) writes in an article on Harvard Business review titled "Building a Learning Organization" says Three critical issues must be addressed before a company can truly become a learning organization (1) The question of meaning: a well-grounded, easy-to-apply definition of a learning organization (2) Management: clearer operational guidelines for practice (3) better tools for measurement: can assess an organization's rate and level of learning. Using these "three Ms" as a framework, Garvin defines learning organizations as skilled at five main activities: systematic problem solving, experimentation with new approaches, learning from past experience, learning from the best practices of others, and transferring knowledge quickly and efficiently throughout the organization. And since you can't manage something if you can't measure it, a complete learning audit is a must. That includes measuring cognitive and behavioral changes as well as tangible improvements in results. No learning organization is built overnight. Success comes from carefully cultivated attitudes, commitments, and management processes that accrue slowly and steadily. The first step is to

foster an environment conducive to learning. Analog Devices, Chaparral Steel, Xerox, GE, and other companies provide enlightened examples.

John Coopey (1995), in his study “The learning organization, power, politics and ideology” explains three main criticisms of the 'learning organization' are developed in this paper. First, it is argued that the concept is badly flawed because of its proponents' apolitical assumptions. This leads them to neglect the political activity likely to be encountered in a learning organization, activity which will tend to frustrate the learning aims. Second, while their model allows for greater employee empowerment the amount will probably be relatively modest in real terms. On the other hand, the power of managers, especially those at the apex of the organization, is likely to be enhanced by their privileged access to any extra informational and symbolic resources that are created by individual and collective learning processes. The third, and potentially the most damning, criticism is that the concept of the 'learning organization' is expressed in ways that provide raw material for managerial ideology, potentially constraining the meanings and actions of other employees so that they support the interests of the dominant coalition.

Amy Edmondson and Bertrand Moingeon (1998) identified difference in organizational learning and learning organization through their study “From Organizational Learning to the Learning Organization”. This article reviews theories of organizational learning and presents a framework with which to organize the literature. This study argue that unit of analysis provides one critical distinction in the organizational learning literature and research objective provides another. The resulting two-by-two matrix contains four categories of research, which have called: (1) residues

(organizations as residues of past learning); (2) communities (organizations as collections of individuals who can learn and develop); (3) participation (organizational improvement gained through intelligent activity of individual members), and (4) accountability (organizational improvement gained through developing individuals' mental models). They also propose a distinction between the terms organizational learning and the learning organization. Their subsequent analysis identifies relationships between disparate parts of the literature and shows that these relationships point to individual mental models as a critical source of leverage for creating learning organizations. A brief discussion of the work of two of the most visible researchers in this field, Peter Senge and Chris Argyris, provides additional support for this type of change strategy.

Andrea D. Ellinger, Baiyin Yang and Alexander E. Ellinger (2000) made a study titled "Is the Learning Organization for Real? Examining the Impacts of the Dimensions of the Learning Organization on Organizational Performance". The authors of this paper contend that, despite the controversial nature of the learning organisation concept, few empirical studies have examined the relationship between the concept and improved results. The paper reports on an exploratory study on the relationship between concept and actual performance, using the Dimensions of the Learning Organization Questionnaire (DLOQ). The following questions were addressed: (1) what is the relationship between the seven dimensions of the DLOQ instrument and the perceptual organisational outcome variables as defined by financial and knowledge performance?; and (2) what is the relationship between the seven dimensions of the DLOQ instrument and objective organisational outcome variables as defined by four secondary

measures of financial performance - return on equity (ROE), return on assets (ROA), Tobin's q , and market value-added (MVA)? The theoretical framework, research design and data analysis are provided. The authors conclude that there is evidence of a positive association between the adoption of these practices and improved performance. However, they recommend caution and the necessity for organisations to understand the complexities associated with becoming a learning organisation.

Victoria J. Marsick and Karen E. Watkins (2003) in his study titled "Demonstrating the Value of an Organization's Learning Culture: The Dimensions of the Learning Organization Questionnaire" developed a framework for measuring the attributes of learning organization. The Dimensions of learning organization questionnaire was based on the seven dimensions of learning organizations developed by them. The study was to answer the major question of measurement of learning organizations effectiveness. Some organizations seek to become learning organizations. Yet, implementation is elusive and is not often based on research about what constitutes a learning culture. Over the past 16 years, a model of a learning organization was developed that draws on both the literature and organizational case studies. However, organizations wanted a way to diagnose their current status and guide change, and scholars wanted better measures of learning to compare organizations and to explore links between organizational learning and the performance of the firm. The solution was to develop and validate an instrument that addresses these needs.

Dr. Noordman (2003) "Book review: Peter Senge, The fifth discipline" tells about the effectiveness of learning organization concept in society as a whole. He tells the basic concept of sage is helpful in knowing the change in

the marketing strategies in cities. He divides the book into different parts and the first part is discussing the rational of Senge and other systems thinkers. The thought of systems thinking is more relevant when the cause and effect situations are linear. Individuals have difficulty in seeing the whole thing because they have learning disabilities such as; I am my position, the enemy is out there, the illusion of taking charge etc. The second part deals with the demonstration of the value and importance of systems thinking in practice, and to prepare the reader to use systemic analysis. The third part deals with the building learning organization. Personally mastery, mental models and shared vision are the main things with learning organization. Organization learns only through individuals who learn. Personally mastery is essential to systems thinking as individual practice personally mastery leads to several changes within them. Mental models are deeply ingrained assumptions, generalizations, or even pictures or images that influence how we understand the world and how we take action. Several skills can help unearth mental models. These skills can change the way we behave in conversations. Shared vision is essential in developing a future that fosters genuine commitment and enrolment, rather than compliance. Team learning starts with dialogue. The purpose of dialogue is to reveal the lack of harmony in the team's thought. Team learning must include conversations about systems archetypes. The fourth part deals with the problems arising in prototypes where he tried his five disciples.

Baiyin Yang, Karen E. Watkins, Victoria J. Marsick (2004) "The Construct of the Learning Organization: Dimensions, Measurement, and Validation" research describes efforts to develop and validate a multidimensional measure of the learning organization. An instrument was

developed based on a critical review of both the conceptualization and practice of this construct. Supporting validity evidence for the instrument was obtained from several sources, including best model-data fit among alternative measurement models, nomological network among dimensions of the learning organization, and organizational performance outcomes. Acceptable reliability estimates were obtained for the seven proposed dimensions. Consequently, the instrument, Dimensions of the Learning Organization Questionnaire, was recommended for use in organizational studies.

Steven H. Appelbaum and Lars Goransson (2006) “Transformational and adaptive learning within the learning organization: a framework for research and application” states that organizational learning is currently a fashionable concept, and this is due to an attempt by many large organizations to develop structures and systems that are more adaptable and responsive to change. Reviews a framework for organizational learning and discusses the two main perspectives on the learning organization, that is, the focus on generative or transformational learning and the focus on incremental or adaptive learning. First, reviews a framework for organizational learning and examines the learning organization with regard to the twofold nature of organizational learning. Second, examines the generative or transformational perspective of the learning organization and how this has been developed in the literature. Third, looks at the incremental or adaptive perspective of the learning organization that has been presented in some recent literature. Examines a formula for a learning organization for application. Shows that this model integrates leadership vision, measurement of goals, internal/external data collection, inventiveness and proactive implementation to create

a successful design. Concludes by integrating the two perspectives on the learning organization into the reviewed framework for congruence.

H. Nejat Basim, Harun Sesen and Haluk Korkmazurek (2007) studied the validity of DLOQ titled “A Turkish Translation, Validity and Reliability Study of the Dimensions of the Learning Organization Questionnaire” in Turkey. This paper discusses the methodology and findings on the validity and reliability of the translation of Dimensions of the Learning Organization Questionnaire (DLOQ) into Turkish. The translation method was a five-step model including forward translation, assessment of forward translation, backward translation, assessment of backward translation and local meeting with professionals. To test the construct validity of translated instrument, a factor analysis was performed and to examine the reliability of the measure Cronbach’s alpha coefficients were calculated. The results showed that the Turkish version of DLOQ was a valid instrument to measure the learning processes in organizations in Turkey. Thus, with the help of this study a cross-cultural validation of DLOQ has been done. The findings might inspire some new researches in different cultures other than western ones.

Connie K. Haley and Lorraine Lazouskas (2009) made a study in “Leadership development and learning organization: a literature review”. This study is literature review portion of a broader research which is to explore and describe the relationships between leadership development and a learning organization. The purpose of this paper is to explore the relationships in a literature review between leadership development and a learning organization. This study reviews leadership development, employee development, a learning organization and its importance to the development

of a learning organization. The study also examines a seven-dimension diagnostic instrument of a learning organization - Dimensions of Learning Organization Questionnaire (DLOQ). This paper is to inspire organizational leaders to value leadership development and employee development, and provide more learning and training opportunities for their managers and employees. The knowledge gained from these results will help advance the understanding of the relationship between the leadership development and a learning organization. A contribution of the study would be to integrate the concepts of the leadership development with that of employee development to illustrate a model of how the two interrelated concepts can be used to promote a learning organization.

The validity study of DLOQ in Korean context was done by Ji Hoon Song, Baek-Kyoo (Brian) Joo, and Thomas J. Chermack (2009). The title of their study was “The Dimensions of Learning Organization Questionnaire (DLOQ): A Validation Study in a Korean Context”. The purpose of this study is to assess the validity and reliability of the measurement scores of the learning organization culture, the Dimensions of Learning Organization Questionnaire (DLOQ), in a Korean context. A total of 1,529 cases from 11 firms in two major Korean conglomerates were analyzed. Rigorous translation procedures, including both forward and backward processes, have been applied to ensure the relevance of this instrumentation in different cultural contexts. As the results of confirmatory factor analysis, simple item-internal consistency estimates, and item inter-correlation analysis show, the Korean version of the DLOQ has produced reliable measurement scores with construct validity adequate to measure the learning organization culture in the Korean context.

Dirani, Khalil M. (2006) in a paper submitted titled “A Model Linking the Learning Organization and Performance Job Satisfaction” The abstract of his study was the theories of learning and performance are quite complex. This paper proposes a model that links the learning organization theory as a process with job satisfaction as a performance theory outcome. The literature reviewed considered three process levels of learning within the learning organization and three outcome levels of job satisfaction: individual, group and organizational levels. The paper suggests that this model is rather one of plausible answers to measure learning and performance quantitatively. The work of Dirani (2013) titled “Dimensions of the Learning Organization Culture in Lebanon” is a follow up study made by him in the past on “The DLOQ has been tested and validated quantitatively in the Lebanese context” (Dirani, 2009) shows qualitatively the validity of the seven dimensions of the learning organization as proposed by Watkins and Marsick in Lebanese context. The implication of this study are (1) giving information in preparing training programs and other development activities to the hr practitioners (2) Understanding and development of learning organization theory (3) providing the HR practitioners and researchers, increased attention to the importance of the learning organization concept for successful work performance, with evidence on the applicability of the DLOQ in Lebanon. The researcher proposes that the new paradigm of the learning organization will expand the knowledge and competency base of organizational members by replacing the limits of their individual expertise with an increased ability to work through new challenges as active participants in the organizational process.

The article of Craig Johnson, David Spicer and James Wallace (2011) titled “An empirical model of the Learning Organization” seeks to address three problems in the learning organisation literature. Firstly there is no consensus view of what constitutes a learning organisation. Secondly empirical studies of the learning organisation have been both challenging to conduct and sparse in number. Finally, it is unknown whether the learning organisation is still a popular concept. Using content analysis of 11 of the most influential publications a synergistic model was developed. This was subsequently tested, modified and validated. Structural equation modeling was used on an instrument responded to by 170 Chief Executives and Human Resource Directors of FTSE- and AIM-listed companies. Descriptive statistics demonstrated that the learning organisation concept, contrary to the views of some commentators, is still very popular amongst practitioners.

Olivier Serrat (2009) in “Building a learning organization” says organizational learning is neither possible nor sustainable without knowing the actual driving forces. He subdivides learning organizations into, organization, people, knowledge and technology. He tells a learning organization values the role that learning can play developing organizational effectiveness. A learning organization needs people who are reflective practitioners (that includes curiosity, learn from experience, make theories of change etc). He tells team work is a key ingredient of learning organization. Knowledge is a critical asset in every learning organization. Because learning is both a product of knowledge and its source, a learning organization recognizes that the two are inextricably linked and manages them accordingly. Learning organizations know how to harness the power of

information and communication technologies- without these technologies constraining knowledge management and learning. In a learning organization, information and communication technologies are used, among other purposes, to strengthen organizational identity, build and sustain learning communities, keep staff , clients, and others informed and aware about corporate development etc.

The article titled “Organizational learning acts as a tool in creating a learning organization” written by Kalpana Sahoo and Smita Mishra (2010) says about the role of organizational learning for building learning organization. In organizational learning, how feedback and adaptation, learning processes, principles, knowledge representation, and modeling theory help in creating and developing a learning organization. A learning organization values the role that learning can play in developing organizational effectiveness. It demonstrates this by having an inspiring vision for learning and a learning strategy that will support the organization in achieving its vision. The leadership of a learning organization is committed to the importance of learning and clearly communicates that learning is critical to organizational success. Organizational learning is a process in which an organization strives to improve its performance, to detect and correct errors and to adapt to its environment through evolving knowledge and understanding. Learning is the key characteristics as it enables the organization t sense changes (internal and external) and to adapt accordingly in the face of an increasingly uncertain environment.

Murni Zarina Mohamed Razali, Nurul Afa Amira, and Nor Diyana Mohammed Shobri (2012) made a study on “Learning Organization Practices and Job Satisfaction among Academicians at Public University”.

The purpose of this study was to examine the relationship between learning organization practices and job satisfaction among academicians at public university. The primary objective of this study was to describe the practices of learning organization among academicians and how it may influence their job satisfaction at public university. Correlation research design has been applied in the study where questionnaire was used as the instrument. Based on the data gained in this study, it shows that strategic leadership was the most dimensions which the academicians prefer to practice while encourage collaboration and team learning is the lowest practiced dimension. From the findings, it revealed that there is a positive relationship between learning organization practices and job satisfaction among the academicians. In future research, academicians from private universities can be study as comparison with public universities academicians. Such comparisons will help in generating strategic plans to narrow down the performance gap between two sectors and get the most out of the potency in learning.

Sunil Budhiraja, Meenakshi Malh otra and Neeraj Kaushik (2015) “Determinant of learning organization: a case study of select service sector organizations” says organizations are exposed to stringent competition and challenging customers, so they need to transform themselves so as to be able to confront the shifting needs of the new environment, more demanding customers, elegant workers and tough competition. Organisations need to possess the capability to anticipate and adapt readily to the environmental changes, accelerate the development of new products, processes and services, shorten the time required to implement strategic changes and stimulate continuous changes in all areas of the organisation. The current study tries to investigate a set of service sector organization in order to

understand the determinants which foster the organizations to be labelled as learning organization. The service sector in India contributes more than 65 per cent in the gross domestic product. It becomes obligatory for the researchers to understand the dynamism behind Indian service industry which has taken a leap to put forward the economic growth of the nation and influenced the Indian economy to obtain a competitive advantage globally. The objective of the research is to empirically test the existing global model of learning organization by making use of the confirmatory factor analysis and to customize the model which shall fit in the Indian context and help the service sector organizations to move ahead globally. The findings of the study shall help the corporate world to make use of the framework suggested in order to strengthen the organizational effectiveness and shall add the literature gap existing in the areas to support the researchers in India and globally.

The paper titled “A typology of the idea of learning organization” by Anders Ortenblad (2002) gives four different versions of learning organization. A topology of the idea of ‘learning organization’ is developed and presented. The typology is inductively created and based on how the term ‘learning organization’ is used in the literature and by practitioners. Four distinct types of understanding were found: ‘organizational learning’, ‘learning at work’, ‘learning climate’ and ‘learning structure’. The same types of understanding seem to appear both in the literature and in accounts made by practitioners. Thus the term ‘learning organization’ is probably not unduly confusing to the practitioners. Instead, the different versions of the idea in the literature seem to give companies the opportunity to choose a version suitable for their specific situation.

The article of Gezinus J. Hidding and Shireen M. Catterall (1998) “Anatomy of a learning organization: turning knowledge into capital at Andersen Consulting” say that, much about knowledge management and ‘learning organizations’ are researched. But studies on type of organization structure that best supports becoming learning organization is limited. In this article, the author describes a conceptual model of the learning process that applies to individuals, to teams, to divisions and to an organization as a whole. Related to the learning processes, the author describe three different types of knowledge—experiential, formalized, and emerging—and explain how each type requires a different style of management. A key contribution of this research is insight into the need to manage emerging knowledge; today, most organizations fail to recognize how to capture and manage this type of knowledge. The author describes two organizational elements that are new relative to traditional organizations. The theory concludes by relating the various learning processes and the associated types of knowledge into an ‘anatomy of a learning organization’. Throughout this article the author used indented italicized paragraphs to describe various aspects of Andersen Consulting change journey to become more of a learning organization

“Could One Transformational Leader Convert the Organization From Knowledge Based Into Learning Organization, Then Into Innovation?” is a study done by Fawzy Soliman (2011). This paper examines the role of transformational leadership in transforming an organization into a knowledge based, then into learning organization so that it becomes an innovative company. Important features of the leader such and ability to assist in developing and accommodating the implementation of knowledge

management programs, learning organization concepts and innovation protocols are discussed in this paper. This paper demonstrates that shifting the organization to become a knowledge based and then to be learning organization and finally to become innovative company could involve some unique attributes of a transformation leadership. In that regards, the paper also demonstrates that organizations need first to create, capture, transfer, and mobilize knowledge before it can be used for learning and then for innovation. The paper will present a method of a studying how successful innovation leaders of companies could found themselves acting in three roles namely: knowledge leader, learning leader and then innovation leader.

Nancy M Dixon (1993) in “Developing managers for the learning organization” gives step by step procedure for developing the managers. he learning organization makes new intellectual demands on managers. Managers are being asked not just to carry out their assigned tasks but to use the skills of analysis, interpretation and synthesis to help the organization learn its way out of the novel problems it increasingly faces in a time of rapid change. Traditional management development programs, however, send a contradictory message to learners when delivery is structured in a way that negates the reasoning capability of managers who are being encouraged by the organization to rely more heavily on their own reasoning. To facilitate organizational learning four fundamental changes in the way management development programs are designed are suggested; (1) situating learning in real work, (2) defining a less central role for experts, (3) spaced rather than compressed time frames, and (4) learning in community rather than individually. Examples of five management development programs which embody these elements are provided.

Swee Goh and Gregory Richards (1997) “Benchmarking the Learning capability of Organizations” says implementation of organizational learning is complicated by the lack of a systematic approach that includes the measurement of learning capability. We propose that by identifying and measuring the essential organizational characteristics and management practices that promote organizational learning, one could develop a benchmark of learning capability that would enable managers to design interventions to overcome specific barriers in building a learning organization. Based upon a review of the literature, we developed an Organizational Learning Survey (OLS) to measure learning capability. Our research with five different organizations indicates that the OLS does discriminate between organizations on those characteristics important to learning. We also discuss the implications of using such an approach for intervention and change in building more effective learning organizations. The paper also discusses other perspectives of organizational learning, some of the limitations of the OLS measurement scale and future research directions.

3.13 Studies Related to Learning Organization and Transformational Leadership

A study conducted in Thailand by Nont Sahaya (2012) on ‘A Learning Organization as a Mediator of Leadership Style and Firms Financial Performance’ purpose is to examine and identify the influence of learning organization as a mediator on the relations between leadership styles (transformational, transactional and passive-avoidant) and ROA. Multifactor Leadership Questionnaire (MLQ 5x-short) for leadership styles while Dimensions of the Learning Organization Questionnaire (DLOQ) for

learning organization testing were used in this study with data of 400 respondents from 100 firms in The Stock Exchange of Thailand 100 (SET100). The results of conceptual model by regression analysis were mostly positive: the mediators Promote inquiry, and Provide strategic (elements of learning organization) mediated partially on relationship between IC (transformational) and ROA. Moreover, the mediator Empower people (elements of learning organization) mediated partially on relationship between CR (transactional) and ROA while no (learning organization) mediated on relationship between passive-avoidant leadership style and ROA. The contributions of this study are two aspects. Practical aspect, the significance of IC, CR, and LF leadership styles effect on financial performances. Promote inquiry, Provide strategic, Empower people dimensions of learning organization mediate on relationship between IC, CR leadership styles and ROA. Understanding is upon conceptual model that examine and identify on the leadership styles, learning organization, and ROA financial performance for theoretical aspect.

An article titled ‘Epitome of leadership for learning organizations’ written by Vinod K. Jain and O.P. Goyal (2005) tells about the most appropriate leadership style for learning organization is transformational leadership. He explains his thought by explaining the role of leader in learning organization with pinpointing the need of charismatic leadership.

‘The Future of Leadership in Learning Organizations’ is a study by Bernard M Bass (2014). He says the future educational leaders of learning organizations will be transformational. They will be democratic in their relations with teachers and students but also know when they must accept their responsibilities to take charge. They will see themselves as change

agents dealing with a multiplicity of problems faced by schools in adaptable and prepared for the New World of globalism, diversity, the Information Age and the net economics. They will convert mandates and problems into challenges and opportunities.

The article titled 'Leadership and Learning: A Critical Reexamination of Senge's Learning Organization' is a study done by Raymond Caldwell (2012). He tells the importance of system thinking in creating a learning organization and the importance of a leader for it. In this paper it is argued that Senge's learning organization can be re-conceptualized as a partial fusion of 'systems thinking' and learning theories that leads to a concept of organizational learning as a form of 'distributed leadership'. However, the concept is critically flawed because it cannot theorise the organizing practices by which learning to lead and leading to learn are shared or distributed in organizations. It is concluded that Senge's under-theorized focus on distributed leadership consistently neglects issues of practice and issues of power. As such his work does not provide an exploration of the possibilities for increasing the dispersal of human agency, power, knowledge and autonomy within the workplace.

'Leading the Learning organization' written by Sapna Rijal (2009) focuses on the importance of leadership in creating a learning organization. Researchers have identified leadership as being one of the most important factors that influence the development of learning organization. They suggest that creating a collective vision of the future, empowering and developing employees so that they are better able to handle environmental challenges, modeling learning behavior and creating a learning environment, are crucial skills for leaders of learning organization. These roles are

suitable to a transformational leader. Despite the potential for a transformational leader to positively affect the development of learning organization, little research has investigated the existence of this link. To understand the development of learning organization, it is important to understand the role of transformational leadership in learning organization. This article seeks to understand the role of transformational leadership in the development of learning organization.

A study titled 'Learning organizations and leadership style' has been made by Cecil et al. (2004) in Luxemburg. The purpose of this research project was to determine the components of a successful learning organization and to establish if the leadership style of a department head influences the ability of that department to successfully cultivate a learning organization. He tries to get answer to the question of was there a relationship between the leadership style of the department head and their success at promoting and maintaining a learning organization?

There is an article titled 'Leadership in living organizations' by Peter M Senge (2009). He categorizes the limiting factor for acceptance of change. They are Challenges of Initiating, Challenges of Sustaining and Challenges of Redesigning and Rethinking. He tells how to tackle all these issues. There is another article by Peter M Senge 'Leading learning organizations'. This article points towards the leadership challenge in learning organizations. There should be essentially three kinds of leaders are needed for building a learning organization'; local line leaders, executive leaders, Internal networkers, or community builders. And this article shows how they altogether help in building a learning organization.

The study titled ‘Transformational leadership influence on organizational performance through organizational learning and innovation’ written by Víctor Jesús et al. (2010) analyzes the influences of transformational leadership on organizational performance through the dynamic capabilities of organizational learning and innovation. Although these indirect interrelations are very important for improving organizational performance, previous research has not usually explored them. The study confirms these influences empirically, basing the analysis on a sample of 168 Spanish firms. The results reveal that (1) transformational leadership influences organizational performance positively through organizational learning and innovation; (2) organizational learning influences organizational performance positively, both directly and indirectly through organizational innovation; (3) organizational innovation influences organizational performance positively.

A similar study has been conducted by Manshadi et al. (2012) titled ‘A study of the relationship between transformational leadership and organizational learning’. This study is conducted in the field of Islamic Azad University employee’s organizational learning according to the utilization of transformational leadership components. The statistical population in this study contains the faculty members and administrative staff in all departments of university and capital cities; and the statistical sample consisted of 200 individuals. With this aim, 200 expert staff from Islamic Azad University was randomly selected. Research data was collected using questionnaire and SPSS Software was utilized for data analysis. Obtained results showed that a positive and meaningful relationship exists between the components of transformational leadership and organizational learning.

Moreover, idealized influence (behavior), a dimension of transformational leadership, was known to be the most important predictor in organizational learning.

The literature mentioned above is supporting the relevance of the variables and the rationale behind the association between the variables. This research when it explore the existence of little more deeper association between ‘transformational leadership’ and ‘learning organization’, that is to the extent of predicting the strength of one variable looking at the other will be a significant contribution in this regard.

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SCOPE AND METHODOLOGY

<i>C</i> <i>o</i> <i>n</i> <i>t</i> <i>e</i> <i>n</i> <i>t</i> <i>s</i>	4.1 <i>Introduction</i>
	4.2 <i>Research Gap</i>
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4.1 Introduction

The research objective is to assess the relationship between Transformational Leadership and Learning Organization. It also explores to what extent the factors of Transformational leadership are capable of predicting the level (of dimensions) of learning organization. The adoption of a scientific methodology matching to the research objective is the most critical aspect of this effort. Choosing the organizations, sample selection, identifying the right instrument, data collection, analysis and interpretation are critical as far as the research is concerned.

Research is a structured enquiry that utilizes acceptable scientific methodology to solve problems and create new knowledge and ideas that are generally applicable (Tejinder Jeet Singh & Shantanu Kumar Sahu, 2015).

Scientific methods for research constitute systematic observation, classification and interpretation of research data. Even though we engage in such process in our routine life, the difference between our casual day- to-day generalization and a scientific research is the degree of formality, rigorousness, verifiability and general validity of latter. Research is a process of collecting, analyzing and interpreting information to answer certain questions. But to qualify as research, the process must have certain characteristics: it must, as far as possible, be controlled, rigorous, systematic, valid and verifiable, empirical and critical.

This chapter explains the methodology adopted by the researcher to derive valid conclusions and arrive at scientific generalizations.

4.2 Research Gap

As the researcher reviewed pretty good volume of literature available, it was found that leadership is a hotspot of rigorous research. From the period of Bernard M Bass transformational leadership has been researched in depth and breadth. Form 90s the works Peter Senge popularized the concept of Learning Organization in the area of research. But majority of the studies have taken place abroad. Leadership and learning organization are universal concept. Few researches have been taken place in India to establish the relationship between Transformational Leadership and Learning organization, but no attempts have been made to see the impact of

transformational leadership in predicting the level of 'Learning Organization'. The researcher is also trying to see the relative impact of transformational leadership factors in predicting the levels of learning organization which is considered as unique effort. The relationship of transformational leadership with learning organization is closely observed and analyzed in this study.

4.3 Statement of the Problem

- Dynamic and competitive business environment demand flexibility and modifiability of organizations for its survival and growth
- What are the factors that facilitate learning organization? The concept learning organization implies modifiability of an organization under changing conditions of the environment.
- All organizations agree on the fact that continuous adaptation and learning is the only method to sustain success but very few organizations realize that development of Transformational leadership style in the organization is the best way to keep the 'learning organization'. This research has tried to find out a solution to this perennial problem of many organizations. The research output helps in prioritizing the factors to be focused to make the organization a learning organization.
- After a comprehensive review of literature the researcher has also focused his attention on factors of Transformational Leadership and their impact on learning organization and possibility of working out a model for predicting high and low learning organizations.

4.4 Objectives of Study

4.4.1 Primary Objective

- To study relationship between transformational leadership and learning organization.

4.4.2 Secondary Objectives

- To study the factors contribute to ‘Transformational Leadership’
- To study the different dimensions of ‘Learning organizations’
- To study the discriminating ability of transformational leadership to predict different levels of learning organisation
- To study the relative impact of transformational leadership variables in discriminating different levels of learning organisations
- To study the relative impact of Idealized Influence in discriminating different levels of learning organisations
- To study the relative impact of Inspirational motivation in discriminating different levels of learning organisations
- To study the relative impact of Intellectual stimulation in discriminating different levels of learning organisations
- To study the relative impact of Individualized consideration in discriminating different levels of learning organisations
- To study the relative impact of Contingent reward in discriminating different levels of learning organisations

- To study the relative impact of Management by exception in discriminating different levels of learning organisations
- To study the relative impact of Laissez faire in discriminating different levels of learning organisations

4.5 Hypotheses

H0: There is no relationship between Transformational leadership and Learning organization.

H1: There is a significant positive relationship between Transformational leadership and Learning organization.

H2: There is a positive impact for Idealized Influence in discriminating different levels of Learning organization.

H3: There is a positive impact for Inspirational motivation in discriminating different levels of Learning organization.

H4: There is a positive impact for Intellectual stimulation in discriminating different levels of Learning organization.

H5: There is a positive impact for Individualized consideration in discriminating different levels of Learning organization.

H6: There is a positive impact for Contingent reward in discriminating different levels of Learning organization.

H7: There is a positive impact for Management by exception in discriminating different levels of Learning organization.

H8: There is a positive impact for Laissez faire in discriminating different levels of Learning organization

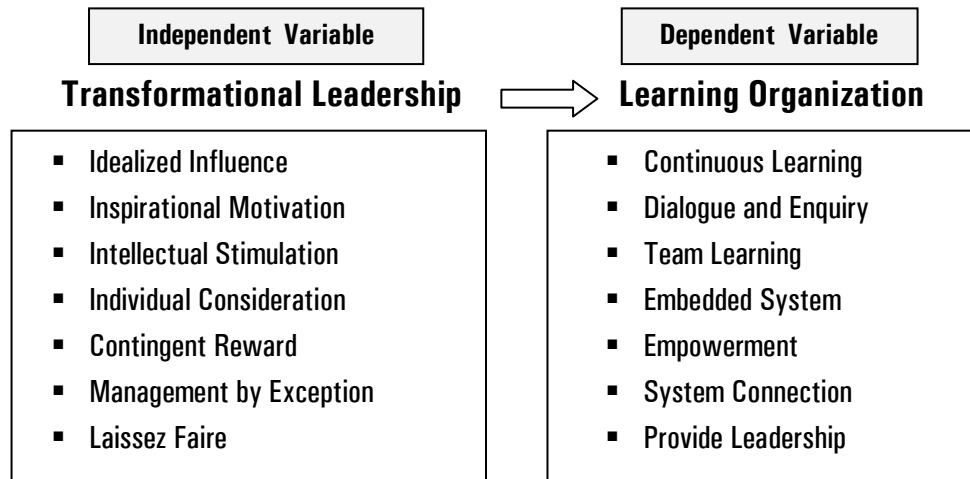
4.6 Scope of the Study

Learning is an instinctive habit (Morgan1896). Just because an organization is in the business of adapting to changes does not make it a learning organization. Sometimes the technical people will be promoted to the higher level and that will give a rise to learning need. Individual and team learning can lead to organizational learning and when it becomes the culture organization becomes learning organization but the discussions of the learning organization (LO) often centered on nuances of its definition and application, little attention has been given to the role that organizational leaders play in fostering goals of becoming an LO. Varied researches indicate that leaders may play the single most important role in determining the success or failure of LO efforts, with trust, modeled behaviors, and positive reinforcement critical to gaining worker acceptance and support.

In this research measurement of ‘Transformational leadership’ exists in selected organizations are done using the standard questionnaire. The dimensions of ‘Learning Organizations’ present in those organizations are also assessed based on which organizations are categorized as High, Medium and Low learning organizations.

4.7 Research Design

The research design adopted provided a framework for the collection and analysis of data. It actually explains the structure that guides the execution of a research method and analysis of subsequent data. The nature of this research is predominantly empirical and hypotheses testing type.



4.8 Population and Sample

Study was confined to large size organizations (employee strength more than 250 employees) in Palakkad and Ernakulam industrial areas. Thirty five large sized organizations out of 100 were selected at random out of which data from eight organizations were found defective or not accessible. Remaining 27 companies were selected for collection of data and analysis. Total respondents were 387 in Number.

4.9 Collection of Data

Standard Questionnaires were the tools used for data collection. For this study, the respondents were directly approached with the questionnaire and given enough time to get the whole questions to be answered. Transformational leadership of the CEO/MD and Department heads are measured (Key leadership influences of an Organization) by administering questionnaires to their immediate subordinates. Dimensions of learning organizations were also measured using the same respondents (Key Influence of the organization Culture). Total respondents were 387 in number.

4.10 Instruments Used in this Research

Multifactor Leadership Questionnaire (MLQ) (21 items) by Bernard M Bass and B J Avolio (1992). Validity and reliability analysis of this instrument is mentioned in the initial part of Chapter 5. This instrument is used to measure the first variable, Transformational leadership by assessing the seven factors such as

- 1) Idealized Influence (charisma)
- 2) Inspirational motivation
- 3) Intellectual stimulation
- 4) Individualized consideration
- 5) Contingent reward
- 6) Management by exception (Act/pas)
- 7) Laissez faire.

Dimensions of Learning Organizations Questionnaire (DLOQ)(43 items) by Watkins and Marsick (1996). Validity and reliability analysis of this instrument is mentioned in the initial part of Chapter 5

This instrument measures the variable Learning organization. It is actually the composite score of seven dimensions which is also measured with this instrument they are:

- 1) Continuous learning;
- 2) Inquiry and dialogue;
- 3) Collaboration and team learning;
- 4) Embedded systems;

- 5) Empowerment;
- 6) System Connection;
- 7) Provide leadership;

4.11 Tools of Analysis

- Confirmatory Factor Analysis using AMOS

Confirmatory factor analysis (CFA) is theory or hypothesis driven. With CFA it is possible to place substantively meaningful constraints on the factor model. Researchers can specify the number of factors or set the effect of one latent variable on observed variables to particular values. CFA allows researchers to test hypotheses about a particular factor structure (e.g., factor loading between the first factor and first observed variable is zero). Unlike exploratory factor analysis CFA produces many goodness-of-fit measures to evaluate the model but do not calculate factor scores.

- One way ANOVA

The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of two or more independent (unrelated) groups (although you tend to only see it used when there are a minimum of three, rather than two groups). The one-way ANOVA is an *omnibus* test statistic and cannot tell you which specific groups were significantly different from each other; it only tells you that at least two groups were different.

- **Canonical Correlation**

Canonical correlation analysis is used to measure and identify the relationship among two sets of variables. It is suitable for multiple inter-correlated outcomes of variables. Canonical correlation analysis determines a set of canonical variants, orthogonal linear combinations of the variables within each set that best explain the variability both within & between sets.

- **Canonical Discriminant function Analysis**

Discriminant function analysis is used to determine which variables discriminate between two or more naturally occurring groups. Discriminant analysis is used when groups are already known. Each case must have a score on one or more quantitative predictor measures, and a score on a group measure. In simple terms, discriminant function analysis is a classification, the act of distributing things into groups, classes or categories of the same type.

4.12 Limitation of the Study

Despite various efforts by the researcher, the study is not devoid of limitations; the sample of the study is restricted only to twenty seven even though the researcher tried to collect data from 35 companies. The process of sample collection faced difficulty as the data is collected from top two levels of executives of the organization. Some regional and cultural biases might exist; therefore every individual response may not be a true representation of organizations. Because of the nature of study, many other organizations could not be accessed.

4.13 Presentation of the Study (Chapter Scheme)

The study is subdivided into six chapters in order to get clarity, brief of all the chapters are given below.

The first chapter “Transformation leadership” deals with the first variable of the research. It elaborates on nature of leadership, earlier studies in leadership, meaning and definitions of transformational leadership, evolution of transformational leadership, components of transformational leadership, other transformational perspectives, characteristics of transformational leadership, the working of transformational approach, strengths of transformational leadership, criticism of transformational leadership, application of transformational leadership, transactional and transformational leadership, characteristics of transactional and transformational leadership measurement.

The second chapter explains the second variable “Learning Organization”. It includes introduction, learning-individual learning-role of leadership, meaning and definitions of learning organization, features of learning organization, characteristics of learning organization, building a learning organization, developing managers for the learning organization, nature of learning in organization and measurement of dimensions of Learning Organization.

The third chapter “Review of Literature” attempts to give a short summary of the relevant literature related to the research area namely, studies on transformational leadership, studies on learning organization, studies related to learning organization and transformational leadership.

The fourth chapter is “Scope and Methodology”. Research Gap, Statement of the problem, Objectives of the study, Hypothesis, Scope of the study Research Design, Population and sample, Collection of data, Instruments used in this Research, Tools of analysis, Limitation of the study and Presentation of the study

The fifth chapter titled “Analysis and Interpretation” is the core chapter in this dissertation. This chapter includes the systematic process through which the researcher achieved the research objectives. Analysis is presented in the form of tables and figures and its interpretations.

The chapter six “Findings, Suggestions and Conclusion” deals with output of the research in brief. It also gives suggestions based on the analysis of the data.

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ANALYSIS AND INTERPRETATION

C o n t e n t s	5.1 <i>Introduction</i>
	5.2 <i>Reliability Analysis</i>
	5.3 <i>Factor Structure Confirmation by CFA Using Structural Equation Modelling of Transformational Leadership</i>
	5.4 <i>Factor Structure Confirmation by CFA Using Structural Equation Modelling on Dimensions of Learning Organization</i>
	5.5 <i>Correlations between Various Factors of Transformational Leadership with Factors Contributing Towards Learning Organization</i>
	5.6 <i>Classifying Learning Organization</i>
	5.7 <i>Discriminating a High Learning Organization to a Low Learning Organization</i>
	5.8 <i>Discriminating a High Learning organization to a Medium Learning organization to a Low Learning organization</i>
	5.9 <i>Cross Tabulation with Company and type of Learning Organization</i>

5.1 Introduction

Peter Senge (1990) “*The ideal organizational environment for learning, knowledge management (KM), innovation, etc, as described through the term “the learning organization”. “The leadership qualities necessary for promoting and encouraging this ideal environment”.*

Jerry Gilley (2008) *Developmental organization, leaders insist that the relationship between managers and employees exudes synergy, fostering growth, development, and managerial acceptance of their developmental responsibilities. Developmental leaders advocate and support growth and development as a means of achieving strategic business goals and objectives.*

The upcoming leaders are highly inspirational and serve as a role model for their followers. Transformational leaders care for the followers and help the subordinates to improve their work nature through development of personality and develop the learning skill. Transformational leader empower the followers and encourage them to be creative and to take initiative. Transformational leader understand that the skill he posses may not be sufficient to face the challenges in an organization. The team work towards the challenge of change in world will help the organization to become a learning organization.

The study focuses on the discriminating ability of transformational leadership to predict different levels of learning organization and also to find the impact of the determinants of transformational leadership in discriminating high, medium and low learning organizations. Two main elements taken for the study are transformational leadership and learning organization. The tools used to confirming the relations of variables are Confirmatory Factor Analysis (CFA), one way ANOVA and Pearson's correlation analysis. Cannonical Discriminant function analysis is used to discriminate high, medium and low learning organization.

At the end of this chapter a cross tabulation has been done with company and type of learning organization i.e. high learning medium learning and low learning organization.

5.2 Reliability Analysis

Reliability concerns to the extent to which measurement of a phenomena provides stable and consistent results (Carmines & Zeller, 1979). A scale is said to be reliable if we repeat the measurements made under constant conditions will give the same result (Moser & Kalton, 1989). Reliability analysis using cronbach alpha model was attempted for each factor corresponding to Transformational leadership and learning organization (Table 5.1). As shown in the table, all the factors satisfied the reliability criteria, hence the researcher could move forward with the analysis.

Table 5.1: Reliability Statistics

Transformational leadership		Learning organization	
Factor	Cronbach's Alpha	Factor	Cronbach's Alpha
Idealized Influence	0.802	Continuous Learning	0.858
Inspirational motivation	0.773	Dialogue and Enquiry	0.892
Intellectual stimulation	0.689	Team learning	0.906
Individualized consideration	0.774	Embedded system	0.925
Contingent reward	0.731	Empowerment	0.929
Management by exception	0.639	System Connection	0.881
Laissez faire	0.663	Provide leadership	0.920

5.3 Factor Structure Confirmation by CFA Using Structural Equation Modelling of Transformational Leadership

Confirmatory factor analysis (CFA) is used to indicate which variables load on which factors and which factors are correlated to each other. It confirms the factor structure extracted by using EFA. The CFA process determines whether the hypothesized structure provides a good fit to the data. In the EFA we explore the factor structure. That means how the variables are related and grouped based on inter-variable correlations. By CFA we are able to confirm the factor structure we extracted by using EFA. The model diagram is exhibited in Figure 5.1.

Model fit refers to how well the proposed model accounts for the correlations between variables in the dataset. If we are accounting for all the major correlations inherent in the dataset with respect to the variables in the model, then it is said that will have good fit; if not, then there is a significant "discrepancy" between the correlations proposed and the correlations observed, and thus we have poor model fit. There are specific measures that can be calculated to determine goodness of fit. The metrics that ought to be reported are listed below, along with their acceptable thresholds. If we look on to the CMIN/DF, the ideal value is less than 3. The values are acceptable between 3 and 5 also ((Hair, Black, Babin, & Andrews, 2010).

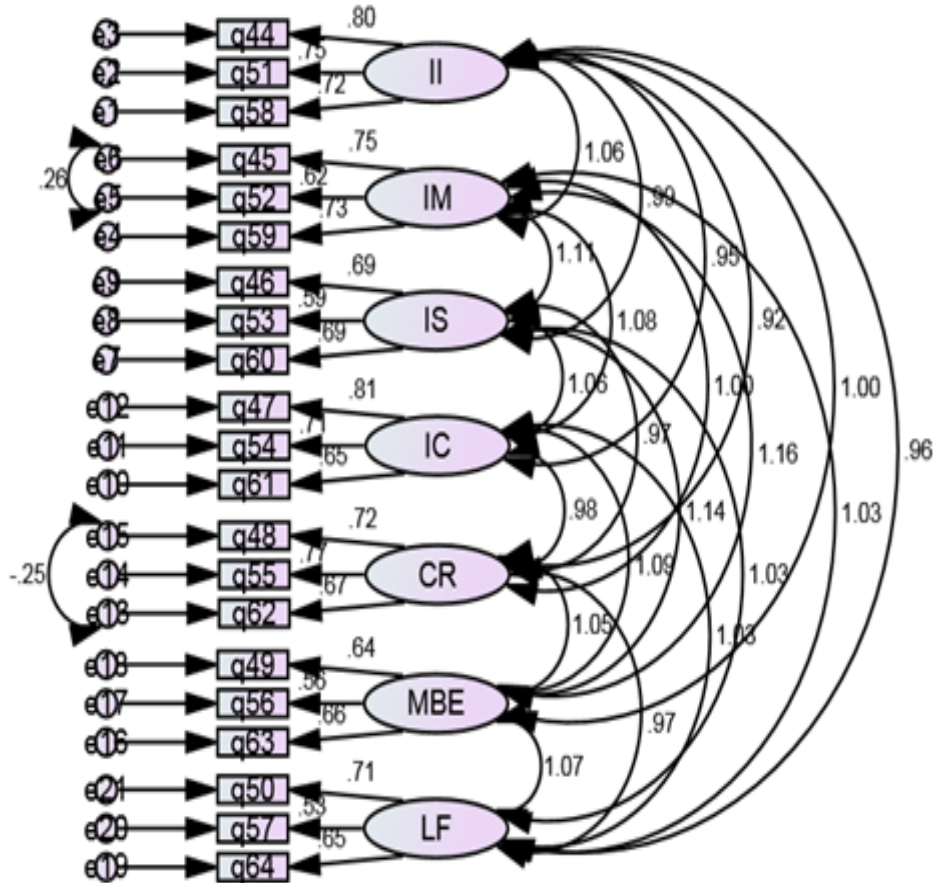


Figure 5.1: Transformational Model Fit Diagram – Extracted by CFA

Table 5.2: Threshold values of Measures in CFA

Measures	Threshold Values	Observed Values
CMIN/DF	< 3 Ideal. The values are acceptable between 3 and 5	2.59
CFI	> 0.95	0.964
GFI	> 0.95	0.972
AGFI	> 0.80	0.870
RMSEA	< 0.05 good and 0.05 to 0.10 Moderate	0.064
P CLOSE	> 0.05	0.061

The seven components which were extracted out were subjected to CFA and satisfactory values were obtained which confirms the model. CMIN/DF is the minimum sample discrepancy function divided by degree of freedom. Researchers commonly report this index as a measure of fit (Armstrong, 2003). In this case, researcher found that CMIN/DF is reported to be 2.59 (Table 5.2), which is found to be significant ($p < 0.05$). The threshold values for CFI and GFI should be > 0.95 , AGFI > 0.80 , RMSEA < 0.05 , good, 0.05 to 0.10 moderate and P CLOSE should be > 0.05 . Table 5.2 explains that all the values are under the threshold limit which provides the best fit for the proposed extraction of variables.

After conducting the confirmatory factor analysis, the model that explains transformational leadership was finalized. The factors identified to contribute towards transformational leadership are Idealized Influence, Inspirational motivation, Intellectual stimulation Individualized consideration, Contingent reward, Management by exception, Laissez faire.

The transformational leader uses the active elements of the transactional approach (contingent reward and management by exception) along with idealized influence, inspirational motivation, intellectual stimulation, and individualised consideration (Waldman, D. A., Bass, B. M., & Yammarino, F. J. 1990).

People who exhibit transformational leadership often have a strong set of internal values and ideals, and they are effective at motivating followers to act in ways that support the greater good rather than their own self interests (Kuhnert, 1994).

Now descriptive statistics of factors of transformational leadership was considered .It was found that the mean value for contingent reward is 10.51(Table 5.3) which is the highest among all other factors. But there is a standard deviation of 20.4 which also need to be considered. So it indicates that there are certain organization which give importance to contingent reward but there are certain other firms which does not consider this aspect much. A range of 11 also points to this difference in the organizations. The lowest mean value is observed for Laissez Faire (Mean = 9.68, SD=2.34). The box plots of these descriptive statistics are shown in figure 5.2.

Table 5.3: Descriptive Statistics for components of transformational leadership

	Idealized Influence	Inspirational motivation	Intellectual stimulation	Individualized consideration	Contingent reward	Management by exception	Laissez faire
Mean	10.1525	10.3876	10.1447	10.2171	10.5194	10.3695	9.6873
Std. Deviation	2.74287	2.61713	2.31233	2.62005	2.41466	2.39503	2.34751
Range	11.00	11.00	11.00	10.00	11.00	10.00	11.00
Minimum	4.00	4.00	4.00	5.00	4.00	5.00	4.00
Maximum	15.00	15.00	15.00	15.00	15.00	15.00	15.00

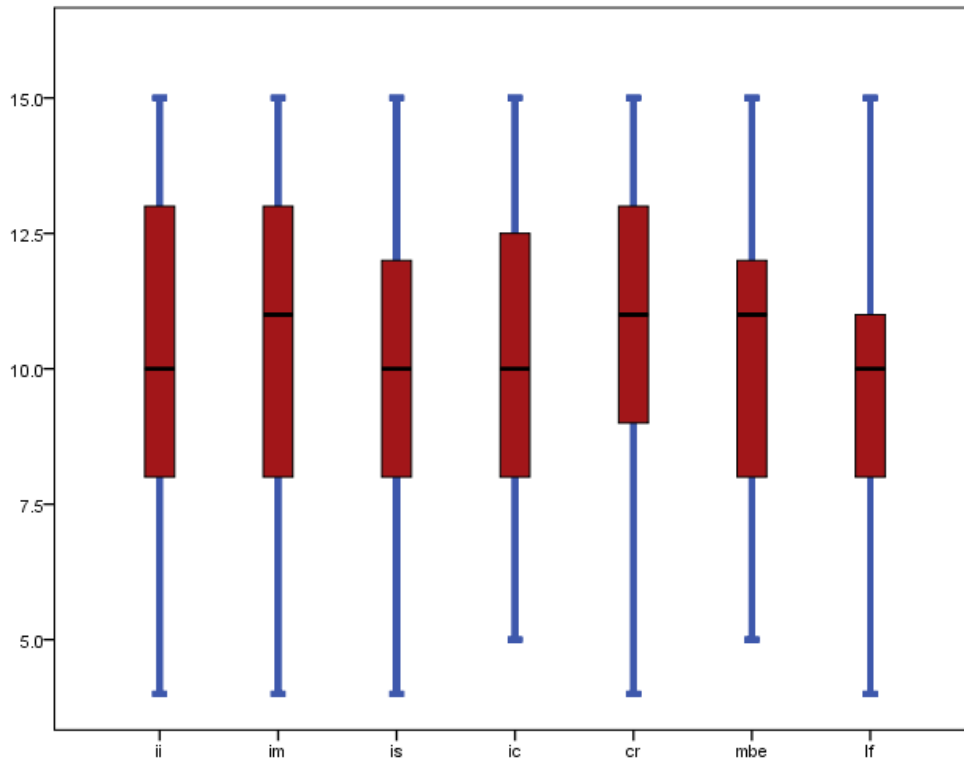


Figure 5.2: Box plots of Factors contributing towards transformational leadership

5.4 Factor Structure Confirmation by CFA Using Structural Equation Modelling on Dimensions of Learning Organization

Now the factors extracted out for learning organization was subject to CFA. CFA was undertaken to corroborate findings determined through EFA and to confirm the model is valid. The seven components extracted out were subjected to CFA.

After conducting the confirmatory factor analysis, the model that explains the factors of learning organization was finalized. All the variables which were extracted out were found to be relevant after conducting confirmatory factor analysis.

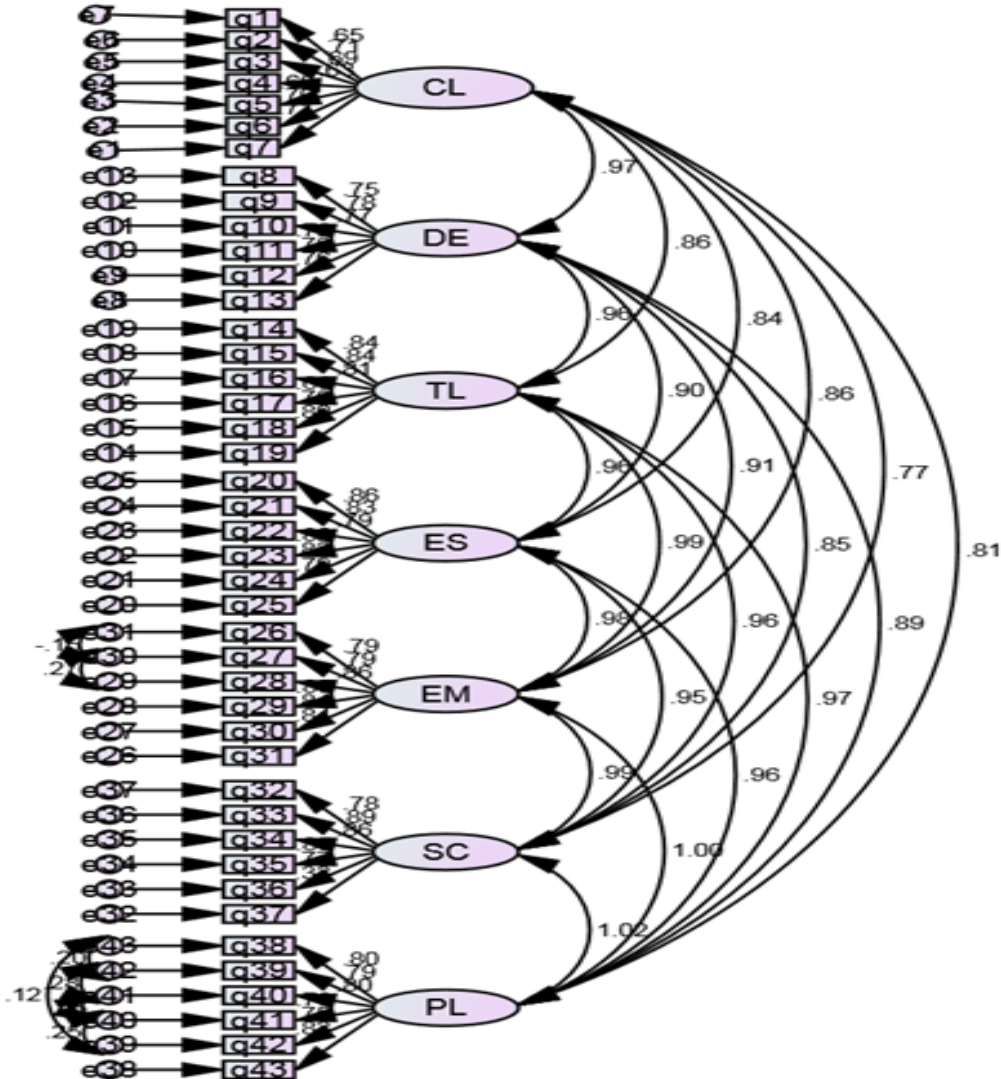


Figure 5.3: Learning organization Model Fit Diagram – Extracted by CFA

Table 5.4: Threshold values of Measures in CFA

Measures	Threshold Values	Observed Values
CMIN/DF	< 3 Ideal. The values are acceptable between 3 and 5	2.96
CFI	> 0.95	0.971
GFI	> 0.95	0.965
AGFI	> 0.80	0.827
RMSEA	< 0.05 good and 0.05 to 0.10 Moderate	0.071
P CLOSE	> 0.05	0.073

Researcher found that CMIN/DF is reported to be 2.96 (Table 5.4), which is found to be significant ($p < 0.05$). The threshold values for CFI and GFI should be > 0.95 , AGFI > 0.80 , RMSEA < 0.05 , good, 0.05 to 0.10 moderate and P CLOSE should be > 0.05 . Table 5.4 explains that all the values are under the threshold limit which provides the best fit for the proposed extraction of variables.

After conducting the confirmatory factor analysis, the model that explains the factors of learning organization was finalized. The characteristics contributing towards learning organization were found to be Continuous learning, Inquiry and dialogue, Collaboration and team learning, Embedded systems, Empowerment, Connect to the environment and Provide leadership.

Learning organization should create continuous learning opportunities, promote enquiry and dialogue, encourage collaboration and team learning, establish systems to capture and share learning, empower people towards a collective vision, connect the organization to its environment and use

leaders who model and support being at the individual, team and organizational levels (Watkins and Marsick, 1993).

Now the descriptive statistics of various factors contributing towards learning organization was considered. It was found that the mean value for continuous learning is 20.95 (Table 5.5) which is the highest among all other factors. But there is a standard deviation of 6.09 which also needs to be considered. So it indicates that there are certain organizations which give great importance to continuous learning but there are certain other firms which do not consider this aspect much. A range of 25 also points to this difference in the organizations. The lowest mean value is observed for system connection (Mean = 16.80, SD=6.05). The box plots of these descriptive statistics are shown in figure 5.4.

Table 5.5: Descriptive statistics for Learning Organization

	Continuous Learning	Dialogue & Enquiry	Team Learning	Embedded System	Empowerment	System Connection	Provide Leadership
Mean	20.9509	18.0491	16.9457	17.4935	17.4548	16.8010	17.8992
Std. Deviation	6.08576	5.82163	6.53565	6.58282	6.70395	6.05195	6.22153
Range	25.00	24.00	23.00	24.00	24.00	24.00	23.00
Minimum	8.00	6.00	6.00	6.00	6.00	6.00	6.00
Maximum	33.00	30.00	29.00	30.00	30.00	30.00	29.00

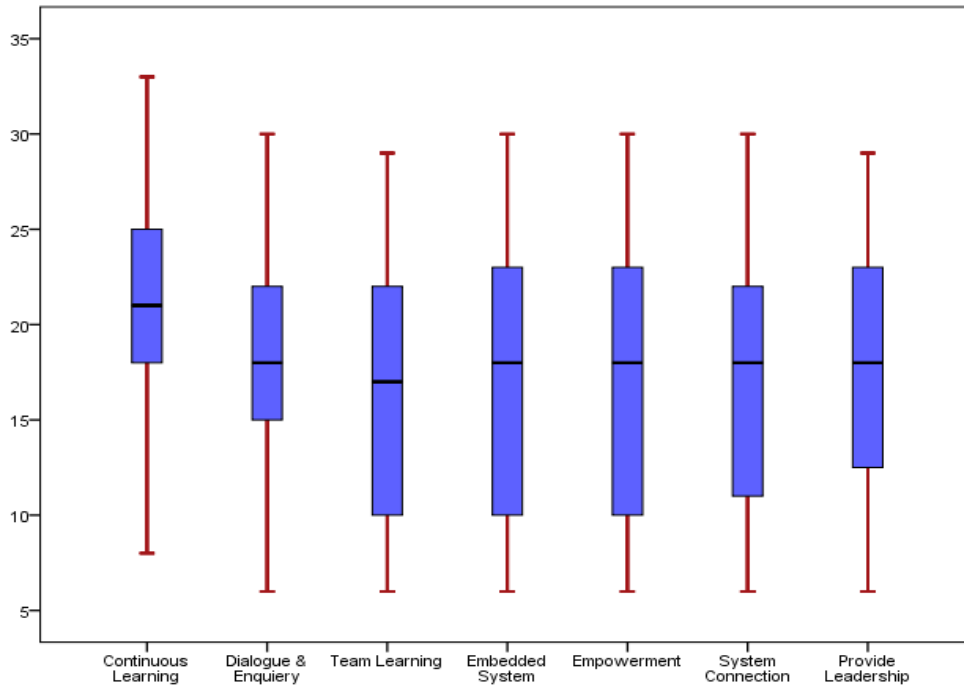


Figure 5.4: Box plots of Factors contributing towards learning organization

5.5 Correlations between Various Factors of Transformational Leadership with Factors Contributing Towards Learning Organization

As a next step, correlation analysis was attempted with each factor of transformational leadership and factors of learning organization. A correlation coefficient is a number between -1 and 1 which measures the degree to which two variables are linearly related. If there is perfect linear relationship with positive slope between the two variables, we have a correlation coefficient of 1; if there is positive correlation, whenever one variable has a high (low) value, so does the other. If there is a perfect linear relationship with negative slope between the two variables, we have a correlation coefficient of -1; if there is negative correlation, whenever one variable has a high (low) value; the other has a low (high) value. A

correlation coefficient of zero means that, there is no linear relationship between the variables (Easton & Mc Coll, 1997). By executing a correlation test, we can identify whether the factors of transformational leadership are related to characteristics of learning organization.

First Idealized influence was correlated with all the factors of learning organization with the following hypothesis.

H₀: There is no correlation between Idealized influence and factors of learning organization

H₁: There is correlation between Idealized influence and factors of learning organization

All the correlations were found to be significant, indicating that idealized influence is connected with the factors of learning organization. The value of correlation coefficient ($r = 0.669$) was found to be high for Providing leadership ie leadership uses learning strategically for business results (Table 5.6). Correlation value was also high for embedded system and empowerment.

Table 5.6: Correlation between Idealized leadership and factors of learning organization

		Continuous Learning	Dialogue & Enquiry	Team Learning	Embedded System	Empowerment	System Connection	Provide Leadership
Idealized influence	Pearson Correlation	.569	.615	.621	.666	.646	.583	.669
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	387	387	387	387	387	387	387

Leaders at all levels in an organization can help to build and sustain a culture with strong values for learning, innovation, experimentation, flexibility, and continuous improvement (Gary Yukl, 2009).

Transformational leaders are able to influence followers' organizational commitment by promoting higher levels of intrinsic value associated with goal accomplishment, emphasizing the linkages between follower effort and goal achievement, and by creating a higher level of personal commitment on the part of the leader and followers to a common vision, mission, and organizational goals (Shamir, House, & Arthur, 1993; Shamir, Zakay, Breinin, & Popper, 1998).

Leaders can directly encourage and facilitate collective learning by what they say and do, and they can indirectly influence it by implementing or modifying relevant programs, systems, and structures (Yukl & Lepsinger, 2004).

Cooperative learning can influence individual knowledge acquisition (Al Brown, AS Palincsar, 1989). The fifth dimension, embedded system, indicates efforts to establish systems to capture and share learning (Yang, Watkins, and Marsick.2004).

Charismatic leadership is assumed to have three core components: envisioning, empathy, and empowerment. A charismatic leader's envisioning behavior influences followers' need for achievement, and the leader's empathic behavior stimulates followers' need for affiliation. Followers' need for power is enhanced by a charismatic leader's empowerment practices (Jaepil Choi, 2006).

The more I am known by those I want to follow me and the more I know them, the greater will be our ability to do great things together (David Pottruck, CEO, Charles Schwab; 2004).

Becoming a learning organization that builds strategic thinking and the discipline of learning into the fabric of an organization makes it more agile, more responsive to external pressure, and helps achieve extraordinary results with ordinary people (Haycock, K. 2012).

Inspirational motivation was correlated with all the factors of learning organization with the following hypothesis.

H₀ : There is no correlation between Inspirational motivation and factors of learning organization

H₁ : There is correlation between Inspirational motivation and factors of learning organization

Inspirational leadership is concerned with providing Vision, symbols, images and creating a feeling of being significant. When correlation was attempted all the variables was found to be significantly correlated (Table 5.7) with providing leadership ($r = 0.702$) having the highest correlation coefficient. This points that providing inspirational leadership is having great influence in creating an environment for learning. The strength of relationship between inspirational motivation and empowerment is $r = 0.659$, which shows that providing vision, symbols and images creates sense of empowerment among employees which supports learning to take place in a firm.

Table 5.7: Correlation between Inspirational motivation and factors of learning organization

		Continuous Learning	Dialogue & Enquiry	Team Learning	Embedded System	Empowerment	System Connection	Provide Leadership
Inspirational motivation	Pearson Correlation	.579	.625	.637	.617	.659	.616	.702
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	387	387	387	387	387	387	387

It can be described as leadership which transpires when the leader engages the follower, ensuring that both entities are elevated to higher planes of motivation and morality while attending to a common purpose. Inspirational motivation is connected to passion, team spirit, and a shared vision (Phipps and Prieto, 2011).

Shared vision is vital for the learning organization because it provides the focus and energy for learning. While adaptive learning is possible without vision, generative learning occurs only when people are striving to accomplish something that matters deeply to them (Peter M Senge, 1990).

If dialogue articulates a unique vision of team learning, reflection and enquiry skills may prove essential to realizing that vision. Just as personal vision provides a foundation for building shared vision, so too do reflection and inquiry skills provide a foundation for dialogue and discussion (Peter M Senge, 1990).

Immediacy is to be positively associated with motivation and motivation to be positively associated with affective and cognitive learning (Richmond, 1990). Organisations learn through individuals and groups, the process of learning is influenced by a much broader set of variables (for example symphony's performance) is more than the sum of individuals' knowledge and skills but the result of the know-how embedded in the whole group working in unison (Michael J. Marquardt, 1996).

Subordinates motivation and self esteem depend on receiving recognition and approval from the leader. Empowerment in contrast connotes independence and autonomy. An empowered person is self motivated and believes in his or her ability to perform successfully (Ronit Kark, Boas Shamir, Gilad Chen, 2003).

Variation in workplace performance (e.g., the effectiveness of teachers in their classrooms) is a function of the capacities (e.g., instructional skills), motivations and commitments of workplace personnel, the characteristics of the settings in which they work (e.g., schools, districts) and the external environment (shifting state policies and other demands) (Rowan, 1996).

Strategic thinking as "focused on finding and developing unique opportunities to create value by enabling a provocative and creative dialogue among people who can affect a company's vision (The Centre for Applied Research, 2001).

Next variable to be correlated was Intellectual stimulation. The following hypothesis was created.

H₀: There is no correlation between Intellectual stimulation and factors of learning organization

H₁: There is correlation between Intellectual stimulation and factors of learning organization

New way to look at problems, allowing extremes, creativity, encourage questioning etc. are the characteristics of intellectual stimulation. When correlation was attempted all the variables was found to be significantly correlated (Table 5.8) with providing leadership ($r = 0.661$) having the highest correlation coefficient. Thus it can be inferred that encouraging creativity in the organization is connected with the leadership of the firm. The value of correlation coefficient $r = 0.624$ in the case of empowerment, which also points to an interesting conclusion that providing creativity, allowing extremes and encouraging questions empowers the employee.

Table 5.8: Correlation between Intellectual stimulation and factors of learning organization

		Continuous Learning	Dialogue & Enquiry	Team Learning	Embedded System	Empowerment	System Connection	Provide Leadership
Intellectual stimulation	Pearson Correlation	.503	.576	.569	.598	.624	.609	.661
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	387	387	387	387	387	387	387

Continuous learning can be a focus of intellectual stimulation- one of the components of transformational leadership – that emphasis challenging old methods of working and developing new ways of seeing problems (Peter W. Dorfman, William Mobley, 2003).

The entire transcript of the dialogue is turned in to me at the end of the week. Individual grades are a combination of my evaluation of the dialogue as a whole, in addition to individual efforts. On further study it was found that dialogues are wonderfully energizing and intellectually stimulating (Kenneth J Gergen, 2009).

People admire leaders who awaken their curiosity, challenge them to think and learn, and encourage openness to new, inspiring ideas and alternatives." These ingredients are essential to ensure team and organizational success (Paul Breaux, 2014).

Organisations learn through individuals and groups, the process of learning is influenced by a much broader set of variables (for example symphony's performance) is more than the sum of individuals' knowledge and skills but the result of the know-how embedded in the whole group working in unison (Michael J. Marquardt, 1996).

Learning is conceptualized not simply as a matter of acquiring quantitatively more knowledge and skills, but as progress toward higher levels of competence as new knowledge is linked to existing knowledge, and deeper understandings are developed from and take the place of earlier understandings (Wilson, M., & Sloane, K, 2000). Intellectual stimulation, involves behaviors that increase awareness of problems and challenge followers to view problems from new perspective (Conger & Kanungo, 1998).

To create a culture and environment that will act as the foundation for a learning organization begins with "a shift of mind - from seeing ourselves as separate from the world to connected to the world" (Peter M Senge, 1990). The heroic leader of the past 'knew all, could do all and could solve

every problem'. Now, the post heroic leader has come to the fore, who 'asks how every problem can be solved in a way that develops other people's capacity to handle it' (Handy, 1994).

The seventh dimension, strategic leadership, shows the extent to which leaders "think strategically about how to use learning to create change and to move the organization in new directions or new markets" (Yang, Watkins, and Marsick.2004). Strategic thinking is commonly deployed in areas of problem solving and decision-making and with thought to envisioning the organization's future (Haycock, K. 2012).

Next variable considered for analysis is Individualized consideration. It was correlated with all the factors of learning organisation with the following hypothesis.

H₀: There is no correlation between Individualized consideration and factors of learning organization

H₁: There is correlation between Individualized consideration and factors of learning organization

A transformational leader will possess individualized consideration, which means he/she gives attention to each employee and will take care of their needs. This will create an increased acceptance for transformation leader among the employees. When correlation was attempted all the variables was found to be significantly correlated (Table 5.9)with providing leadership ($r = 0.635$) having the highest correlation coefficient. This points that providing Individualized consideration is having great influence in creating an environment for learning. The strength of relationship between

Individualized consideration and empowerment and team learning is $r = 0.626$ and $r = 0.617$ respectively . This values directs to the fact that providing Individualized consideration will boost empowerment and team learning.

Table 5.9: Correlation between Individualized consideration and factors of learning organization

		Continuous Learning	Dialogue & Enquiry	Team Learning	Embedded System	Empowerment	System Connection	Provide Leadership
Individualized consideration	Pearson Correlation	.464	.559	.617	.559	.626	.571	.635
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	387	387	387	387	387	387	387

Collective learning focused on improving long-term performance is more likely to occur when the key stakeholders agree that it is important and will help them to achieve their individual objectives. Leaders can help to build collective identification with the organization; build a culture of shared values for learning and flexibility; develop strong capabilities for knowledge acquisition, diffusion, and application; encourage integrative “win-win” solutions to conflicts; and create optimism that the organization can cope successfully with difficult challenges (Gary Yukl, 2009).

Thus it is a characteristic of every true conversation that each opens himself to the other person, truly accepts his point of view as worthy of consideration and gets inside the other to such an extent that he

understands not a particular individual, but what he says. The thing that has to be grasped is the objective rightness or otherwise of his opinion, so that they can agree with each other on a subject. (Gadamer 1979: 347). Role negotiation occurs over time, defining the quality and maturity of a leader-member exchange, and leaders develop relationships of varying quality with different followers over time (Graen, 1976; Graen & Uhl-Bien, 1995).

Individuals may work extraordinarily hard, but their efforts do not efficiently translate to team effort. By contrast, when a team becomes more aligned, a commonality of direction emerges, and individual's energies harmonize. There are commonality of purpose, a shared vision, and understanding of how to complement one another's effort (Peter M Senge, 1990).

Humankind has the capacity to create far more information than anyone can absorb, to foster far greater interdependency than anyone can manage, and to accelerate change far faster than anyone's ability to keep pace (Peter M Senge, 1990).

Leaders to truly empower employees, they must delegate leadership and decision making down to the lowest level possible (Hughes, Ginnett, Curphy, 2006).

But leaders in particular need presence, because at its core leadership is about the interaction, the connection, the relationship between the leader and the people she leads. Because it's about connections between people, presence is useful for anyone who engages with others. Leadership presents is the ability to connect authentically with the thoughts and feelings of

others, in order to motivate and inspire them toward a desired outcome (Hlpern and Lubar, 2003).

Leaders act with integrity and competence, interpret reality, explain the present and paint a picture of the future, innovate, build trust, are effective advocates for followers and care about them (Bennis and Goldsmith, 2003).

Contingent reward was correlated with all the factors of learning organization with the following hypothesis.

H₀: There is no correlation between Contingent reward and factors of learning organization

H₁: There is correlation between Contingent reward and factors of learning organization

When correlation was attempted all the variables was found to be significantly correlated (Table 5.10) with providing leadership ($r = 0.668$) having the highest correlation coefficient. This points that providing Contingent reward is having great influence in creating an environment for learning. The strength of relationship between inspirational motivation and empowerment is $r = 0.668$. There is also significant correlation between contingent reward and team learning $r = 0.610$, contingent reward and embedded system $r = 0.625$ and contingent reward and empowerment with $r = 0.632$.

Table 5.10: Correlation between Contingent reward and factors of learning organization

		Continuous Learning	Dialogue & Enquiry	Team Learning	Embedded System	Empowerment	System Connection	Provide Leadership
Contingent reward	Pearson Correlation	.477	.551	.610	.625	.632	.600	.668
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	387	387	387	387	387	387	387

Contingent reward transactional leaders recognize risk-taking, continuous learning and collegial support and teamwork; they provide an environment where correct behaviour is prized and where rewards serve as extrinsic motivation for desired behaviour (Natter et al. 2001).

The connection supports collaboration, commitment, ready access to knowledge and talent, and coherent organizational behaviour. This description of social capital suggests appropriate organizational investments – namely, giving people space and time to connect, demonstrating trust, effectively communicating aims and beliefs, and offering equitable opportunities and rewards that invite genuine participation, not mere presence. (Cohen and Prusak 2001: 4).

Team learning entails the capacity of members of a team to suspend assumptions and enter into a genuine “thinking together” (Peter M Senge, 1990). Leaders convey role expectations to their followers and provide tangible and intangible rewards to followers who satisfy these expectations

(Huiwang, Kenneth S Law, Rick D Hackett, Duanxu Wang and Zhen Xiong Chen, 2005).

Leaders can create a learning environments by regularly reviewing their followers development (Richard L Hughes, Robert C Ginnett, Gordon J Curphy, 2006).

Human resources policies for teams, including team-based rewards, receiving or delivering cross-training, and making staffing decisions, should support and enhance team empowerment (Bradley L. Kirkman, Benson Rosen, 1999).

The contingent reward system is a motivation-based system that is used to reward those that meet their identified goals. It provides positive reinforcement for a job well done. This reinforcement measurement encourages employees to effectively complete their tasks and meet their goals in a professional and timely fashion. Unlike annual performance reviews and evaluations, the contingent reward system provides more frequent assessments of the employee's work with applicable rewards when qualified (Charmayne Smith, Demand Media).

Strategic leaders must be adept at finding common ground and achieving buy-in among stakeholders who have disparate views and agendas. This requires active outreach. Success depends on proactive communication, trust building, and frequent engagement. Recognize and otherwise reward colleagues who support team alignment (Paul J. H. Schoemaker, Steve Krupp and Samantha Howland, 2013).

Management by exception (Act/pas) was correlated with all the factors of learning organization with the following hypothesis.

H₀: There is no correlation between Management by exception and factors of learning organization

H₁: There is correlation between Management by exception and factors of learning organization

Management by exception was found to be significantly correlated with all the variables of learning organization (Table 5.11). Correlation coefficient is highest providing leadership ($r = 0.712$). Thus management by exception is positively correlated with leadership using learning strategies. High positive correlation was also observed for System connection and team learning.

Table 5.11: Correlation between Management by exception and factors of learning organization

		Continuous Learning	Dialogue & Enquiry	Team Learning	Embedded System	Empowerment	System Connection	Provide Leadership
Management by exception(Act/pas)	Pearson Correlation	.530	.605	.673	.629	.657	.673	.712
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	387	387	387	387	387	387	387

The continuous learning process never reaches a conclusion; however measurements are constantly taken to found out if improvements have been

made. These improvements defines the gap that door do not exist, which influence the current strategy. These perceived gap are communicated to qualified individuals and act as a feedback mechanism. Once feedback has been obtained and the strategy communicated, the human resources gap can be singled out (ADB Knowledge Solutions, 2009).

Dialogues are diverging; they do not seek agreement, but a richer grasp of complex issues. Both dialogue and discussion can lead to new cources of action; but actions are often the focus of discussion, whereas new actions emerge as a by product of dialogue (Peter M Senge, 1990).

Team learning entails the capacity of members of a team to suspend assumptions and enter into a genuine “thinking together” (Peter M Senge, 1990). A leader should perform a list of activities to improve task performance; goal focussing, structuring for results, facilitating decision making, training team members in task skills, maintaining standards of excellence (Peter G Northouse, 2010).

A major part of the initial motivation for alternative assessment was to create a better match between desired instructional goals and actual assessment practices (e.g., Brown, Campione, Webber, & McGilly, 1992; Glaser, 1987; Resnick & Resnick, 1992). In learning organization the fifth dimension, embedded system, indicates efforts to establish systems to capture and share learning (Yang, Watkins, Marsick, 2004) Skilled leaders correctly envision future needs and empower others to share and implement that vision (Kelly, et al., 2005).

Most of the management literature on empowerment deals with participative management techniques such as management by objectives,

quality circles, and goal setting by subordinates as the means of sharing power or delegating authority (Jay A. Conger, Rabindra N. Kanungo, 1988).

When the manager or leader for one reason or another chooses to intervene only when failures, breakdowns, and deviations occur, he or she is practicing management by exception (Bernad M Bass, 1985). To create a culture and environment that will act as the foundation for a learning organization begins with "a shift of mind - from seeing ourselves as separate from the world to connected to the world" (Peter M Senge, 1990).

Level 5 leaders look out the window to apportion credit to factors outside themselves when things go well (and if they cannot find a specific person or event to give credit to, they credit good luck). At the same time, they look in the mirror to apportion responsibility, never blaming bad luck when things go poorly (Jim Collins, 2001).

Laissez faire component was correlated with all the factors of learning organization with the following hypothesis .

H₀: There is no correlation between Laissez faire and factors of learning organization

H₁: There is correlation between Laissez faire and factors of learning organization

Laissez faire is concerned with providing free environment for employees to work. When correlation was attempted all the variables was found to be significantly correlated (Table 5.12). Leadership component of

learning organization was having the highest value of correlation ($r = 0.684$) followed by empowerment ($r = 0.639$).

Table 5.12: Correlation between Laissez faire leadership and factors of learning organization

		Continuous Learning	Dialogue & Enquiry	Team Learning	Embedded System	Empowerment	System Connection	Provide Leadership
Laissez faire	Pearson Correlation	.545	.569	.627	.597	.639	.585	.634
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	387	387	387	387	387	387	387

Learning in organization is more truly self directed, self monitoring, self correcting, and continuous process. Not only do people learn to keep up with their own needs, they also learn to help the entire enterprise to flourish (David Boud, John Garrick, 2012).

A leader is best when people barely know that he exists. Not so good when people obey and acclaim him. Worst when they despise him. Fail to honour people, they fail to honour you. But a good leader who talks little, when his work is done, his aim fulfilled, they will all say, ‘we did this ourselves’ (Lao-Tzu, 6th century BC).

Team learning entails the capacity of members of a team to suspend assumptions and enter into a genuine “thinking together” (Peter M Senge, 1990). The key assertion of the fundamental perspective is that the leader is

to do whatever is necessary to take care of unmet needs of the group (Peter G Northouse, 2010).

Transformation capability depends in part on the ability to create and embed process which link business strategy to the behaviours and performance of individuals and teams. These clusters of processes link vertically (to create alignment with short term business needs), horizontally (to create cohesion) and temporally (to transform to meet future business needs) (Gratton, 2000).

The fourth dimension, empowerment, signifies an organization's process to create and share a collective vision and get feedback from its members about the gap between the current status and the new vision (Yang, Watkins, and Marsick.2004). Once followers are starting to develop the skills, knowledge, and experience necessary to make wise decisions, leaders must systematically increase the degree of latitude and autonomy employees are given to make decisions (Hughes, Ginnett, Curphy, 2006).

In cognitive leadership model connecting laizes fair leadership suggest that leadership can become more transformational if leaders constructive thinking is improved, a prediction that has been confirmed; conflict resolution is more likely to proceed via integration if leaders constructive thinking is improved; graduate managers selected based on rational and constructive thinking could lead to the use of transactional leadership in situations that are appropriate to transactional leadership (Vincent Ribiere, Lugkana Worasinchai, 2013).

Strategic thinking is “practical dreaming” in the way in which people in an organization assess, view, and create the future for themselves and

their associates by defining and envisioning results that add value (Roger Kaufman, 2009).

5.6 Classifying Learning Organization

Now the learning organization is classified into various groups depending on how they consider the various factors contributing towards learning organization. The following histogram shows that data is normally distributed and not skewed. Thus the researcher could classify the data into two groups organizations that can be considered as high learning organization and the one that can be considered as low learning organization.

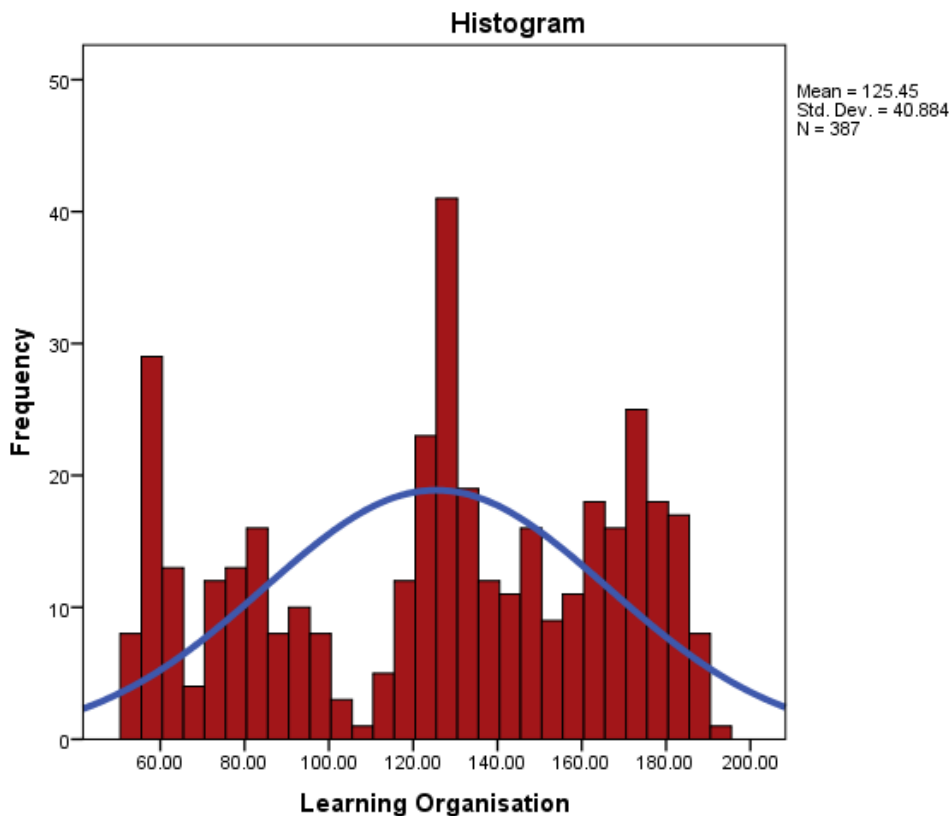


Figure 5.5: Histogram of learning organisation

According to Peter Senge (1990) learning organizations are organizations 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. When the descriptive statistics for learning organization was considered the mean value obtained is 125.449 with standard deviation 40.88 (Table 5.13). A large value of standard deviation indicates the heterogeneity in the data. Minimum value is 53 and maximum is 192.00, thus a range of 139 is obtained. Such a huge range suggest that a more clear picture will be obtained if data is classified into high learning organization and low learning organization . The box plot for the data is shown in the below figure number 5.6.

Table 5.13: Descriptive statistics of Learning Organization

Mean	125.4496
Median	129.0000
Std. Deviation	40.88426
Range	139.00
Minimum	53.00
Maximum	192.00

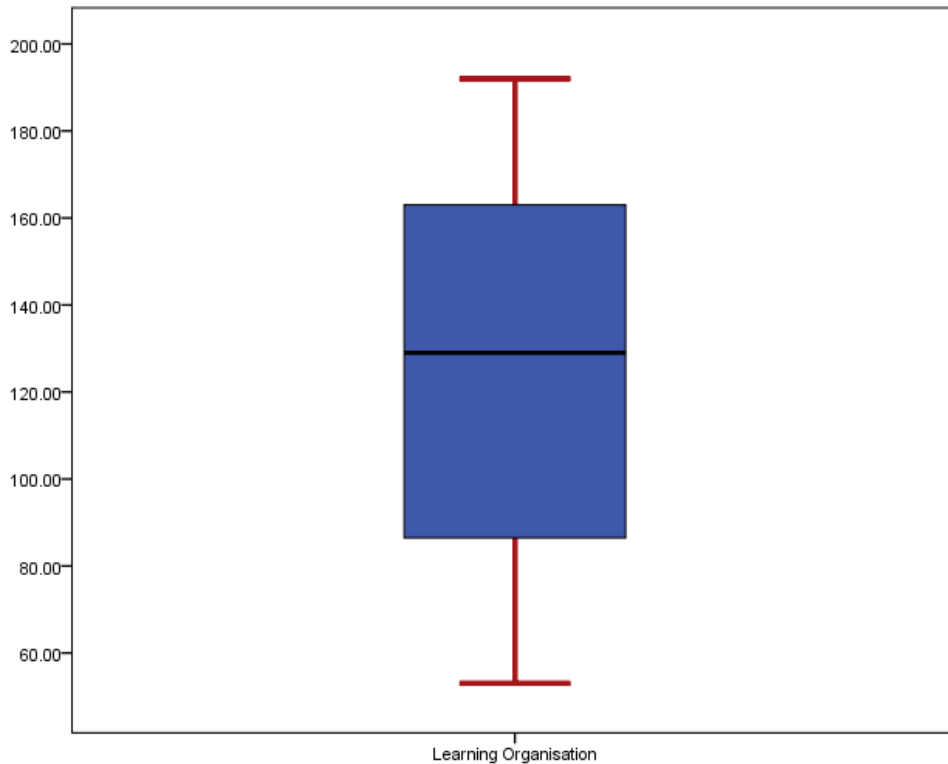


Figure 5.6: Box plot of learning organization

Learning organization is measured in a 6 point scale with 43 questions, thus a range of 43 -258 was obtained which was subdivided into two groups – Low learning organizations and High learning organizations. When frequency analysis was performed it was found that 67.7 per cent of the organizations are low learning organizations. Only 32.3 per cent firms are classified as high learning organizations.

Table 5.14: Frequency table of Learning organization

Type	Frequency	Percent	Cumulative Percent
Low learning organizations	262	67.7	67.7
High learning organizations	125	32.3	100.0
Total	387	100.0	

5.7 Discriminating a High Learning Organization to a Low Learning Organization

This part of the analysis is directed towards finding out the ability of the transformational leadership in discriminating a low learning organization to a high learning organization. Discriminant analysis is used to model the value of a dependent categorical variable based on its relationship to one or more predictors. Discriminant analysis builds a predictive model for group membership. The model is composed of a discriminant function (or for more than two groups, a set of discriminant functions) based on linear combinations of the predictor variables. Predictor variables are variables that provide the best discrimination between the groups.

The group statistics of the seven factors contributing towards transformational leadership, which are taken to find out the discriminating ability are furnished below. If the means of all the seven variables are considered along with the grouping variable, it is observed that, the means for high learning organization is more than the means of low learning organizations

Table 5.15: Group Statistics

Learning Organisation Group		Mean	Std. Deviation
Low	Idealized Influence	9.0954	2.32644
	Inspirational motivation	9.3664	2.33319
	Intellectual stimulation	9.3473	2.16502
	Individual consideration	9.1489	2.18248
	Contingent reward	9.5496	2.03876
	Management By exception	9.4809	2.29058
	Laissez Faire	8.7748	1.92952
High	Idealized Influence	12.3680	2.17217
	Inspirational motivation	12.5280	1.74400
	Intellectual stimulation	11.8160	1.61836
	Individual consideration	12.4560	1.96954
	Contingent reward	12.5520	1.80258
	Management By exception	12.2320	1.28349
	Laissez Faire	11.6000	1.96748

An attempt was made to check the significance of the difference in the means across two classifying groups.

Table 5.16: Tests of Equality of Group Means

	Wilks' Lambda	F	df1	df2	Sig.
Idealized Influence	.688	174.668	1	385	.000
Inspirational motivation	.680	181.129	1	385	.000
Intellectual stimulation	.750	128.254	1	385	.000
Individual consideration	.651	206.671	1	385	.000
Contingent reward	.661	197.405	1	385	.000
Management by exception	.711	156.694	1	385	.000
Laissez Faire	.682	179.133	1	385	.000

From Tests of Equality of Group Means table, it was found that the means significantly differs ($p < 0.05$) among the two categories for all the factors. This shows that, there is difference among mean score for all the seven factors of transformational leadership among organizations with low and high level of learning. It can be generally concluded that all the factors of transformational leadership are having the discriminating ability.

Table 5.17: Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation	Wilks' Lambda	Sig.
1	.726 ^a	100.0	100.0	.648	.580	.000

a. First 1 canonical discriminant functions were used in the analysis.

The Eigenvalue (0.726) indicates the proportion of variance explained. In this model only one canonical function is taken and thus the percentage of variance is 100 per cent. The canonical correlation (0.648) is the correlation between the discriminant scores and the levels of the dependent variable which was found to be positively correlated. The square of the canonical correlation is 0.4199 and hence 42 per cent of the variance in the discriminating model is due to changes in the seven factors of transformational leadership. The significance of the discriminant function is tested by framing the following hypothesis.

Hypothesis

H₀: The variables considered here do not have the discriminating ability to distinguish a high learning organization to low learning organization

H₁: The variables considered here have the discriminating ability to distinguish a high learning organization to low learning organization

The statistical test of significance for Wilks Lambda was carried and was found to be significant ($p < 0.05$) (Table 5.17). Hence the null hypothesis is rejected and the discriminant function can be further used for explanations.

Table 5.18: Standardized Canonical Discriminant Function Coefficients

	Function	Standardized
	1	
Idealized Influence	.075	.172
Inspirational motivation	.085	.183
Intellectual stimulation	-.120	-.242
Individual consideration	.166	.351
Contingent reward	.161	.317
Management By exception	.036	.072
Laissez Faire	.166	.323
(Constant)	-5.792	
Unstandardized coefficients		

Each Standardized Canonical Discriminant Function Coefficients in absolute values reflects the relative contribution of each of the predictor variable on the discriminant function. Here it was found that individual consideration (0.351) in exerting more influence in discriminating between a high level learning organization to low level learning organization (Table 5.18). It is followed by Laissez faire and contingent reward. The lowest influence on discriminating between types of learning organization is for Management by exception.

The ‘Canonical Discriminant Function Coefficients’ indicate the unstandardized scores concerning the independent variables. It is the list of coefficients of the unstandardized discriminant equation.

$$\text{Learning organization} = -5.792 + (0.075 \text{ II}) + (0.085 \text{ IM}) + (-0.120 \text{ IS}) \\ + (0.166 \text{ IC}) + (0.161 \text{ CR}) + (0.036 \text{ ME}) + \\ (0.166 \text{ LF})$$

Here the coefficients with large absolute values correspond to variables with greater discriminating ability. Thus individual consideration and Laissez faire are having the highest discriminating power.

Table 5.19: Functions at Group Centroids

Learning Organisation Group	Function
	1
Low	-.587
High	1.230
Unstandardized canonical discriminant functions evaluated at group means	

A further way of interpreting discriminant analysis results is to describe each group in terms of its profile, using the group means of the predictor variables. These group means are called centroids. ‘Functions at Group Centroid’ indicates the average discriminant score in the two groups.

In this case it can be interpreted that, high learning organization have a mean of 1.230, while low learning organizations have mean of -0.587. Cases with scores near to a Centroid are predicted as belonging to that group.

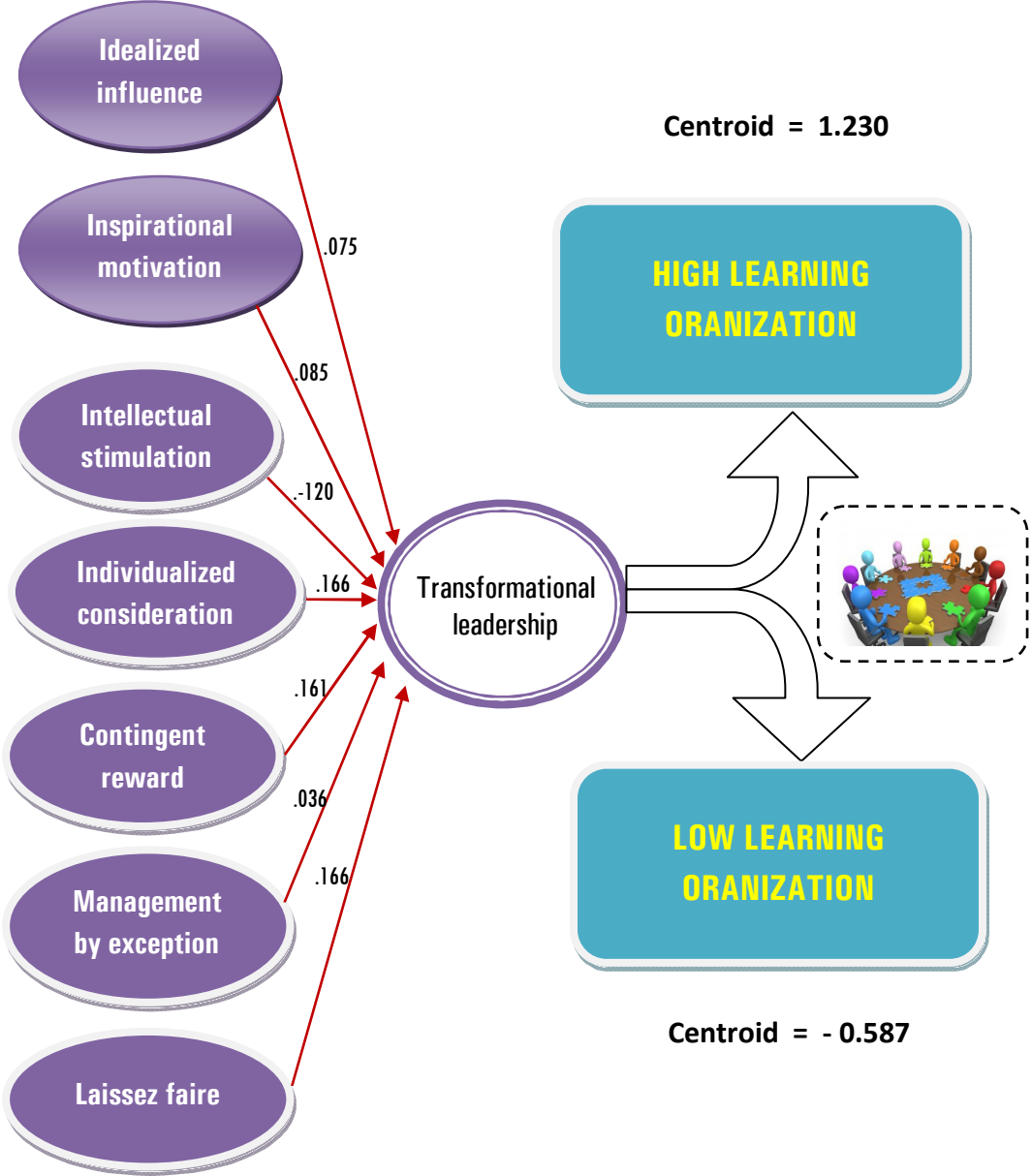


Figure 5.7: Discriminating a High Learning organizing to a Low Learning organization

Table 5.20: Classification Results

Classification Results^a					
		Learning Organisation Group	Predicted Group Membership		Total
			Low	High	
Original	Count	Low	203	59	262
		High	24	101	125
	%	Low	77.5	22.5	100.0
		High	19.2	80.8	100.0

a. 78.6% of original grouped cases correctly classified.

Once a discrimination model has been obtained and the Discriminant functions have been derived, then it is obvious to test how well can it can predict to which group a particular case belongs. The ability of the discriminating function to classify the low and high learning organization is tested here. The results show that 78.6 per cent of originally grouped cases are correctly classified by the discriminating function. Since here 78.6 per cent of cases where classified, the derived function is said to be accurate in predicating groups. Table shows that 77.5 per cent of low learning organization group was included in the Low predicated group. Similarly 80.8 per cent of high learning organization group was in the predicated group membership.

5.8 Discriminating a High Learning organization to a Medium Learning organization to a Low Learning organization

In this part of analysis, the researcher is trying to find out the discriminating ability of transformational leadership in separating organizations into three types – Low learning organization, Medium learning organization and high learning organization. When frequency analysis was performed it was found that 29.7 per cent of the organizations are low learning organizations, 38 per cent are medium learning organizations and 32.3 per cent firms are classified as high learning organizations.

Table 5.21: Frequency table of Learning organization

		Frequency	Percent	Cumulative Percent
Valid	Low	115	29.7	29.7
	Medium	147	38.0	67.7
	High	125	32.3	100.0
	Total	387	100.0	

The group statistics of the seven factors contributing towards transformational leadership, which are taken to find out the discriminating ability, are furnished below. If the means of all the seven variables are considered along with the grouping variable, it is observed that, the means for high learning organization is more than the means of low learning organizations and medium learning organization.

Table 5.22: Table Group Statistics

Learning Organisation Group		Mean	Std. Deviation	Valid N (list wise)	
				Unweighted	Weighted
Low	Idealized Influence	7.8522	1.51740	115	115.000
	Inspirational motivation	8.1478	1.85076	115	115.000
	Intellectual stimulation	8.2174	1.90927	115	115.000
	Individual consideration	8.2609	1.92439	115	115.000
	Contingent reward	8.6522	1.95584	115	115.000
	Management By exception	8.2957	1.98226	115	115.000
	Laissez Faire	7.8609	1.65374	115	115.000
Medium	Idealized Influence	10.0680	2.38907	147	147.000
	Inspirational motivation	10.3197	2.22989	147	147.000
	Intellectual stimulation	10.2313	1.93408	147	147.000
	Individual consideration	9.8435	2.12519	147	147.000
	Contingent reward	10.2517	1.82014	147	147.000
	Management By exception	10.4082	2.08305	147	147.000
	Laissez Faire	9.4898	1.82962	147	147.000
High	Idealized Influence	12.3680	2.17217	125	125.000
	Inspirational motivation	12.5280	1.74400	125	125.000
	Intellectual stimulation	11.8160	1.61836	125	125.000
	Individual consideration	12.4560	1.96954	125	125.000
	Contingent reward	12.5520	1.80258	125	125.000
	Management By exception	12.2320	1.28349	125	125.000
	Laissez Faire	11.6000	1.96748	125	125.000

An attempt was made to check the significance of the difference in the means across two classifying groups.

Table 5.23: Tests of Equality of Group Means

	Wilks' Lambda	F	Sig.
Idealized Influence	.579	139.713	.000
Inspirational motivation	.565	147.862	.000
Intellectual stimulation	.623	116.028	.000
Individual consideration	.590	133.586	.000
Contingent reward	.588	134.696	.000
Management By exception	.581	138.644	.000
Laissez Faire	.602	126.948	.000

From Tests of Equality of Group Means table, it was found that the means significantly differs ($p < 0.05$) among the three categories for all the factors. This shows that, there is difference among mean score for all the seven factors of transformational leadership among organizations with low, medium and high level of learning. It can be generally concluded that all the factors of transformational leadership are having the discriminating ability.

Table 5.24: Eigenvalues

Eigenvalues						
Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation	Wilks' Lambda	Sig.
1	1.125 ^a	94.3	94.3	.728	.441	.000
2	.068 ^a	5.7	100.0	.253	.936	.000

a. First 2 canonical discriminant functions were used in the analysis.

With more than two groups more than one discriminant function can be obtained. The Eigenvalue (1.125) indicates the proportion of variance explained by the first function. The canonical correlation (0.728) is the correlation between the discriminant scores and the levels of the dependent

variable which was found to be positively correlated. The square of the canonical correlation is 0.529 and hence 52 per cent of the variance in the discriminating model is due to changes in the seven factors of transformational leadership. The significance of this discriminant function is tested by framing the following hypothesis.

Hypothesis

H₀: The variables considered here do not have the discriminating ability to distinguish a high learning organization to medium learning organization to low learning organization

H₁: The variables considered here have the discriminating ability to distinguish a high learning organization to medium learning organization to low learning organization

The statistical test of significance for Wilks Lambda was carried and was found to be significant ($p < 0.05$). Hence the null hypothesis is rejected and this discriminant function can be further used for explanations.

When we consider the second discriminant function. The Eigenvalue (0.68) indicates the proportion of variance explained by the second function. The canonical correlation (0.253) is the correlation between the discriminant scores and the levels of the dependent variable which was found to be positively correlated. The square of the canonical correlation is 0.064 and hence 6.4 per cent of the variance in the discriminating model is due to changes in the seven factors of transformational leadership. The significance of this discriminant function is tested by framing the following hypothesis.

Table 5.25: Standardized Canonical Discriminant Function Coefficients

	Function	
	1	2
Idealized Influence	.233	.204
Inspirational motivation	.228	.146
Intellectual stimulation	-.020	.845
Individual consideration	.086	-1.075
Contingent reward	.209	-.472
Management By exception	.240	.615
Laissez Faire	.280	-.233

Each Standardized Canonical Discriminant Function Coefficients in absolute values reflects the relative contribution of each of the predictor variable on the discriminant function. Here when first discriminant function is considered, it was found that Laissez faire (0.280) is exerting more influence in discriminating between a high level learning organization to medium level to low level learning organization. It is followed by management by exception. The lowest discriminating power is shown by individual consideration.

Here when the second discriminant function is considered, it was found that individual consideration (1.075) is exerting more influence in discriminating between a high level learning organization to medium to low level learning organization. It is followed by intellectual stimulation. Inspirational motivation was found to have the lowest discriminating ability in this function.

Table 5.26: Canonical Discriminant Function Coefficients

	Function	
	1	2
Idealized Influence	.111	.097
Inspirational motivation	.115	.074
Intellectual stimulation	-.011	.462
Individual consideration	.043	-.533
Contingent reward	.113	-.254
Management By exception	.131	.336
Laissez Faire	.153	-.128
(Constant)	-6.690	-.570
Unstandardized coefficients		

The ‘Canonical Discriminant Function Coefficients’ indicate the unstandardized scores concerning the independent variables. It is the list of coefficients of the unstandardized discriminant equation.

Function 1:

$$\text{Learning organization} = -6.690 + (0.111 \text{ II}) + (0.115 \text{ IM}) + (-0.011 \text{ IS}) + (0.043 \text{ IC}) + (0.113 \text{ CR}) + (0.131 \text{ ME}) + (0.153 \text{ LF})$$

Function 2:

$$\text{Learning organization} = -0.570 + (0.097 \text{ II}) + (0.074 \text{ IM}) + (0.462 \text{ IS}) + (-0.533 \text{ IC}) + (-0.254 \text{ R}) + (0.336 \text{ ME}) + (-0.128 \text{ LF})$$

Table 5.27: Functions at Group Centroids

Learning organization classified	Function	
	1	2
Low	-1.341	-.226
Medium	-.090	.332
High	1.339	-.182
Unstandardized canonical discriminant functions evaluated at group means		

In the case of first function it can be interpreted that, high learning organization have a mean of 1.339, for medium learning level organization mean value is -0.90 and low learning organizations have mean of -1.341. Since the first function explains 94.23% variance, it is more relevant. The function is shown in the figure number 5.8. In the case of second function it can be interpreted that, high learning organization have a mean of -0.182, for medium learning level organization mean value is 0.322 and low learning organizations have mean of -0.226.

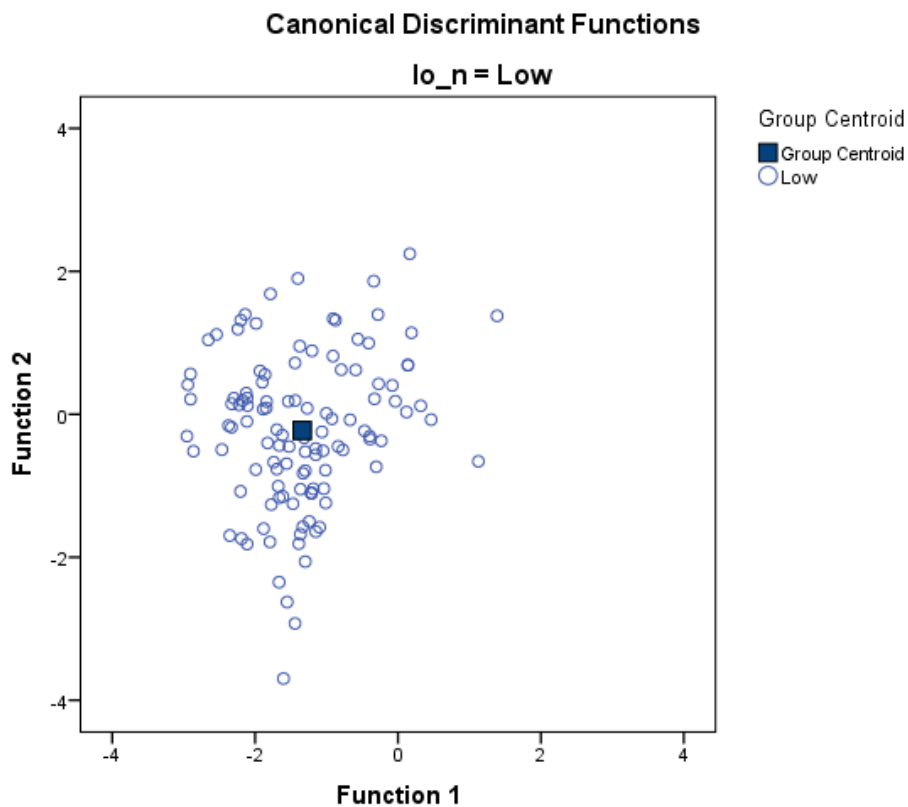


Figure 5.8: Canonical Discriminant Function- Low learning

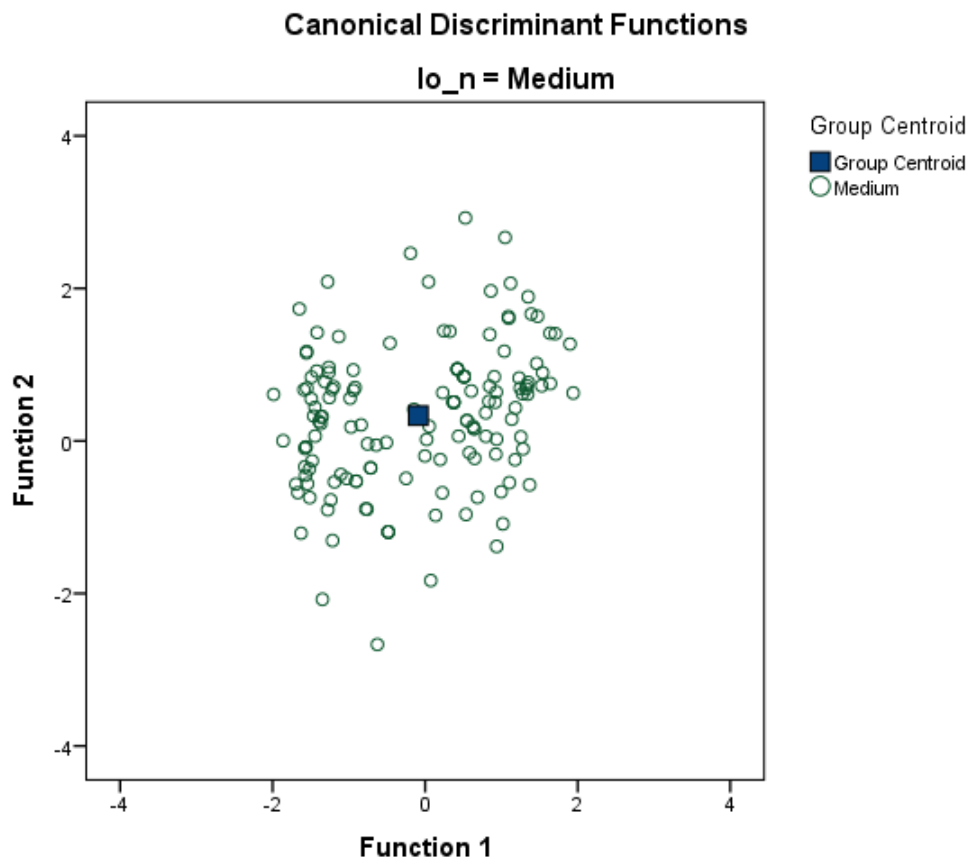


Figure 5.9: Canonical Discriminant Function- Medium learning

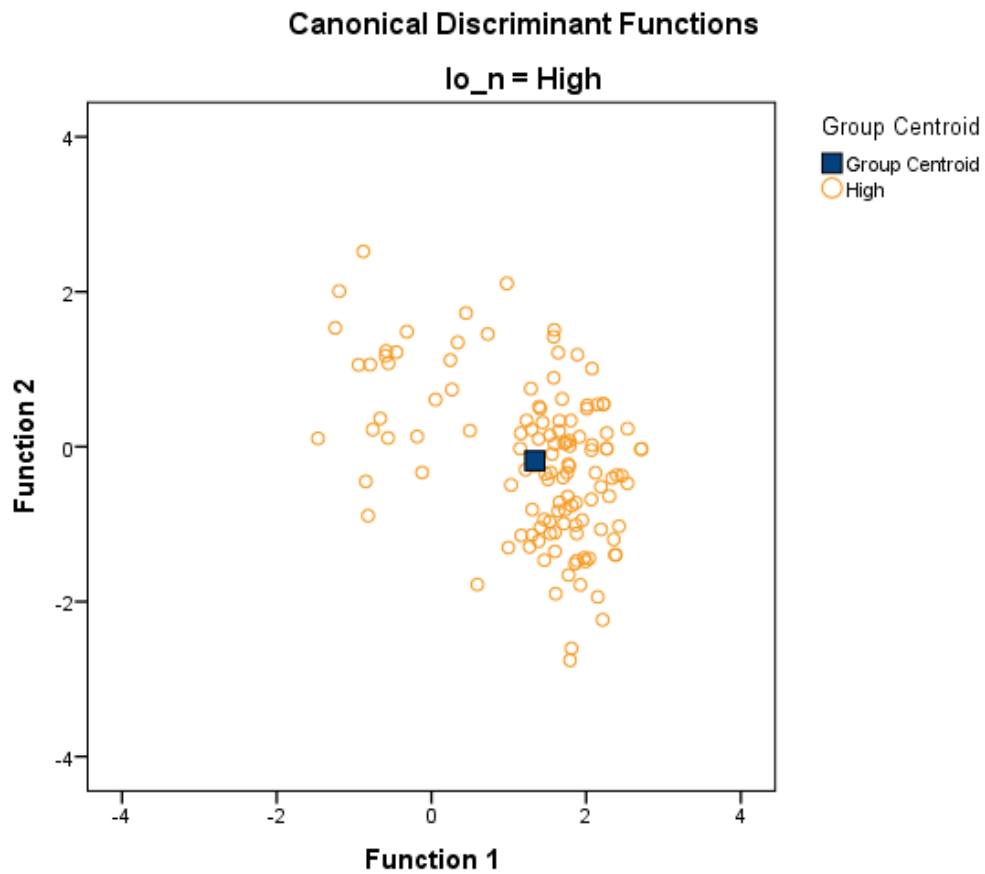


Figure 5.10: Canonical Discriminant Function- High learning

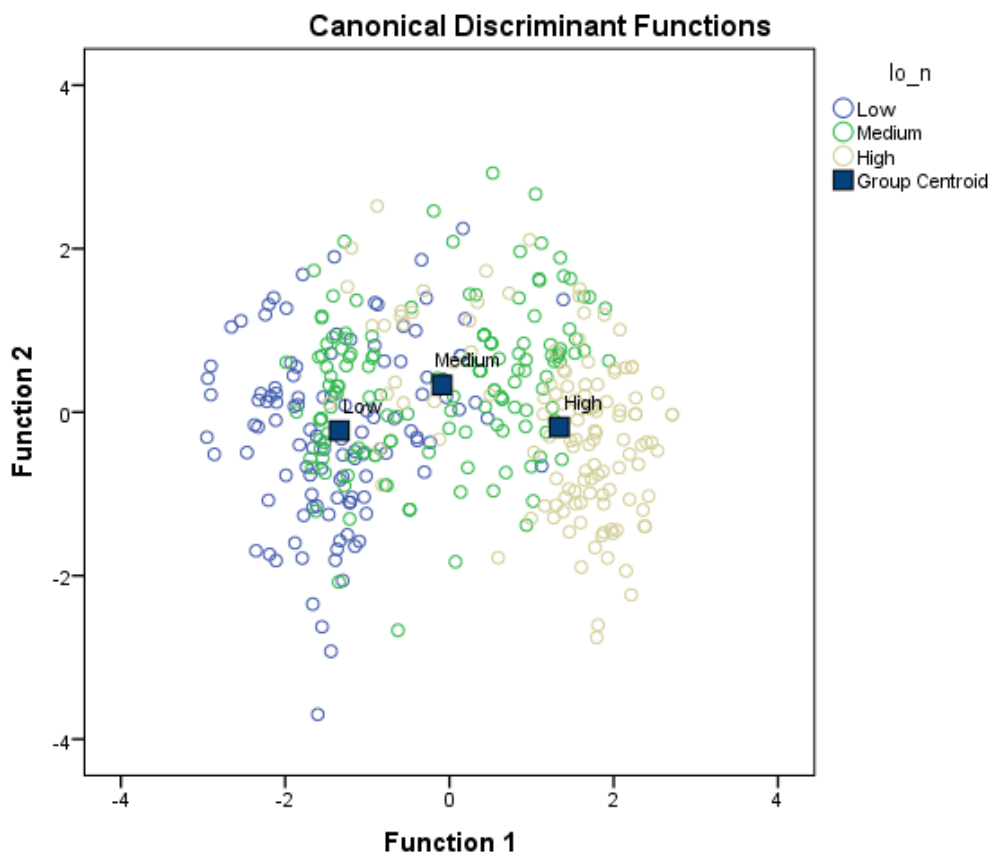


Figure 5.11: Canonical discriminant function- Low, Medium and High learning

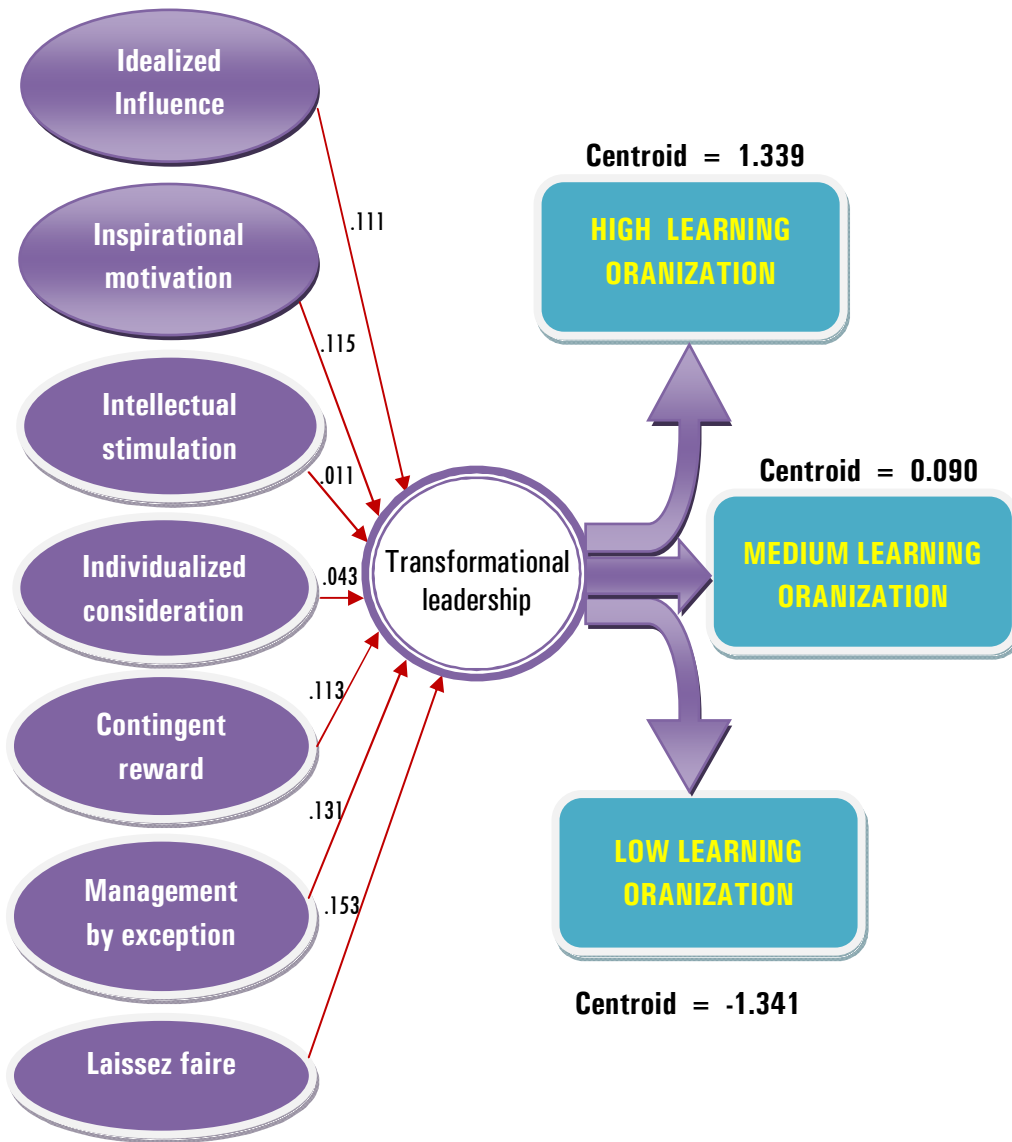


Figure 5.12: Discriminating a High Learning organizing to Medium to Low Learning organization – Function 1

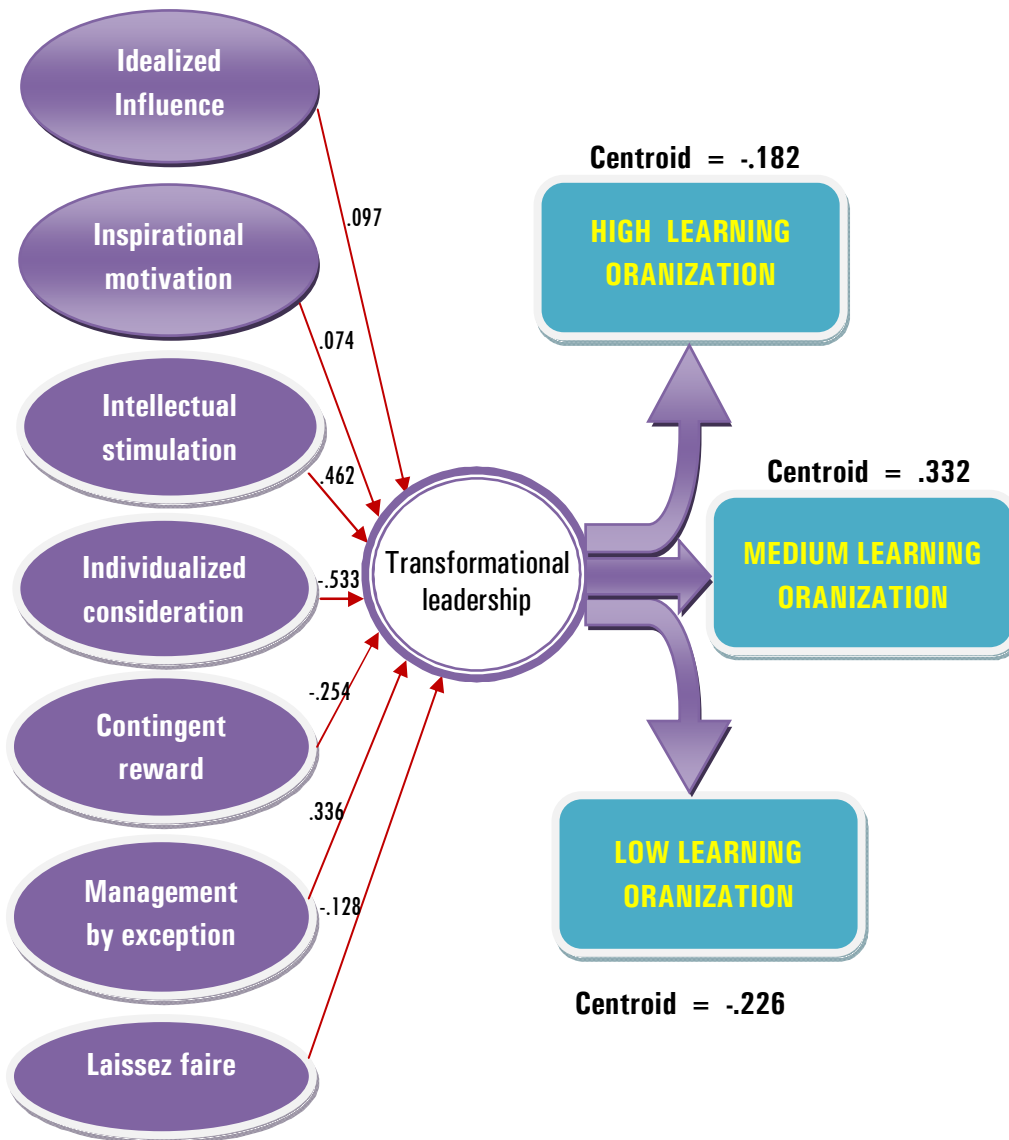


Figure 5.13: Discriminating a High Learning organizing to Medium to Low Learning organization – Function 2

Table 5.28: Classification Results

Classification Results ^a						
		lo_n	Predicted Group Membership			Total
			Low	Medium	High	
Original	Count	Low	87	26	2	115
		Medium	57	48	42	147
		High	3	23	99	125
	%	Low	75.7	22.6	1.7	100.0
		Medium	38.8	32.7	28.6	100.0
		High	2.4	18.4	79.2	100.0

a. 60.5% of original grouped cases correctly classified.

Now the ability of the derived discriminating function to classify the low, medium and high learning organization needs to be tested. The results show that 60.5% of originally grouped cases are correctly classified by the discriminating function. Table shows that 77.5 per cent of low learning organization group was included in the Low predicated group and 32.7 per cent of medium predicted group. In case of high learning organizations 79.2 per cent were included in the predicated group membership.

5.9 Cross Tabulation with Company and Type of Learning Organization

After conducting the discriminant analysis, a cross tabulation was performed to find out the predicted level of ‘learning organization’ in various organizations under study. Due to agreement of confidentiality, different companies represented with a code.

Table 5.29: Cross Tabulation - Two groups

Company Code * Predicted Group for Analysis 1 Cross tabulation					
			Predicted Group for Analysis 1		Total
			Low	High	
Company Code	CO1	Count	0	13	13
		% within Company	0.0%	100.0%	100.0%
		% of Total	0.0%	3.4%	3.4%
	CO2	Count	16	0	16
		% within Company	100.0%	0.0%	100.0%
		% of Total	4.1%	0.0%	4.1%
	CO3	Count	1	17	18
		% within Company	5.6%	94.4%	100.0%
		% of Total	0.3%	4.4%	4.7%
	CO4	Count	3	11	14
		% within Company	21.4%	78.6%	100.0%
		% of Total	0.8%	2.8%	3.6%
	CO5	Count	5	13	18
		% within Company	27.8%	72.2%	100.0%
		% of Total	1.3%	3.4%	4.7%
	CO6	Count	11	2	13
		% within Company	84.6%	15.4%	100.0%
		% of Total	2.8%	0.5%	3.4%
	CO7	Count	12	4	16
		% within Company	75.0%	25.0%	100.0%
		% of Total	3.1%	1.0%	4.1%
	CO8	Count	2	17	19
		% within Company	10.5%	89.5%	100.0%
		% of Total	0.5%	4.4%	4.9%
	CO9	Count	14	0	14
		% within Company	100.0%	0.0%	100.0%
		% of Total	3.6%	0.0%	3.6%

CO10	Count	16	0	16
	% within Company	100.0%	0.0%	100.0%
	% of Total	4.1%	0.0%	4.1%
CO11	Count	18	5	23
	% within Company	78.3%	21.7%	100.0%
	% of Total	4.7%	1.3%	5.9%
CO12	Count	18	2	20
	% within Company	90.0%	10.0%	100.0%
	% of Total	4.7%	0.5%	5.2%
CO13	Count	22	0	22
	% within Company	100.0%	0.0%	100.0%
	% of Total	5.7%	0.0%	5.7%
CO14	Count	0	12	12
	% within Company	0.0%	100.0%	100.0%
	% of Total	0.0%	3.1%	3.1%
CO15	Count	0	14	14
	% within Company	0.0%	100.0%	100.0%
	% of Total	0.0%	3.6%	3.6%
CO16	Count	0	14	14
	% within Company	0.0%	100.0%	100.0%
	% of Total	0.0%	3.6%	3.6%
CO17	Count	0	17	17
	% within Company	0.0%	100.0%	100.0%
	% of Total	0.0%	4.4%	4.4%
CO18	Count	0	19	19
	% within Company	0.0%	100.0%	100.0%
	% of Total	0.0%	4.9%	4.9%
CO19	Count	22	0	22
	% within Company	100.0%	0.0%	100.0%
	% of Total	5.7%	0.0%	5.7%
CO20	Count	14	0	14
	% within Company	100.0%	0.0%	100.0%
	% of Total	3.6%	0.0%	3.6%

	CO21	Count	7	0	7
		% within Company	100.0%	0.0%	100.0%
		% of Total	1.8%	0.0%	1.8%
	CO22	Count	7	0	7
		% within Company	100.0%	0.0%	100.0%
		% of Total	1.8%	0.0%	1.8%
	CO23	Count	7	0	7
		% within Company	100.0%	0.0%	100.0%
		% of Total	1.8%	0.0%	1.8%
	CO24	Count	6	0	6
		% within Company	100.0%	0.0%	100.0%
		% of Total	1.6%	0.0%	1.6%
	CO25	Count	8	0	8
		% within Company	100.0%	0.0%	100.0%
		% of Total	2.1%	0.0%	2.1%
	CO26	Count	7	0	7
		% within Company	100.0%	0.0%	100.0%
		% of Total	1.8%	0.0%	1.8%
	CO27	Count	11	0	11
		% within Company	100.0%	0.0%	100.0%
		% of Total	2.8%	0.0%	2.8%
	Total	Count	227	160	387
		% within Company	58.7%	41.3%	100.0%
		% of Total	58.7%	41.3%	100.0%

Out of 27 organizations under research only 10 are ‘high learning organizations’. 17 are seems to be ‘low learning’ organizations. An interesting observation respondents from the same organization are having relatively uniform perception about the dimensions of learning organizations.

Table 5.30: Cross Tabulation - Three groups

Company Code * Predicted Group for Analysis 1 Cross tabulation						
			Predicted Group for Analysis 1			Total
			Low	Medium	High	
Company Code	CO1	Count	0	0	13	13
		% within Company	0.0%	0.0%	100.0%	100.0%
		% of Total	0.0%	0.0%	3.4%	3.4%
	CO2	Count	3	13	0	16
		% within Company	18.8%	81.3%	0.0%	100.0%
		% of Total	0.8%	3.4%	0.0%	4.1%
	CO3	Count	0	1	17	18
		% within Company	0.0%	5.6%	94.4%	100.0%
		% of Total	0.0%	0.3%	4.4%	4.7%
	CO4	Count	1	5	8	14
		% within Company	7.1%	35.7%	57.1%	100.0%
		% of Total	0.3%	1.3%	2.1%	3.6%
	CO5	Count	0	9	9	18
		% within Company	0.0%	50.0%	50.0%	100.0%
		% of Total	0.0%	2.3%	2.3%	4.7%
	CO6	Count	11	2	0	13
		% within Company	84.6%	15.4%	0.0%	100.0%
		% of Total	2.8%	0.5%	0.0%	3.4%
	CO7	Count	0	12	4	16
		% within Company	0.0%	75.0%	25.0%	100.0%
		% of Total	0.0%	3.1%	1.0%	4.1%
	CO8	Count	0	5	14	19
		% within Company	0.0%	26.3%	73.7%	100.0%
		% of Total	0.0%	1.3%	3.6%	4.9%
	CO9	Count	14	0	0	14
		% within Company	100.0%	0.0%	0.0%	100.0%
		% of Total	3.6%	0.0%	0.0%	3.6%

CO10	Count	12	4	0	16
	% within Company	75.0%	25.0%	0.0%	100.0%
	% of Total	3.1%	1.0%	0.0%	4.1%
CO11	Count	0	22	1	23
	% within Company	0.0%	95.7%	4.3%	100.0%
	% of Total	0.0%	5.7%	0.3%	5.9%
CO12	Count	2	17	1	20
	% within Company	10.0%	85.0%	5.0%	100.0%
	% of Total	0.5%	4.4%	0.3%	5.2%
CO13	Count	22	0	0	22
	% within Company	100.0%	0.0%	0.0%	100.0%
	% of Total	5.7%	0.0%	0.0%	5.7%
CO14	Count	0	0	12	12
	% within Company	0.0%	0.0%	100.0%	100.0%
	% of Total	0.0%	0.0%	3.1%	3.1%
CO15	Count	0	0	14	14
	% within Company	0.0%	0.0%	100.0%	100.0%
	% of Total	0.0%	0.0%	3.6%	3.6%
CO16	Count	0	0	14	14
	% within Company	0.0%	0.0%	100.0%	100.0%
	% of Total	0.0%	0.0%	3.6%	3.6%
CO17	Count	0	0	17	17
	% within Company	0.0%	0.0%	100.0%	100.0%
	% of Total	0.0%	0.0%	4.4%	4.4%
CO18	Count	0	0	19	19
	% within Company	0.0%	0.0%	100.0%	100.0%
	% of Total	0.0%	0.0%	4.9%	4.9%
CO19	Count	20	2	0	22
	% within Company	90.9%	9.1%	0.0%	100.0%
	% of Total	5.2%	0.5%	0.0%	5.7%
CO20	Count	14	0	0	14
	% within Company	100.0%	0.0%	0.0%	100.0%
	% of Total	3.6%	0.0%	0.0%	3.6%

	CO21	Count	7	0	0	7
		% within Company	100.0%	0.0%	0.0%	100.0%
		% of Total	1.8%	0.0%	0.0%	1.8%
	CO22	Count	6	1	0	7
		% within Company	85.7%	14.3%	0.0%	100.0%
		% of Total	1.6%	0.3%	0.0%	1.8%
	CO23	Count	6	1	0	7
		% within Company	85.7%	14.3%	0.0%	100.0%
		% of Total	1.6%	0.3%	0.0%	1.8%
	CO24	Count	6	0	0	6
		% within Company	100.0%	0.0%	0.0%	100.0%
		% of Total	1.6%	0.0%	0.0%	1.6%
	CO25	Count	8	0	0	8
		% within Company	100.0%	0.0%	0.0%	100.0%
		% of Total	2.1%	0.0%	0.0%	2.1%
	CO26	Count	7	0	0	7
		% within Company	100.0%	0.0%	0.0%	100.0%
		% of Total	1.8%	0.0%	0.0%	1.8%
CO27	Count	8	3	0	11	
	% within Company	72.7%	27.3%	0.0%	100.0%	
	% of Total	2.1%	0.8%	0.0%	2.8%	
Total	Count	147	97	143	387	
	% within Company	38.0%	25.1%	37.0%	100.0%	
	% of Total	38.0%	25.1%	37.0%	100.0%	

The cross tabulation with three groups we find nine organizations as ‘High learning organization’ five as Medium Learning Organization and 13 as low learning organization.

The analysis exposes us to several new insights and provides sound logical base for arriving at conclusions which will meet our research objectives. The important findings are explained in the next Chapter.

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FINDINGS, SUGGESTIONS & CONCLUSION

<i>C</i> <i>o</i> <i>n</i> <i>t</i> <i>e</i> <i>n</i> <i>t</i> <i>s</i>	6.1 <i>Introduction</i>
	6.2 <i>Results of Hypothesis Testing</i>
	6.3 <i>Summary of the Findings of CFA Analysis</i>
	6.4 <i>Summary of the Findings of one way ANOVA</i>
	6.5 <i>Summary of the Findings of Correlation Analysis</i>
	6.6 <i>Summary of the Findings of Discriminant Analysis</i>
	6.7 <i>Summary of the Findings of Cross Tabulation Analysis</i>
	6.8 <i>Practical Implications of this Research</i>
	6.9 <i>Suggestions</i>
	6.10 <i>Scope of Further Research on the Subject:</i>
	6.11 <i>Conclusion</i>

6.1 Introduction

Different studies give emphasis on the fact of having a transformational leadership role for building a learning organization. A learning organization has to go beyond creating just learning events. Learning events are helpful only up to a certain level. Learning events help to create different experiences which will improve their outlook towards the world. This will definitely result in change in operational practices and help to produce improved results. A learning organization must have something in their hand and need to find it to increase. Learning organization must create a learning environment so that the credentials of improvement increase.

John F Kennedy "Leadership and learning are indispensable to each other."

Peter Senge said 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 (reality) together."

Learning then becomes a natural habit. Some people may call it as an attitude. Institutions providing learning does not considers as learning organizations. An organization called to be learning, when every one of that organization foster and demonstrates learning attitudes. The role of a transformational leader is come forward in this stage. The leader will create a structured program with incentives such as promotions for demonstrating learning and personal growth. In another way this is the only methodology for giving promotions and incentives. Transformational leader gives various growth opportunities to be created for the professional growth of employees. They will be given a chance to choose their respective roles, ie administrators, mentors, trainers and content creators. This will create an opportunity for personal growth, satisfaction, motivation and confidence.

The leader gets more significant insight for implementing and running a learning organization. The role of a transformational leader cannot be replaced by the CEO. Creating a motivation and passion towards the work cannot be achieved by a CEO. Learning is a motivator in itself, because it grows and gives a chance to share the vision of learning and new creations for future of others and one's own professional growth is the way forward.

Learning organizations are about to find better, happier and more caring ways of improving outcomes for all beyond the merely efficient way that survives only because it was that way things were done yesterday and the year before and then before that. Learning organizations renew and revitalize heritage traditions too in ways that make them more vibrant in new contexts and times.

The commitment of top management is necessary for the transformation in learning organization. The top management must take responsibility for the change and must also lead the process. The change what the organization want to be in a statement format called as a vision. The vision should be a forcing factor of radical change. The vision gives a clear picture of the past and the top management need to communicate face to face in meeting with the employees about the vision. After communicating the vision with employees, through workshops, debate and challenge, the employee's commitment will be generated. The result is greater commitment of employees towards the shared vision.

Once the shared vision is set forward, the top management need to translate into specific strategies. If vision represents a destination strategies are the vehicles that would carry organization into their destiny. Strategic implementation needs participation from all departments. The top management need to identify the departments where the change affects.

The role of a transformational leader is very easily traceable in the success of the learning organization. The study result give the emphasis to the thought of high transformational leadership helps in getting high learning organizations and vice versa.

This study focused on finding out the relationship between transformational leadership and learning organization used four tools for analysis. So the finding part also distinguished based on each analysis.

6.2 Results of Hypothesis Testing

- H1: There is significant positive relationship between Transformational leadership and Learning organization.-Accepted
- H2: There is significant positive impact of ‘Idealized Influence’ in discriminating different levels of Learning organization. - Accepted
- H3: There is significant positive impact of ‘Inspirational motivation’ in discriminating different levels of Learning organization. - Accepted
- H4: There is significant positive impact of Intellectual stimulation in discriminating different levels of Learning organization. -Accepted
- H5: There is significant positive impact of ‘Individualized consideration’ in discriminating different levels of Learning organization. - Accepted
- H6: There is significant positive impact of ‘Contingent reward’ in discriminating different levels of Learning organization. - Accepted
- H7: There is significant positive impact of ‘Management by exception’ in discriminating different levels of Learning organization. - Accepted
- H8: There is significant positive impact of ‘Laissez faire’ in discriminating different levels of Learning organization - Accepted

There is a significant positive relation between transformational leadership and learning organization. There is a high level of influence of transformational leaders in developing learning organization.

6.3 Summary of the Findings of CFA Analysis

- The factor structure confirmation by CFA using structural equation modelling of transformation was done to confirm the factor structure. The result of the Confirmatory Factor Analysis shows the factors identified to contribute towards transformational leadership are idealized influence, inspirational motivation, intellectual stimulation, individual consideration, contingent reward, management by exception and laissez faire.
- The factor structure confirmation by CFA using structural equation modelling on dimensions of learning organization has confirmed the factor structure. The result shows the factors identified to contribute towards learning organization are continuous learning, dialogue and enquiry, team learning, embedded system, empowerment, system connection and provide leadership.

6.4 Summary of the Findings of One Way ANOVA

One way ANOVA (two groups) confirms the difference among mean score for all the seven factors of transformational leadership among organizations with low and high level of learning. It helps us in arriving at a general conclusion that all the factors of transformational leadership are having the discriminating ability.

One way ANOVA (three groups) confirms that, there is difference among mean score for all the seven factors of transformational leadership among organizations with low, medium and high learning organizations.

6.5 Summary of the Findings of Correlation Analysis

- The correlation analysis shows there is high correlation (.721) between transformation leadership and learning organization. The analysis also proves there is positive correlation between transformational leadership and learning organization.
- The factor variable of transformational leadership, idealised influence has a high and positive correlation with continuous learning (.569), dialogue and enquiry (.615), team learning (.621), embedded system (.666), empowerment (.646), system connection (.583) and provides leadership (.669).
- The study result shows there is high and positive correlation with inspirational motivation, a factor of transformational leadership and continuous learning (.579), dialogue and enquiry (.625), team learning (.637), embedded system (.617), empowerment (.659), system connection (.616) and provide leadership (.702).
- The study result shows there is high and positive correlation (.673) between intellectual stimulation, one factor of transformational leadership and continuous learning (.503), dialogue and enquiry (.576), team learning (.569), embedded system (.598), empowerment (.624), system connection (.609) and provide leadership (.661).
- The study shows there is a high and positive correlation between individual consideration, a factor of transformational leadership and continuous learning (.464), dialogue and enquiry (.559), team learning (.617), embedded system (.559), empowerment (.626), system connection (.571) and provide leadership (.635).

- The factor variable of transformational leadership, contingent reward has a high and positive correlation with continuous learning (.477), dialogue and enquiry (.551), team learning (.610), embedded system (.625), empowerment (.632), system connection (.600) and provides leadership (.668).
- The study result shows there is high and positive correlation between management by exception, a factor of transformational leadership and continuous learning (.530), dialogue and enquiry (.605), team learning (.673), embedded system (.629), empowerment (.657), system connection (.673) and provide leadership (.712).
- The study result shows there is high and positive correlation between laissez faire leadership, a factor of transformational leadership and continuous learning (.545), dialogue and enquiry (.569), team learning (.627), embedded system (.597), empowerment (.639), system connection (.585) and provide leadership (.634).

6.6 Summary of the Findings of Discriminant Analysis

- All the factors of transformational leadership have the discriminating ability to distinguish a high learning organization to low learning organization. It was found that individual consideration (0.351) in exerting more influence in discriminating between a high level learning organization to low level learning organization (Table 6.18). It is followed by Laissez faire and contingent reward. The lowest influence on discriminating between types of learning organization is for Management by exception.

- All the factors of transformational leadership have the discriminating ability to distinguish a high learning organization to medium learning organization to low learning organization. Here when first discriminant function is considered; it was found that Laissez faire (0.280) is exerting more influence in discriminating between a high level learning organization to medium level to low level learning organization. It is followed by management by exception. The lowest discriminating power is shown by individual consideration. With the second discriminant function is considered, it was found that individual consideration (1.075) in exerting more influence in discriminating between a high level learning organization to medium to low level learning organization. It is followed by intellectual stimulation. Inspirational motivation was found to have the lowest discriminating ability in this function.
- Two functional equations have pointed out through canonical discriminant functional analysis.

6.7 Summary of the Findings of Cross Tabulation Analysis

Cross tabulation analysis was performed to find out the predicted level of ‘learning organization’ in various organizations under study. And it was found that the predicted level of this variable was significantly close to the actual level calculated.

6.8 Practical Implications of this Research

- This study establishes significant positive relationship between transformational leadership and Learning organization. The

factors associated with transformational leadership do predict levels of learning organization.

- In the selection and promotion of people to leadership positions, assessment of transformational leadership may be adopted with confidence.
- While providing leadership trainings for managers these characteristics of transformational leadership are to be emphasized.
- It may be used to identify the dimensions of learning organization that comes in medium or low to improve the organizational performance.
- Transformation of organizations into productive and innovative one for the better quality life in society, is possible by a scientific understanding of psycho social factors associated with transformational leadership.

6.9 Suggestions

- The basis of every learning organization is the committed and self improving category of people. There is a huge gap for the output and the requirement needs of organization. Different kinds of coaching for continuous learning are necessary to get required output from employees.
- Employees are the back bone of every organization. So the need for learning should always there with the employees.

- Individual consideration of the leader and autonomy being most significant in creating Learning organization, all efforts should be made to tune every systems of the organization to encourage these dimensions.
- Coaching and training keeping dimensions of Learning Organization should be provided to employees and periodic reviews should be done from the entry level onwards.
- Looking the future needs and opportunity is the main attribute of learning organization. Most of the companies taken for the study are not informed of the future market trends.
- Brain drain is one of the major problems for the building and running of learning organization. There is a huge need for addressing the same issue.
- The lack of willingness to receive positive as well as the negative response from subordinates is a major cause of slow improvement.
- The employees are overloaded and they are not able to give attention to the current scenarios of changes happening all around. This creates a barrier of learning.
- The comfort employees have in maintaining the status quo is proved as a barrier of learning. The employees have a natural tendency to follow a routine work process.
- Most of the learning organizations have problem with poor interpersonal skills which in turn leads to poor enquiry skills that has a negative effect on the learning ability of organization.

- Main job of the leader today is to provide a clear path to the followers. The leader has the role of sharing the vision and mission among its team members. The team should also understand why the goals set are valuable to them.
- The leader should find time to explain the vision and mission with proper care and how and why the vision will not only improve the organization but the employees too.
- There should be unison in general employee leadership conversation and which also help in framing effective plans for the future.
- The organizations find difficulty in understanding the leadership qualities which the leader has by birth or learned from the life journey. There should be a proper method in identifying the key skills of leaders in order to accelerate the development of a learning organization.
- The success of great leaders is showing the real appreciation and gratitude for the perfect work. In most organizations employees should have the privilege to get the appreciation in the right time.
- The leadership should be supported while taking decision, different and innovative. This will boost the adaptability of the organization.
- Alienating work with the morals and values that the leader and organization follows should never happen. In the long run this will reduce the subordinates integrity and sense of respect.
- A better leader will reward for achievement but the best leader will help its subordinates in modelling the qualities and behaviours that

he want to see in his subordinates. Reward system should be tuned to encourage learning.

- The leader's greatness comes when he sticks to the plan. The major cause of low learning organization is the deviation from the plans placed by the leaders. A concrete action plan should be drawn so that the targets can be achieved.
- The transformational leader should always create a positive attitude towards his subordinates. This positive attitude also travels through the employees and that will help in creating a learning organization.
- Communication is one of the major causes of success and failure of a learning organization. The Transformational leader should create a positive communication atmosphere for the creation and success of a learning organization. The leader's ability to communicate mission and vision and the listening skill also reflect the total performance of the organization.
- The greatest leaders are those who include everyone in their sphere of influence by recognizing each person's greatest value. To be one of the key transformational leaders, look beyond the usual work and see others with insight and compassion.
- The transformational leader should identify the team's drawbacks and should hire an expert for the inception of new projects or ventures of the organization. By communicating the needs with the team will help them understand the situation and help to create the learning environment.

- The transformational leader should have loop to know the mistakes he performs over time to achieve the level of high performance.

6.10 Scope of Further Research on the Subject

- 1) Effect of the level of Learning organizations on profitability, productivity, employee turnover, product/service innovation may be looked into.
- 2) Superiority of Transformational leadership over transactional leadership, task oriented leadership, employee oriented leadership, etc can be another areas of study.
- 3) Sector wise difference in organizations on the practice of 'Transformational Leadership' and 'Learning Organization'.

6.11 Conclusion

This study was conducted to identify the relationship between transformational leadership and learning organization. The seven dimensions of transformational leadership; Idealized Influence (charisma), Inspirational motivation, Intellectual stimulation, Individualized consideration, Contingent reward, Management by exception (Act/pas), Laissez faire have a positive correlation with the dimensions of Learning Organization. The discriminant analysis also identified the factors of transformational leadership have the discriminating ability to distinguish a high learning organization to medium organization to low learning organization. The study also developed a discriminant function for the same. This study helps to understand the major leadership roles played in an organization a learning one. The study gives an

insight into Transformational leadership and their role in building and functioning of a Learning organization.

The Transformational leadership is an asset of great value which needs to be nurtured and cherished in all levels of the organization. It is mainly because of its instrumentality in converting an organization into a Learning organization. Learning organizations are proved to be the successful organizations of the future.

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Appendix

Transformational Leadership and learning organization - A study with special reference to the Organizational leadership in Kerala

1= Almost never 6=Almost always

1. In my organization, people openly discuss mistakes in order to learn from them

1	2	3	4	5	6
---	---	---	---	---	---

2. In my organization, people identify skills they need for future work tasks

1	2	3	4	5	6
---	---	---	---	---	---

3. In my organization, people help each other learn

1	2	3	4	5	6
---	---	---	---	---	---

4. In my organization, people can get money and other resources to support their learning

1	2	3	4	5	6
---	---	---	---	---	---

5. In my organization, people are given time to support learning

1	2	3	4	5	6
---	---	---	---	---	---

6. In my organization, people view problems in their work as an opportunity to learn

1	2	3	4	5	6
---	---	---	---	---	---

7. In my organization, people are rewarded for leaning

1	2	3	4	5	6
---	---	---	---	---	---

8. In my organization, people give open and honest feedback to each other

1	2	3	4	5	6
---	---	---	---	---	---

9. In my organization, people listen to others' views before speaking

1	2	3	4	5	6
---	---	---	---	---	---

10. In my organization, people are encouraged to ask "why" regardless of rank

1	2	3	4	5	6
---	---	---	---	---	---
11. In my organization, whenever people state their view, they also ask what others think

1	2	3	4	5	6
---	---	---	---	---	---
12. In my organization, people treat each other with respect

1	2	3	4	5	6
---	---	---	---	---	---
13. In my organization, people spend time building trust with each other

1	2	3	4	5	6
---	---	---	---	---	---
14. In my organization, teams/groups have the freedom to adapt their goals as needed

1	2	3	4	5	6
---	---	---	---	---	---
15. In my organization, teams/groups treat members as equals, regardless of rank, culture, or other differences

1	2	3	4	5	6
---	---	---	---	---	---
16. In my organization, teams/groups focus both on the group's task and on how well the group is working

1	2	3	4	5	6
---	---	---	---	---	---
17. In my organization, teams/groups revise their thinking as a result of group discussions or information collected

1	2	3	4	5	6
---	---	---	---	---	---
18. In my organization, teams/groups are rewarded for their achievements as a team/group

1	2	3	4	5	6
---	---	---	---	---	---
19. In my organization, teams/groups are confident that the organization will act on their recommendations

1	2	3	4	5	6
---	---	---	---	---	---
20. My organization uses two-way communication on a regular basis, such as suggestion systems, electronic bulletin boards, or town hall/open meetings

1	2	3	4	5	6
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21. My organization enables people to get needed information at any time quickly and easily
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
22. My organization maintains an up-to-date data base of employee skills
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
23. My organization creates systems to measure gaps between current and expected performance
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
24. My organization makes its lessons learned available to all employees
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
25. My organization measures the results of the time and resources spent on training
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
26. My organization recognizes people for taking initiative
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
27. My organization gives people choices in their work assignments
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
28. My organization invites people to contribute to the organization's vision
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
29. My organization gives people control over the resources they need to accomplish their work
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
30. My organization supports employees who take calculated risks
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
31. My organization builds alignment of visions across different levels and work groups
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
32. My organization helps employees balance work and family
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
33. My organization encourages people to think from a global perspective
- | | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|

34. My organization encourages everyone to bring the customers' views into the decision making process

1	2	3	4	5	6
---	---	---	---	---	---

35. My organization considers the impact of decisions on employee morale

1	2	3	4	5	6
---	---	---	---	---	---

36. My organization works together with the outside community to meet mutual needs

1	2	3	4	5	6
---	---	---	---	---	---

37. My organization encourages people to get answers from across the organization when solving problems

1	2	3	4	5	6
---	---	---	---	---	---

38. In my organization, leaders generally support requests for learning opportunities and training

1	2	3	4	5	6
---	---	---	---	---	---

39. In my organization, leaders share up to date information with employees about competitors, industry trends and organizational directions

1	2	3	4	5	6
---	---	---	---	---	---

40. In my organization, leaders empower others to help carry out the organization's vision

1	2	3	4	5	6
---	---	---	---	---	---

41. In my organization, leaders mentor and coach those they lead

1	2	3	4	5	6
---	---	---	---	---	---

42. In my organization, leaders continually look for opportunities to learn

1	2	3	4	5	6
---	---	---	---	---	---

43. In my organization, leaders ensure that the organization's actions are consistent with its value

1	2	3	4	5	6
---	---	---	---	---	---

Part 2

Instructions: This questionnaire provides a description of your superior's leadership style. Twenty one descriptive statements are listed below. Judge how frequently each statement fits your superior. The word "others" may mean his followers, clients, or group members.

KEY:

0 = Not at all

1 = Once in a while

2 = Sometimes

3 = Fairly often

4 = Frequently, if not always

44. He makes others feel good to be around him

0	1	2	3	4
---	---	---	---	---

45. He expresses with a few simple words what we could and should do.

0	1	2	3	4
---	---	---	---	---

46. He enables others to think about old problems in new ways.

0	1	2	3	4
---	---	---	---	---

47. He helps others develop themselves.

0	1	2	3	4
---	---	---	---	---

48. He tells others what to do if they want to be rewarded for their work.

0	1	2	3	4
---	---	---	---	---

49. He is satisfied when others meet agreed-upon standards.

0	1	2	3	4
---	---	---	---	---

50. He is content to let others continue working in the same way as always.

0	1	2	3	4
---	---	---	---	---

51. Others have complete faith in him.

0	1	2	3	4
---	---	---	---	---

52. He provides appealing images about what we can do.

0	1	2	3	4
---	---	---	---	---

53. He provides others with new ways of looking at puzzling things.

0	1	2	3	4
---	---	---	---	---

54. He let others know how he thinks they are doing.

0	1	2	3	4
---	---	---	---	---

55. He provides recognition/rewards when others reach their goals.

0	1	2	3	4
---	---	---	---	---

56. As long as things are working, He does not try to change anything.

0	1	2	3	4
---	---	---	---	---

57. Whatever others want to do is O.K. with him.

0	1	2	3	4
---	---	---	---	---

58. Others are proud to be associated with him.

0	1	2	3	4
---	---	---	---	---

59. He helps others find meaning in their work.

0	1	2	3	4
---	---	---	---	---

60. He gets others to rethink ideas that they had never questioned before.

0	1	2	3	4
---	---	---	---	---

61. He gives personal attention to others who seem rejected.

0	1	2	3	4
---	---	---	---	---

62. He calls attention to what others can get for what they accomplish.

0	1	2	3	4
---	---	---	---	---

63. He tells others the standards they have to know to carry out their work.

0	1	2	3	4
---	---	---	---	---

64. He asks no more of others than what is absolutely essential.

0	1	2	3	4
---	---	---	---	---

.....❧.....