
Increasing the organization's IQ: public sector leadership in Southeast Asia

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Abstract

We live during an era in which the pace and scope of change are unprecedented. This is particularly true in the Asia-Pacific region where rapid growth has challenged the capacity of people and organizations to adapt. It has become increasingly clear that learning is now the key-stone to bringing about change at both the personal and organizational levels. This article examines the role which system-level leaders in public sector organizations play in creating learning organizations. It discusses tools which system leaders may use to establish conditions that support development of a learning organization.

Every few hundred years throughout Western history, a sharp transformation has occurred. In a matter of decades, society altogether rearranges itself – its world view, its basic values, its social and political structures, its arts, its key institutions. Fifty years later a new world exists. And the people born into that world cannot even imagine the world in which their grandparents lived and into which their own parents were born (Drucker, 1995, p. 75).

This quotation highlights the fact that we live during an era in which the pace and scope of change are virtually unprecedented. Individuals are under pressure to adapt to rapid changes in the workplace, society, and in their personal lives. Nowhere is Drucker's observation more true than in the Asia-Pacific region. Here rapid growth has challenged the capacity of people and organizations to adapt to a continuous stream of social, cultural and economic changes.

In this context of transformation, learning has become the keystone to bringing about change throughout society. This holds true for people in their individual lives and also for organizations. In order for organizations to adapt to the demands of this rapidly changing environment, they must also demonstrate the capacity to learn. Thus, the notion of the "learning organization" has become highly salient to leaders in a relatively short time.

Although the idea originated in the private sector, it has since spread into the public sector as well. Leaders in large public sector organizations face the same challenge of increasing the adaptability and responsiveness of their enterprises as private sector executives. However, in the public sector, system leaders often work with greater constraints, in terms of resources, traditions and policy structures. This is even more the case in East Asia where cultural norms as well as large, highly rigid organizational structures impede the development of public sector organizations.

In this article I consider ways in which leaders of large public sector enterprises in the Asia-Pacific region might foster the transformation of tradition-bound hierarchies into learning organizations. The article examines the boundaries of system-level leadership in public sector organizations. I begin with the assumption that although the key leadership for organizational learning occurs at the unit level, system leaders must establish the conditions that support a learning organization.

The focus of this analysis is on large public school systems, one type of public sector organization. I will discuss tools available to system leaders interested in making school smarter. The lessons apply equally to leaders in other public sector organizations who are intent upon developing learning organizations.

The challenge of change in East Asia

Global forces are driving societal and organizational changes throughout the world. In East Asia, these same change forces are propelling nations that were predominantly agricultural societies only a decade ago into global competition with highly-industrialized Western nations. This has created great stress on social, economic, cultural and political institutions in these developing countries. Recent economic turmoil in East Asia derives in part from the inability of societal institutions – public and private sector – to keep up with the demands of global change.

O'Toole has observed that: "In all instances in modern society, change is exceptional. When it comes about, it does so primarily as a response to outside forces... In no case does it come readily" (1995, p. 253). There is no question that change in East Asia is coming from the outside-in. In earlier eras, people – and organizations – had considerably more latitude to choose if, where, when and how to change; not so today. Virtually nobody can withstand the tide. This is the case whether we are discussing an individual learning to use an ATM machine, an organization adapting to new copyright laws, or a society accepting economic liberalization.

The fact that the source of change lies outside our national borders – regardless of where we live – is an important feature of today's managerial landscape. Corporate managers and public administrators increasingly find themselves leading the implementation of changes they neither chose nor initiated.

Not surprisingly, they also find themselves confronted with resistance to change from every direction. Although global trends have become social and economic facts of life to policymakers, people do not generally adapt quickly or willingly. In this context it would be natural for organizational leaders to view resistance to change as a problem that resides in the people who are being asked to change.

Thus, we often hear managers refer to people as "resisters", "obstacles" or even as "beached whales."

Yet, from another perspective, people are not the problem. Resistance to change is a human trait that serves well – if not taken to extremes. O'Toole emphasizes the adaptive nature of resistance:

A world in which change is the rule would be characterized by chaos, leading to social collapse. Therefore, a society must have one foot permanently on the brake; it must have a predisposition to tradition and conservatism (1995, p. 253).

This tension between change and resistance is readily apparent throughout East Asia today. Global waves – technological innovation, knowledge explosion, international trade, immigration, global transportation and communication networks, global warming, HIV/Aids – washing over the region appear to have wills of their own. In this era changes are occurring on such a scale and at such a rapid pace, virtually nobody can withstand the tide. This is the case whether we are discussing an individual learning to use an ATM machine, an organization adapting to new copyright laws, or a society accepting economic liberalization. The fact that innovation is coming primarily from the outside-in is an essential element when contemplating how to lead change in organizations at the turn of the century.

Assumptions about change in the East Asian context

While most of the above discussion also applies to the industrialized countries of North America and Europe, the East Asian context is also different in important respects. First, the recency of economic development in the region means that global trends enter societies that are less prepared to integrate them into the social-cultural fabric. Second, predominant value structures of the cultures in East Asia appear to differ from Western societies on a number of dimensions that impact on organizational management and change (Hampden-Turner and Trompenaars, 1997; Hofstede, 1991; Inkeles, 1997).

The individualism inherent in Western cultures is excellent for the purpose of stimulating invention and innovation at the grass-roots level. However, a high degree of individualism may serve less well in helping

organizations adapt to massive and rapid change. Increasingly Western organizations are looking for ways to create contexts that support the learning of individuals and organizations. Concepts such as learning organizations focus on maximizing adaptability to change by creating conditions for effective learning individually and collectively.

East Asian cultures more typically view change within the context of community. Few people can cope on their own with unbridled change. But most of Asia has thrown the shock-absorbing that an individual is bound to need onto the family, and the community and neighborhood networks associated with families, rather than onto public institutions. This is a policy that makes it extremely risky in Asian societies to function as a maverick; nobody, certainly not the government, will catch you if you fall (Rohwer, 1996, p. 344).

In the East Asian context, it is the social group that will provide support, rather than a government institution. This provides a very different context for change than in the West. This includes paying greater attention to developing spirit among people as a foundation for change. In contrast with the Western obsession with performance and results, Eastern cultures pay greater attention (depending upon the specific culture) to the spirit of the community. Take the Malaysian concept of *bergotong-royong*. *Bergotong-royong* or "community-effort" is a time-honoured custom practiced by Malaysians. It is therefore important for the spirit of community effort to be instilled in the consciousness of all Malaysians, particularly the young. The spirit of *goyong-royong* sows the seeds of neighborliness and the strengthening of unity. (Tun Uda, 1990, p. 16)

In Thailand, spirit is a fundamental aspect of all social relationships (Hallinger, 1995). Not a day passes without a newspaper account of people visiting a local or national leader who is experiencing some sort of problem. Followers come, generally in groups of five to 25, to offer *gumlung jai* (i.e., spirit or moral support). It may be villagers coming to offer moral support to a beleaguered politician. Or the staff of a department may come forward to offer their support to a department head. This public sharing of spirit takes place daily among people in all walks of life as part of their role in a community.

This practice of offering moral support or spirit to others does not just happen. It is a

culturally learned norm transmitted to children by parents and in schools. It reflects the importance Asian societies accord to community and reveals expectations the culture has for individual members. Spirit contributes to feelings of self-confidence and a sense of community.

A fundamental prerequisite to developing the capacity for change in individuals, institutions, or societies is a healthy sense of community. Without a sense of community spirit, individuals may lack the courage to attempt to change or the support needed to make their way through the sometimes difficult change process. Though many changes we deal with in organizations require the development of new knowledge and skills, it is spirit that is at the heart of any change process. The emerging era will require East Asian leaders to find ways of achieving results while maintaining a cohesive community, a significant challenge.

This challenge is further complicated by the fact that although the public sector in East Asian is less as intrusive, it is equally if not more rigid and highly centralized. This is a carryover from the past when centralized decision making by a small, highly educated élite was more appropriate to the needs of the society. However, today, as business has found, bureaucracies lack the necessary responsiveness to meet rapidly changing demands.

The role of system-level leaders in a learning organization

The culture of a public sector organization is not easily susceptible to change, particularly in the short term. The tools available to system leaders in changing organizational cultures are also limited. Public sector leaders often operate with inadequate resources, face ongoing political interference and work toward goals that shift rapidly and that are beyond their own control. Staffing, from selection and evaluation to work rules, is often characterized by rigidities and traditions that impede innovation. They may also lack the direct authority of private sector executives. Under these conditions, public sector leaders have traditionally relied upon a tortuous, lengthy and uncertain process of policy mandates and directives to achieve incremental change.

The changing environment of organizations today renders this strategy increasingly

less effective. Rapid shifts in government policy, increasing demands for worker input, higher levels of employee education, continuous technological innovation, and rising expectations among consumers are reducing the efficacy of centralized control strategies. The shortage of skilled labor in East Asia further complicates the situation as high turnover makes it difficult to train workers for increasingly complex jobs. While these trends apply to corporations, in the public sector, comparatively low salaries and an eroding sense of respect for Civil Servants make it difficult to attract, train and retain valuable workers. Together this presents a daunting challenge during an era of rapid change.

The transformational nature of the context for organizational leadership requires a change in focus for public sector leaders. They must focus on second order change strategies – improving the system's capacity to improve – rather than on direct administrative intervention in practice. As Engelhart has observed:

Given the shifting nature of organizations, the increasingly complex and urgent global market forces, and the virtual bombardment of end users by vendors and consultants, organizations must keep getting faster and smarter at identifying and integrating improvements into their everyday life. Improving this improvement capability should be a key element in every organization's improvement strategy (1991, p. 1).

The notion of second order change – capacity development – is fully consistent with the concept of learning organizations. Second-order changes involves developing the “collective IQ” of the organization (Engelhart, 1991). Here I wish to explore several avenues through which system leaders can stimulate, foster, shape, and support the development of public sector enterprises as learning organizations:

- modeling;
- articulating goals and purposes;
- fostering networks;
- developing people;
- managing information.

Modeling

In Senge's notion of the learning organization, modeling is a key facet of leadership. In a sense, therefore, the system leader becomes the head learner of a learning organization. Several elements must be in place to support individual and collective learning:

- motivation to learn;
- exposure to new concepts, models and practices;
- a teacher and/or coach;
- time to practice new skills under the guidance of a coach;
- appropriate equipment and tools;
- a place to learn;
- a social climate/environment that supports risk taking;
- encouragement and support during the learning process;
- feedback on efforts to implement new learning.

Modeling of risk taking by the leader is one key to creating a climate for learning. At a practical level leaders must also organize for and support the learning of staff. A former colleague used to keep a small plaque on his desk that said: “Anything worth doing is worth doing poorly.” When queried on why he would place such a backward concept in such a prominent place in an educational institution, he replied:

The single biggest obstacle to my staff's growth and development is their own fear of making mistakes. As adults we become increasingly fearful of trying things that we cannot already do well. So my goal as a leader is to let them know that I will support them when they make mistakes as long as they can offer a reasonable rationale for what they are attempting to do. That is, what they propose must be worth doing!

The plaque reminds them of my core value to support life-long learning. It also reminds me to stop and listen carefully when a teacher comes into my office with a scheme that may seem harebrained at first glance, but that may have merit on further exploration. As head learner, the leader must model risk-taking and learning for others. One cannot lead where one will not go.

Articulating goals and purposes

Goals focus the attention of staff on selected purposes or areas of activity. Clear goals are mentioned frequently as a hallmark of effective organizations. There is little doubt today that consensus among key constituencies over values, purposes and goals represents a desirable organizational characteristic. Yet, what is the role of system-level leaders in formulating and articulating goals and purposes?

McLaughlin (1990, p. 13) has noted: “You can't mandate what matters to people, but what you do mandate does matter.”

This issue revolves around potentially competing interests. On the one hand, a

global trend toward decentralization assumes that staff at the grass-roots level possess the best information for setting goals. On the other hand, even the most decentralized systems retain an interest in ensuring that certain public or societal purposes are achieved. As Caldwell (1997) has noted regarding education in the state of Victoria, Australia:

There is a curriculum and standards framework for all primary and secondary schools, local selection of staff, and an accountability scheme that calls for the preparation of annual reports to the community... Each school has a charter that reflects commitments to meeting local needs and priorities as well as those of the state as a whole (p. 2).

Learning organizations exhibit a paradoxical trait. They screen out unneeded or inappropriate proposals for change. They develop an intelligence about what is needed given the school's own shared values and goals. In a world of rapid change, this is especially important. As Drucker has observed:

Society, community, and family all try to maintain stability and to prevent, or at least to slow, change. But the modern organization must be organized for innovation – for “creative destruction.” [Its] function is to put knowledge to work. It is the nature of knowledge that it changes fast and that today's certainties always become tomorrow's absurdities (Drucker, 1995, p. 77).

It is the nature of organizations that they accumulate goals, policies, and rules faster than they shed them. While most leaders are familiar with processes for setting organizational goals and policies, they have few such processes to deal with their elimination. In order for unit leaders to focus on their goals, system leaders must systematically provide support for deciding what they will not do.

Fostering learning networks

Highly centralized systems tend to shield people from the very forces that call for change. In fact, Rohwer attributes the past success of East Asian nations in coping with change, in part, to the limited intervention of government in the lives of people.

Social protection is at heart a doctrine of conservatism. It is about guarding people against the destructive effects of change, which in practice means guarding them against change, full stop, since the creative and destructive aspects of it come as a package. As the force of technology has grown, it has become apparent that the only social and political organizations capable of thriving are those based on accepting

and adapting to change rather than trying to soften its blow (Rohwer, 1996, pp. 21-22).

There is currently an international trend away from highly centralized hierarchical systems. The belief is that this will lead to greater organizational adaptability. This process has proceeded to a considerable degree in the private sector and more slowly in public sector organizations.

In fact, the traditional dichotomy of centralization/decentralization is itself a vestige from the industrial age. It fails to capture an essential feature of the information age: the gradual disintegration of the political and institutional boundaries. In the information age, fluid, cross-national networks are replacing traditional organizational forms (Naisbitt, 1997). As Ohmae has observed with respect to corporate management:

The trick is to develop policies that help companies to learn and respond quickly to changing conditions — rather than policies that either protect or isolate them from competition or external change. The goal, in other words is to foster the development of flexible communities of interest through local networks. These networks provide multiple forums for collaboration and the exchange of opinions... The heart of the challenge, remember is not to solve all problems locally, but rather to make it possible to solve them by harnessing global resources (Ohmae, 1995, p. 96).

These observations are equally salient to public sector organizations. In this global era, organizations can no longer operate as islands in a sea of rapidly changing tides of change. Although traditional institutional boundaries remain in place for certain purposes, they limit the ability of organizations to act imaginatively or to respond effectively to changing conditions.

Kanter makes a similar point in discussing the concept of “collaborative advantage” in the business environment. Collaborative advantage is the ability to derive benefits from alliances, partnerships, and other linkages (Kanter, 1995). As public sector organizations operate in increasingly open and competitive environments, they will also need to find ways of creating collaborative advantage.

System leaders can play a role here by fostering the creation of networks among managers and staff in various organizational units. Decentralization of authority along political-institutional lines will likely gather steam in the public sector in the years ahead. Highly centralized systems of control are

gradually being replaced with systems that open units up to their environment be it through increased competition or through increased local control.

In a decentralized system, networks among communities of learners become even more important, though they may exist along with different criteria. Certain needs or purposes may dictate the formation of a horizontal network. The existence of global information networks such as the Internet make this possible today.

Thus information technology and networking represent important vehicles for stimulating the development of learning communities. Public sector organizations become units within networks, not based solely upon arbitrary institutional affiliation, but upon perceived needs and common interests. This notion of networks shifts our traditional notion of the learning organization to a much broader context.

Developing people

The focus in this article is on developing the capacity of the public sector organization to change. Yet, in the end, change will only result when the people that make up the organization themselves change. Change at the individual level depends largely upon the capacity to learn new skills, develop new attitudes, and/or come to new understandings. This is a lifelong process that goes well beyond selection, orientation or employment certification.

A persistent problem facing public sector organizations entails how to foster staff learning throughout their careers. There are several ways in which the system level can foster a culture for lifelong learning. First, it is important that staff come to view continuous learning as part of the professional role. Surprisingly, within the public sector, lifelong learning has been conspicuous by its absence as a professional norm. Even in nations with highly-developed systems of certification such as the USA, professional development has generally been viewed as an option based upon individual choice.

When the choice of whether to engage in professional development is left to the individual, some will simply neglect it. Others will desire the opportunity to develop, but they may lack the necessary fiscal and human resources and support.

The process of change requires both pressure and support. The clear articulation of

system expectations for growth is not incompatible with the culture of a learning community. Thus, policies that hold organizational units and staff accountable for continuous development are appropriate, even in decentralized systems.

At the same time, the choices of how to develop and in what domains are best left to organizational units and individual staff. For example, part of an annual planning process ought to determine the areas in which the staff will engage in learning collaboratively. Another policy dimension might focus on the learning goals and activities of individual staff members.

Managing information

One of the revolutionary changes today concerns the availability and use of information globally. As suggested above, there has been an explosive growth in the amount of information available today. This is increasingly being carried throughout the world on global networks such as the Internet and through organizational intranets. The combination of technology and information is transforming the management and operations of business organizations throughout the world:

[A]t the company level, they have changed what managers can know in real time about their markets, products, and organizational processes. This means that managers can be far more responsive to what their customers want and far more flexible in how they organize and provide it (Ohmae, 1995, pp. 28-29).

Public sector organizations are, unfortunately, lagging behind business both in terms of access and use of this information. The skilful use of relevant information will become a characteristic of successful organizations in the future. Salient, real-time information represents one of the key elements necessary to learning, for organizations and individuals. Technological innovation, if put to proper use in schools, can assist leaders and staff in making better decisions. But what types of information?

As is the case with managers in the private sector, we are just beginning to understand the potential of global information access. Consider people in marketing and advertising. With the global advent of the World Wide Web in 1994-95, they just knew the Internet was going to be a bonanza. Yet, it has taken several years for them to even begin to appreciate the ways they could use this new

medium. The same will be true in education and the public sector.

This seems to be a fruitful area in which the system level can make a difference in creating the possibilities of collaborative advantage. First, system leaders can foster technological development. Technology is one of those domains that system-level leaders cannot afford to leave to chance. Technology implementation requires a vision that all units may not yet possess.

Second, system leaders can foster organizational learning through the provision of salient information or via ensuring access to critical information. As organizations begin to possess more networking technology, it will be possible to have key data (e.g., on client feedback, or staff responsiveness) manipulated in real-time. Schools, for example, will be able to have their students take tests which are scored and transmitted back to schools immediately. Moreover, various analytical functions will be accomplished easily and quickly. Unit leaders will be able to make more informed decisions and system-level authorities will be able to monitor and fulfill their accountability function even in highly decentralized systems.

A similar information management function will be possible with a range of community-based data. This could include surveys of staff, consumers and community organizations. For example, assume that a unit team wished to collect data on some aspect of organizational performance (e.g., technology implementation or responsiveness to feedback). It might make use of a Web site set up by the system level on the Internet.

In the present it is possible for staff and community members to simply access such a site and fill in their responses to a survey. The Web site would also possess the capacity for easy analysis of the data in order to generate a profile of the unit's current status. In the future, it will be equally possible for members of the community to also respond to surveys in this way from their homes, businesses, or local cyber-kiosks.

A third focus for system leaders in information management concerns the development of organizational networks. Again, we return to the notion of units as sub-communities within communities of learners. The system level can foster innovation by assisting in forming interest-based communities. Engelhart, a pioneer in experiments with

using technology to improve organizational learning, claims:

Information technologies may be able to serve as the connective tissue between people and information. The result would be an increase in the organization's collective IQ, which would in turn supercharge a group's ability to improve itself over time (1991, p. 3).

For example, in the United States, NCREL – a regional educational laboratory – has established a site on the World Wide Web devoted to a variety of issues salient to school improvement. This Web site offers:

- information – for example, abstracts of the latest research on school improvement topics;
- a message board where practitioners can post school problems on which they seek information or models from other educators;
- a chat room with moderated discussions where practitioners can “discuss” topics online with other practitioners and with noted academics or policymakers;
- tools for school improvement such as surveys, planning software, and the like.

This type of information function again fosters collaboration across schools. Individuals who access this site are reaching out to a knowledge base that was previously unavailable to them, or which was not available in real-time. The provision of resources to support the learning of individuals and organizational units seems highly salient as a future role for the system level.

Conclusion

Discussions of the learning organization often focus on the role of leaders at the grass-roots level. It is often assumed that decentralization of decision making will by itself foster the development of a learning organization. In this paper I have sought to define a role for system leaders in fostering learning organizations in the public sector.

I have discussed a number of ways in which system leaders might contribute to the public sector organizations to learn and change:

- System leaders should focus on second-order changes – improving the capacity of the system to improve: the system's collective IQ.

- Set broad directions, but leaving room for local adaptation of purposes and local selection of methods and practices.
- Devolving responsibility, while consistent with learning organizations, does not bring about desired results without other conditions being met.
- System leaders can create a policy context that is more friendly to fostering conditions that support learning organizations.
- Practice creative destruction, reducing policy accretion and stimulating local initiative.
- Manage information; help local managers develop their capacity to use information effectively or learning.
- System leaders should provide incentives and support in using electronic networks such as the Internet for staff development and also for the development of school-to-school networks focussing on common areas of interest.

Note again that a premise of this paper has been that, at heart, developing learning organizations is a process of cultural change. That process is by definition slow and not easily susceptible to direct manipulation by system leaders. Thus the recommendations presented here focus on shaping the context in which schools operate rather than on the mandate of policies or practices. That is not to underplay the importance of system leadership, only to define it differently.

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