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Organizational learning in stakeholder relations

Abstract

Purpose: The purpose of this paper is to highlight challenges regarding learning in stakeholder relations in profit and nonprofit organizations.

Design/methodology/approach: Conclusions and models presented in the paper have been designed based on the systems perspective, critical thinking and critical review of previous contributions.

Findings: Organizational learning has been examined in profit and nonprofit organizations and factors which stimulate this process have been identified. More precisely, factors contributing to organizational learning in board of directors have been critically examined, accreditation as a factor contributing to organizational learning in higher education institutions (HEIs) has been suggested, learning dynamics in university-industry collaborations and inter-professional learning have been examined as well as organizational learning as a bottom-up approach supported by transformational leaderships.

Research limitations/implications Conclusions and models provided in the paper need further empirical testing and validation.

Practical implications Useful implications for practitioners in profit and nonprofit sector have been suggested based on the critical analysis of previous contributions regarding stimulation of organizational learning in stakeholder relations.

Originality/value: Contributions from previous authors have been systemically and critically reviewed, adapted models have been provided and suggestions for practitioners in this regard have been offered.

Keywords: organizational learning, board of directors, higher education institutions, university-industry collaborations, inter-professional learning, transformational leadership

Introduction

Members of the society are continuously in the pursuit of activities that could contribute to productive changes and solutions to current problems. Learning is a powerful moderator in these processes because it connects various stakeholders and, without exception, results in new insight. That insight could have the potential to be transformed into new value that could improve the position of one or many stakeholders whether intentionally, unintentionally, immediately or with some delay.

The missing link in that scenario is the process of organizational learning. There are different views on the essence of the process of organizational learning. According to Huber (1991), it takes place in four phases: information acquisition, information interpretation, organizational

memory and knowledge retrieval. In that way, organizational learning can yield maximum benefits if the knowledge is acquired from various sources and shared throughout the organization, which could result in its utilization in the creation of new value. However, it would be more beneficial to determine how organizational practice has changed on the basis of learning that took place. In that way, it is suggested that future studies also examine the extent of single and double loop organizational learning according to Argyris and Schon (1981). If knowledge stored in the organizational repository helped design alternative solutions and corrective actions regarding detected problems, the organization was pursuing single-loop organizational learning. In that process, no changes have been introduced to organizational goals or organizational routines. However, if the legitimacy of the established goals and underlying value creation assumptions have been put under scrutiny and changed based on the acquired knowledge and its joint interpretation, double loop organizational learning was underway. Joint interpretation and consensus could refer to members of the board and top management or other key organizational members. In organizations of a smaller size, consensus regarding organizational change could be reached by involving all organizational members. The results could be new goals, systems, policies, SOPs, or in other words – new organizational practice.

Again, a missing link in the process of organizational learning should be identified. In essence, it refers to absorptive capacity of the organization and its members. Absorptive capacity depends on formal organizational factors such as the organizational structure, the incentive system to learn and share knowledge, but also on the informal elements such as the degree of internal communication and quality of informal network (cf. Volberda et al., 2010). The key binding element between individual and organizational learning is therefore the human factor – trust, openness, willingness to participate in dialogue and respect for others.

In this paper, papers from the Issue 2 of the Learning Organization Journal have been critically reviewed in light of stakeholder orientation and the process of learning in such relations with the emphasis on their implications for practitioners in both profit and nonprofit organizations.

Learning environment and board variety

According to the postulates of the stakeholder theory, the task of management is to identify relevant stakeholders and manage corporate relations with them. Stakeholder management is very complicated due to multiple, often conflicting interests of stakeholders which could occur simultaneously. However, not just management is engaged in stakeholder relations. Fernandez (2019) discussed the role of board directors in successful stakeholder management. Due to an increasingly complex business landscape, the role of the board of directors is no longer limited to monitoring the corporate performance but expands to the field of strategic management. The role of modern boards is to provide support in determining the strategic direction, which is related to stakeholder management, especially in the field of corporate social responsibility and sustainability (Ingley, 2008). In that way, stakeholder management, which involves the board of directors, directly affects competitiveness and long-term value of the firm.

Fernandez (2019) has especially addressed the question of board diversity in the context of stakeholder management. Members of the board are considered as sources of knowledge which could help firms optimize their relationships with stakeholders, especially non-financial

stakeholders, by virtue of strategic management. Fernandez hypothesized that board diversity in terms of gender, ethnic and international diversity positively affects stakeholder management by introducing diversity in stakeholder approach. However, there is a missing link between board diversity and stakeholder management and that is the process of learning, which connects members of the board and drives them to reach a certain outcome relative to stakeholder based strategic management. In her paper, Fernandez (2019) put emphasis on the board's learning environment as a complementary factor to successful governance (Aguilera et al., 2008). In order to result in a favorable stakeholder strategic management which could be suggested to management, board learning environment should foster different perspectives of perception, learning, knowledge sharing and its implementation in decision-making. Diversity could be the missing link that could stimulate diversity in learning and which could, in turn, result in superior ideas regarding strategic and stakeholder management. The fact of favorable effects of board heterogeneity in terms of knowledge management has also been suggested by Johnson and Hill (2013).

Boards of directors have already been identified as sources of information and knowledge from the external environment, especially regarding previous successes or failures of certain approaches, which they have witnessed in their prior engagements. Their experience in this regard could affect organizational learning by stimulating more diverse strategic perspectives (Heyden et al., 2012), which could result in the pursuit of diverse strategic directions and options. However, prior to changing the strategic direction, board learning environment should serve as a catalyst in challenging business assumptions, which is also stimulating for management to determine appropriate strategic direction and course of action. In that way, boards of directors serve as monitoring agents and co-creators of corporate strategic management by providing strategic advice based on their experience and expertise. The importance of boards acting as learning systems has also been emphasized by Garratt (2017) in his book *Stop the rot – reframing governance for directors and politicians*, which has been reviewed in this Issue. Garratt (2017) advocates the idea of value-based governance, which is opposed to executive-led capitalism and indicates that emotional and legal ownership should be blended for effective corporate governance. In that way, corporate governance becomes a learning process of continuous improvement based on the inclusion of knowledge of the social system as a whole in the pursuit of viability and sustainability.

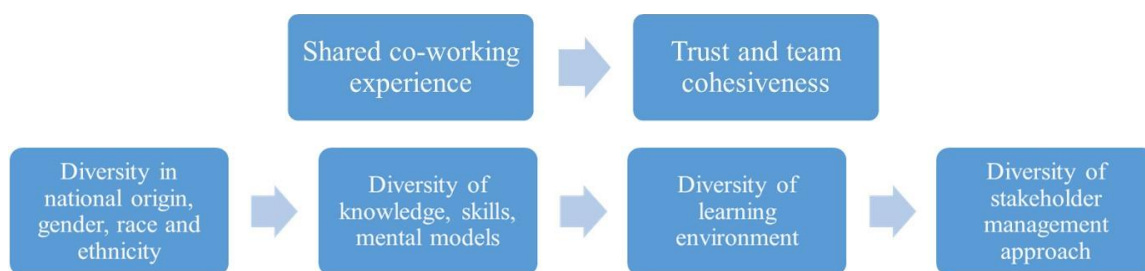
Following the assumption that board diversity could stimulate learning diversity, which could subsequently lead to effective strategic stakeholder management, Fernandez (2019) examined the following characteristics of board members – national origin, gender, race and ethnicity. It is well known that different countries have different characteristics relative to Hofstede's model of cultural dimensions. National background through its values system, education and socio-political system influences individual perceptions and behavior. For example, Scandinavian countries exhibit a strong tendency towards femininity, which also means higher emphasis on stakeholder management, sustainability and social responsibility. Gender was also found to be a factor of behavioral difference. Bilimoria and Wheeler (2000) found that female members of the board are more open to new ideas and approaches which probably leads to the fact that they are more prone to change than their male counterparts. Williams (2003) found that the greater the number of women on the board, the greater the tendency to corporate philanthropy. Ethnical and racial diversity is also likely a contributing factor to board dynamics in terms of knowledge and decision-making. Wang and Coffey (1992) found that boards with greater minority representation show a higher tendency toward corporate

philanthropy. All these factors have bearing on the board behavior and are likely to stimulate a vivacious learning environment.

In order to test her hypotheses, Fernandez (2019) added a factor of co-working experience, which is defined as the overlap in directors' board tenures (Tian et al., 2011), which results in the interplay of knowledge, skills and mental models that shape the board's decision making. However, this is a very challenging task because boards are mostly composed of part-time external members, which meet periodically for a limited amount of time to make complex decisions (Barroso-Castro et al. 2016), so diversity in viewpoints could cause coordination problems (Forbes and Milliken, 1999) and conflicts (Lau and Murnighan, 1998), which could significantly impede the decision-making process. However, as theorized by Fernandez (2019) shared co-working experience could increase trust and team cohesiveness, which in the presence of diversity in national origin, gender, race and ethnicity could lead to diversity of knowledge, skills and mental models, which could then lead to a more vivacious learning environment and hence to diversity of stakeholder approach leading to a more balanced strategic management relative to stakeholders.

The reason for this approach could be found in the necessity of modern boards to discuss various issues, including those of strategic nature and serve as strategic advisors to management, which was not required from them in previous decades, at least not in that extent. Modern business is so complex and volatile that all members of the corporate governance system are invited to contribute to the firm survival and sustainability of strategic options. This entails the need to engage in learning and knowledge sharing on all levels, including the board, which gives rise to the importance of board learning environment. As postulated by Fernandez (2019), a high degree of overlap in directors' board tenures is likely to be the missing link which helps to overcome negative implications of board diversity. The rationale is depicted in Figure 1.

Figure 1. The interplay of co-working experience, diversity, learning and stakeholder management



Source: Based on Fernandez (2019)

The study by Fernandez (2019) proved empirically that board diversity contributes to a greater diversity with regard to stakeholder obligations and the knowledge necessary to fulfil these obligations. In addition, the boards' learning environment was shown to moderate the link between board diversity and stakeholder management. This study could therefore be useful for practitioners to convince them that diversity of the board of directors could be a way of dealing with stakeholder requirements more effectively, which could result in better strategic decisions and sustainability. Proactive approach in this regard could be a better way than mandating quotas to operationalize board diversity.

Organizational learning by stakeholders in higher education

General characteristic of higher education institutions (HEIs) are organizational rigidity, centralization of decision-making and autonomy of academic work. These characteristics could significantly hinder the process of organizational learning and hence organizational performance. Surprisingly, it is more likely that members of the HEIs' would contribute to performance and organizational learning of other organizations in which they serve as consultants. In addition, academic work is highly specialized and focused, often conducted in autonomous units such as departments or project teams, which results in little or no feedback to other organizational members. Management pursues the free-rein leadership style and lets organizational members set their own goals and determine means to achieve them. The leader's role consists of furnishing subordinates with resources and information, and interacting with external environment. Organizational members' motivation arises mostly from their innate, intrinsic motivation towards their work. That is why common vision is rare, and can be identified only in the collective intention to pursue quality education and research.

However, modern HEIs are pressured to pursue various accreditation processes, which serve as a signal of quality assurance to their stakeholders. Accreditation could also be considered a missing link which could contribute to the increase of organizational learning in HEIs. The mission to promote knowledge and learning of their stakeholders could through the accreditation process be reversed internally – to promote joint learning and knowledge sharing of organizational members leading to organizational learning in terms of changed organizational routines and behavior. It is important to note that this type of learning and knowledge exchange refers to organizational members' learning relative to the institutions' stakeholders, which results in new mental models or organizational assumptions regarding their stakeholders noticeable in new policies, SOPs, rules, systems, processes, projects etc. It could be speculated that organizational learning which was stimulated by the accreditation process could improve organizational performance of HEIs.

Organizational learning and organizational performance are multi-dimensional phenomena that could be measured in many ways. One suggestion is to measure institutional results, teaching results and research results. All these aspects could be measured by using the stakeholder approach. Every accreditation body could impose their own methodology that is based on these elements considered from the standpoint of various stakeholders. Organizational learning can be described by using the model of single and double loop learning by Argyris and Schön (1978) or the model by Huber (1991) according to which the processes such as knowledge acquisition, information distribution, and information interpretation are analyzed followed by the analysis of the organizational memory.

Accreditation process often requires joint participation of various administrative departments but also faculty in preparing the necessary documentation. This process is followed by intense interactions, dialogue with internal and external stakeholders and exchange of information, knowledge and ideas. Accreditation could result in conditional approval followed by the list of necessary improvements. In these circumstances, smaller HEIs often resort to collective brainstorming of ideas, which results in a common vision on how to proceed and improve organizational practice so that accreditation success could follow. Employee participation in decision-making could therefore be considered an important link leading to organizational learning in HEIs in the process of accreditation.

Tran (2019) empirically investigated the role of organizational learning in HEIs. The purpose of the study was to investigate the moderating role of organizational learning in the relationship between employee participation and academic results. The assumption was that when organizational learning is underway, faculty shares knowledge regarding academic, research and institutional goals and participates in decision-making, which positively affects academic results. It was suggested that organizational learning could strengthen the relationship between participation and academic results. More precisely, the relationship is stronger when the level of organizational learning is higher, which was empirically confirmed. HEIs' practitioners should consider increasing employee participation in the decision-making process because it can increase organizational cohesion and contribute to greater motivation due to the emerging common vision. However, this process should be accompanied by efforts towards increasing organizational learning. The synergy of these two processes leads to an even greater increase of academic results compared to the influence of employee decision-making participation alone. Practitioners should also keep in mind that these processes are related and the way to stimulate them is to introduce and foster certain activities. These activities could be: meetings, project work, formation of task forces etc., which should be used to stimulate dialogue as the process in which the meaning flows through the members of the group leading to integrative solutions, which could be reflected in organizational learning outcomes such as changed organizational routines and behavior.

Organizational learning through connecting internal stakeholders

Despite the importance of external stakeholders, organizational learning occurs through the efforts of internal stakeholders – managers or leaders and employees. It is through their interaction that an organization assesses its compatibility with external opportunities and develops solutions to overcome detected threats. In that process, feedback from both external and internal stakeholders serves as a valuable input in the organizational learning process. However, organizational adaptation occurs through the process of collective sense making or interpreting of gathered information and knowledge in which the knowledge is institutionalized as adapted organizational practice. It is therefore logical to assume that the interaction of organizational members in terms of joint interpretation of certain information and knowledge stimulates their further analysis and synthesis in terms of specific organizational activities.

In their paper, Chou and Ramser (2019) have addressed organizational learning as a bottom up process which stems from employee workplace activities and in particular their behavior toward the leader. Leader-employee interaction leads to an increase in human, social, knowledge and leadership capital. In the circumstances of largely empowered knowledge workers, it is unrealistic to assume that the organizational learning process is initiated solely by managers and leaders. On the contrary, the process should be considered from both perspectives as the top-down approach in which the leader establishes the desired strategic direction, often after reaching consensus among key organizational stakeholders through exercising the discipline of common vision, but also as the bottom-up process. In the dynamic business environment of the modern business, leaders need support and feedback from employees who are specialists in their own field of expertise. In that way, strategic options are often suggested by empowered employees or by employees who have superior knowledge regarding external stakeholders, such as vendors who are in immediate contact with

customers. It is their feedback that gives incentive to further dialogue, innovations, adaptations and hence organizational learning.

Chou and Ramser (2019) have addressed the bottom-up organizational learning in particular by analyzing several contingencies and connecting them into a multilevel model of organizational learning. The first is employee upward helping, which refers to the process in which employees furnish leaders with new information, insight and knowledge from their task domain. In that way, the leader's knowledge capital is strengthened as well as their social capital, which could lead to numerous benefits such as a more appropriate role assignment in the future. By learning about the insights that employees share, leaders also develop their leadership capital by discovering what approach could work best to inspire and motivate employees. In addition, leadership capital strengthened through the process of employee interactions contributes to further incentives for employees to develop their knowledge and skills. Organization-wise, leaders furnished with new knowledge stimulate improvements in the information and knowledge management system, which further stimulates organizational learning in terms of changes in organizational routines. Further empowerment could also be one of the expected consequences and benefits. In particular, employees whose empowerment has been confirmed increase their feelings of responsibility and accountability, which stimulates them to share their concerns, opinions, insight and knowledge even more intensely and proactively. The process is being reinforced internally through employee-leader interactions and externally by relations with relevant stakeholders. However, internal reinforcement contributes to strengthening of the described dynamics and hence to productive and effective organizational learning. The rationale is depicted in Figure 2.

Figure 2. Strengthening of knowledge, leadership and social capital in organizational learning



Source: Adapted from Chou and Ramser (2019)

Stakeholder interaction for learning in university-industry collaborations

Knowledge is becoming increasingly more complex so its generation could only be achieved in teamwork and preferably in an organizational setting. Universities and industry are key social knowledge generators of today. Industry benefits not only from technical and technological knowledge, but also from learning about new management concepts and techniques. It is therefore reasonable to connect these two sources of knowledge in joint collaboration regarding the development of new knowledge. These efforts have led to

university-industry relationships (UIRs), which are formed around the same goal – new knowledge generation. However, these relationships are simultaneously inhibited by conflicting interests regarding knowledge exposure. Barriers to stronger UIRs could also be related to organizational and cultural factors. Academia benefits from new knowledge that could be immediately publishable to increase personal and organizational reputation, ensure incentives and further funding. However, stakeholders from the industry are not interested in quick public exposure of jointly developed knowledge which contributes to their competitive advantage. That is why, in her work, Kunttu (2019) addressed the question which practices facilitate ease of this tension and contribute to strong joint collaboration of these learning alliances.

Practitioners should keep in mind that UIRs learning in this paper has been considered from the standpoint of the definition of relationship learning by Selnes and Sallis (2003) as a joint activity in which parties share information, jointly interpret it and then integrate the new insights into shared relationship-domain memory that could lead to changes in relation-domain behavior. The first phase refers to knowledge sharing or knowledge transfer in formal and informal interactions among partners. The second phase refers to joint interpretation of knowledge through joint sense-making. In the third phase, a relationship-specific knowledge is created, which could be stored, transferred and integrated in processes specific to each stakeholder such as in industrial commercialization or as published academic outputs. It is evident that major conflicts could be found in the last phase. However, the conflicting end result of the university-industry collaboration could also hinder the process altogether. Based on the case studies examined by Kunttu (2019), Table 1 shows the most important implications of such learning alliances in all three phases of work.

Table 1. Factors of knowledge generation and integration in university-industry collaborations

| | Underlying collaboration principle | Formal aspects of joint work | Facilitating factors | Major fear | Major obstacles - academia | Major obstacle - industry |
|---|---|-------------------------------------|---|--|---|---|
| Phase 1 Knowledge sharing | Knowledge sensitivity relative to third parties | Non-disclosing agreement | Length of collaboration Previous personal ties and relations Trust | Opportunistic behavior of the other party Information leakage | Lack of motivation of researchers due to information sharing restrictions | Inhibition in information sharing |
| Phase 2 Knowledge creation, joint sense making | Searching for a common understanding | Non-disclosing agreement | Extension of industry incentive systems to include researchers Internalizing researchers in the corporate reporting system | Opportunistic behavior of the other party Information leakage | Looking for publishable material Limited publication possibilities | Lack of motivation on the part of researchers |

| | | | | | | |
|--------------------------------------|--|--|--|--|---|---|
| | | | University incentive system to encourage collaboration with industry | | | |
| | | | Previous personal collaboration (PhD programs, research background in industry) | | | |
| Phase 3 Knowledge integration | Looking for knowledge institutionalization options Developing prototypes Working on pilot projects | Non-disclosing agreement Agreement on intellectual property | Employment of researchers working on joint projects Consensus regarding publication options Joint authorship | Opportunistic behavior of the other party Information leakage | Restrictions in publication possibilities | Fear of unintentional public disclosure |

Source: Based on Kunttu (2019)

Research results by Kunttu (2019) could have significant implications for policy regulation in both the industry and the academia. Joint collaboration between the industry and the academia could show significant benefits not only for these stakeholders, but also for the society at large in terms of development of new products, techniques and technology but also in terms of teaching students the most recent industrial developments. However, it could be noted from Table 1 that the most important obstacle in this relationship is the conflicting interest regarding the researchers' motivation relative to industry, which is the quest for publishable material. Universities and national bodies regulating education and research should therefore change the university employment policy in that professional work especially collaboration with industry is valued, appreciated and stimulated at least equally as the efforts to increase publishing and its impact. On the other hand, the interest to collaborate on the part of the industry is lower due to fears of intentional and/or unintentional public disclosure of valuable information. However, considering the wider social benefits, governments should also modify their policies and support such learning alliances by providing incentives to industrial stakeholders willing to develop such relations.

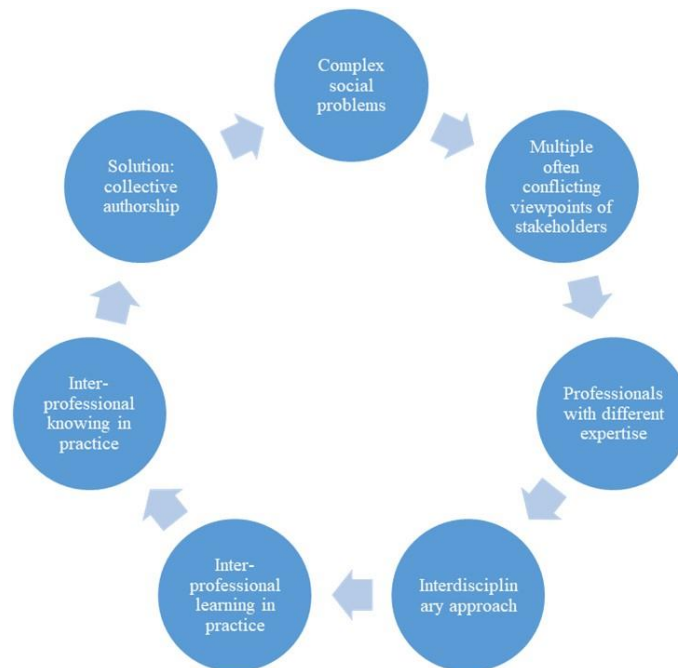
Inter-professional learning and knowing in stakeholder interactions

Many modern problems are complex in nature and require collaboration of a variety of individuals with a diverse professional background. Their cooperation is crucial in designing suitable models of management of various organizations and social issues. This process is often political in nature, which entails many rounds of negotiations and dialogue transparent for the society at large. It is logical to conclude that that process could be characterized not only as a process of designing creative solutions, but also as a collective learning process

which involves and includes different aspects of professional knowledge, but also leads to new knowledge for almost every involved stakeholder. In that process, involved stakeholders further develop not only their professional knowledge, which is being considered and implemented in various contexts and relative to various contingencies, but also their skills such as social skills, presentation skills, listening skills, team working skills as well as negotiation and dialogue skills when interacting with stakeholders of different professional and personal background.

This process is, without any doubt, very complex and professionally and personally demanding. However, considering its complexity and variety, it couldn't be taught or trained, except in practice. That is why it could be referred to as professional learning in practice or inter-professional learning in practice involving professionals with different expertise capable of interdisciplinary approach. Since it results in knowledge of some sort, the result of their interactions could be referred to as professional knowing in practice, inter-professional knowing in practice or simply "knowing" (Fenwick et al., 2012). Following this line of thought and considering the fact that inter-professional learning results in inter-professional knowing, the result of this process is also some form of professional knowledge which has – the collective authorship (Bispo, 2019). Such an outcome represents an integration of multiple and often conflicting viewpoints and expertise considered from various aspects of responsibility and organizational and inter-organizational dynamics. The outcome as a collective authorship therefore represents the solution to current social problems and is based on 1) different professional expertise, 2) interdisciplinary approach, 3) inter-professional learning in practice, and 4) inter-professional knowing in practice. The group dynamics leading to a collective authorship as a solution to complex social problems is depicted in Figure 3.

Figure 3. Solving complex social problems by inter-professional learning



Source: adapted from Bispo (2019)

It is suggested that this process is considered as cyclical in nature. The group of professionals that participated in the process of reaching the solution should consider the viability of the proposed solution in practice, which often consists of numerous facets relative to the nature of the examined social problem. Consequences of a particular solution could be evident immediately and/or with delay. Consequences could be intentional and unintentional, which could also be evident with delay. Manifestations of the designed solution should therefore be carefully considered especially after the solution has been in use for some time. It is likely that a group consisting of different individuals of the same or different expertise would work on problems that have either emerged as a consequence of previous solutions or have occurred due to some other contingencies not evident previously. However, the process of finding a solutions regarding new contingencies should follow the same proposed cycle.

To gain further insight into how inter-professional learning results in inter-professional knowledge and collective authorship, practitioners could refer to Bispo (2019), who explained the process on the example of Waterfront Administration Committee of João Pessoa, Brazil. In that case, different aspects of waterfronts have been considered including environment and sustainability, entrepreneurship, tourism and social issues regarding local communities. Inter-professional learning in this case results in inter-professional knowing and collective authorship based on knowledge regarding legislation and public administration, urbanism, demography and engineering, just to name the few.

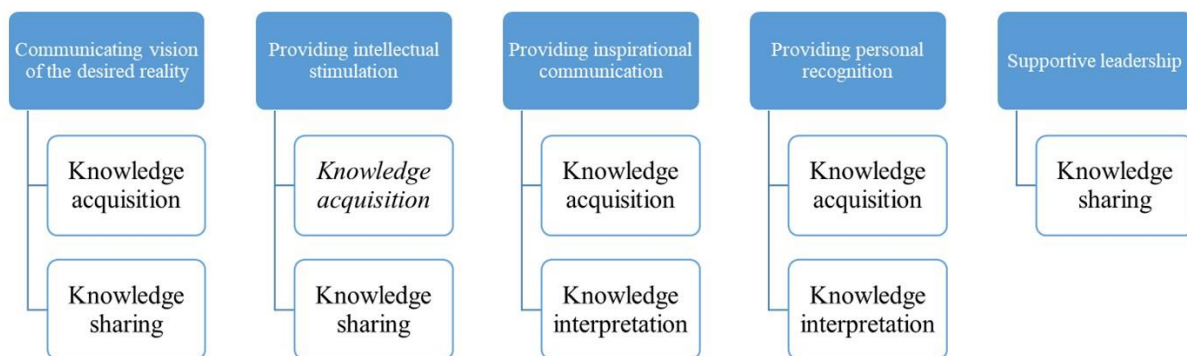
Instead of conclusion – the missing link in organizational learning

Every collective action is expected to fail unless supported by adequate leadership. Organizational learning is no exception. In his paper, Levitats (2019) addressed the role that transformational leadership has in organizational learning processes. Both organizational learning and transformational leadership are complex processes and multi-dimensional constructs which consist of many dimensions. Levitats (2019) empirically examined which aspects of transformational leadership behavior could stimulate which sub-processes of organizational learning. He proposed these relationships based on the Ability-Motivation-Opportunity (AMO) framework (Appelbaum *et al.*, 2000; Boxall and Purcell, 2003). It served him to classify each transformational leadership dimension as the ability, motivation or opportunity mechanism. Ability refers to skills and capabilities necessary for successful task completion, motivation refers to the drive towards the completion of a specific goal and opportunity refers to contextual and situational factors relevant for successful performance.

Levitats (2019) has examined organizational learning according to the model by Huber (1991) and revised by Pérez López *et al.* (2005) and which consists of the following processes: (1) knowledge acquisition (internally and externally), (2) knowledge distribution (knowledge sharing within the organization), (3) information interpretation (collective sense making of new information), and (4) organizational memory (storage of information and knowledge for future use, leading to changes in systems, structures, strategies, procedures, rules etc.). Transformational leadership has been examined according to Rafferty and Griffin (2004) and includes five sub-dimensions: 1) vision (expression of the desired picture of the future), 2) inspirational communication (expression of encouraging messages that strengthen motivation and confidence, 3) intellectual stimulation (encouragement of problem awareness and ability to think differently), 4) supportive leadership (support of individual needs) and 5) personal recognition (provision of rewards, praise and acknowledgement).

Levitats (2019) suggested that leaders who clearly express their *vision* of the desired reality and provide *intellectual stimulation* by raising awareness of specific problems and stimulating out-of-the-box thinking are likely to affect employees' *ability* to acquire and share knowledge. These aspects of transformational leadership are likely to challenge existing mental models, lead to problem reformulation and stimulate information and knowledge acquisition and sharing. In addition, leaders who engage in *inspirational communication* and show a high level of *personal recognition* based on rewards *motivate* employees to acquire knowledge and engage in its interpretation. Inspirational communication provides encouragement that goals are attainable, which simulates information acquisition, its sense making and learning. Personal recognition provides signals to employees that their efforts are appreciated and consistent with the communicated vision of progress. Lastly, *supportive transformational leadership* creates a *context* in which employees transfer knowledge. The relations are depicted in Figure 4. Empirically, only the effect of intellectual stimulation on knowledge acquisition was not confirmed.

Figure 4. Effects of dimensions of transformational leadership on organizational learning



Source: Based on Levitats (2019)

Practitioners should test these relations in their own practice and also include various interventions such as training and mentoring programs to stimulate transformational leadership behavior in managers considering its strong implications on organizational learning.

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