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Evaluating the Effectiveness of the Use of Scharmer's Theory-U Model in Action-Learning-Based Leadership Development Program

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***Abstract*—**We constructed a training program for top-talents of a Bank with Scharmer Theory-U as the model. In this training program, we implemented the action learning perspective, as it is claimed to be the most effective one currently available. In the process, participants were encouraged to be more involved, especially compared to traditional lecturing. The goal of this study is to assess the effectiveness of this particular training. The program consists of six days non-residential workshop within two months. Between each workshop, the participants were involved in the works of action learning group. They were challenged by dealing with the real problem related to their tasks at work. The participants of the program were 30 best talents who were chosen according to their yearly performance. Using paired difference statistical test in the behavioral assessment, we found that the training was not effective to increase participants' leadership competencies. For the future development program, we suggested to modify the goals of the program toward the next stage of development.

***Keywords*—**Action learning, behaviour, leadership development, Theory-U.

I. Introduction

UNDENIABLY, company always wants individual with leadership capacity. Leaders are seen as a moving force that would move individuals toward a certain direction, preferably, the company's goal. The bigger the company is, the more individuals it needs to manage, consequently, the more leaders it requires to oversee many parts of business process. From that pressing need of leaders, the company would hire and promote more individuals who, ideally, have what it takes to be a leader. However, despite sounding so simple, this placement act is anything but simple.

Being a leader requires individual to have certain characteristics that would benefit themselves, the company, and individuals they led [1]. Despite many theories have tried to elaborate these characteristic [2]-[4]; at the end of the day, every company would have their own criteria on defining the type of leaders required by each of organization. In another word, this will depend on the values each company has. In consequence, not only company needs to find competent individuals, these individuals should also possess the same or at least similar values as the company; and that makes the task of placing the right individual in the right leadership position even harder. Given its difficulty, company often has to adjust their standards at who they would want to lead and choose those who are closest to their standards of competence —or the best of the group. Although not ideal, that decision is not baseless. Human is dynamic species in a sense that they can learn and grow from experiences [5]. Both human resources scholars and practitioners believe that given the right situation and chances, everyone can be moulded into leaders [6], [7]. This is where development programs are implemented to help nurture those expected leaders' competencies. From economic perspective, it would only be profitable for business to train those who are most likely to grow and make significant changes for the company. However, despite having to choose the right individuals, we are still not able to tell how effective a leadership training program is.

In many cases, we just assume that training works and expect it to increase leaders' and eventually all employees' performance. In reality, training, especially regarding soft-skills, is much more complicated than that. With that reason, trainings need to be accurately evaluated so that not only we can assess its effectiveness, we can also make adjustment to increase its efficiency. Unfortunately, this is often neglected, and even when it is not, this evaluation process lacks accuracy.

Up until now, the most common method used to evaluate leadership training effectiveness is survey. Participants were given a set of questionnaire at the beginning and the end of the training process to assess their perception or attitude toward a set of variables—or competencies [8], [9]. The problem with this method lays on what we actually measure from the participants. Using this method, instead of measuring participants' actual soft-skills changes, it measures participants' beliefs on their soft-skills. In this case, participants may believe that they become more competent because of the trainings without any significant behavioural changes which is essentially the goal of the training itself.

Given the previously explained condition, this study suggests and elaborates an integrative approach toward the evaluation of leadership training's effectiveness. This project is conducted in collaboration with a private bank in Indonesia. Scharmer's Theory U's was used as the foundation of this action-learning training. Specifically, this training aims to increase 14-core competencies of leaders from the company. Participants' learning journey takes 10 weeks; it is divided into 7-stages consisting of 2-day workshop and virtual coaching conducted alternatively. On the first and last

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workshop, participants were monitored and evaluated using multiple approaches: pre-post questionnaire, peers' and supervisor's assessment, observation, and expressive writing. Based on those measures, we would evaluate this training's effectiveness by assessing the pre-post measures.

II. Literature Review

As more and more of us starting to disagree on the notion that leaders are born, we are racing on finding the better ways to shape one. A lot of trainings are created with the premise to increase individual's leadership capabilities. This creates a specific demand from companies all over the world wanting to increase their employees' performance. They believe that increasing leaders' quality will increase the work-productivity of their employees—both the leaders and their subordinates [10], [11].

As stated earlier in this expose, the goal of this study is to evaluate the effectiveness this training model. This model is based on Theory-U tailored in some way to fit the company's values. In summary, it aims for individuals' involvement in the discussion of some real-life working problems used in action learning [12]-][15]. Consistent with the theory, leaders are expected to be agents of change in creating an innovative ecosystem through five stages: co-initiating, co-sensing, co-presencing, co-creating, and co-evolving [16], [17].

III. Methodology

Total participants of this study were 39 top talents of the private bank in Indonesia who were chosen according to their yearly performance. They were given a 10-weeks training consisting of workshop and virtual coaching. Multiple stages assessment was conducted started with pre-training assessment, during, and post-training assessment. In the pre-training assessment, participants, along with one of their peers and supervisor, were asked to fill in a questionnaire measuring leadership quality [pre-LQ]. Each participant was required to write down a minimum of 500-words description of their experience and impression related to their job in the company; they were also told that they could freely write anything [EW]. During the workshops, participants' behaviors were observed across time using the same sets of indicators [OB1, OB2, OB3, OB4]. Lastly, after the training period, questionnaire measures were re-introduced for the participants and their peers as well as supervisors [post-LQ]. Inferential statistics were used to analyze the data.

TABLE I
Paired Differences for 14-Dimensions of Competence

Dimensions		Pre-Test		Post-Test		Paired Differences			Sig. 2-tailed
		Mean	SD	Mean	SD	Mean	SD	Sdt. Error Mean	
Best Effort	Self	9.26	0.99	9.26	0.99	0.00	0.94	0.22	1.000
	Others	7.09	2.50	6.53	3.35	0.56	4.61	1.15	0.633
Self-Development	Self	9.26	0.99	8.84	1.02	0.42	0.84	0.19	0.042
	Others	6.88	2.49	6.97	3.05	-0.09	4.01	1.00	0.927
Collaboration	Self	9.05	1.03	8.95	1.03	0.11	1.24	0.29	0.716
	Others	7.03	2.50	7.06	3.11	-0.03	3.02	0.75	0.968
Common Goal Oriented	Self	8.95	1.03	9.26	0.99	-0.32	1.00	0.23	0.187
	Others	7.47	2.07	6.59	3.43	0.88	2.99	0.75	0.260
Directing Others	Self	8.00	1.49	7.68	1.38	0.32	1.20	0.28	0.268
	Others	6.84	1.89	6.72	3.01	0.13	3.55	0.89	0.890
Dialog in Communication	Self	8.42	1.07	8.32	1.20	0.11	1.05	0.24	0.667
	Others	7.28	1.92	6.75	3.00	0.53	3.65	0.91	0.569
Creative Decision Making	Self	8.00	1.16	8.42	1.26	-0.42	1.58	0.36	0.259
	Others	6.81	2.17	6.72	2.93	0.09	3.19	0.80	0.908
Customer Oriented	Self	8.00	1.63	8.63	1.17	-0.63	1.64	0.38	0.111
	Others	6.69	2.28	7.16	2.59	-0.47	2.58	0.64	0.478
Transactional Relationship	Self	7.05	1.81	7.05	1.55	0.00	1.33	0.31	1.000
	Others	7.25	1.99	7.28	2.53	-0.03	3.31	0.83	0.970
Significant Contribution	Self	8.84	1.21	8.95	1.03	-0.11	1.24	0.29	0.716
	Others	7.28	2.03	6.78	3.03	0.50	3.59	0.90	0.585
Adaptability	Self	9.05	1.03	8.84	1.02	0.21	0.63	0.15	0.163
	Others	7.28	2.02	7.56	2.61	-0.28	3.45	0.86	0.749
Effective Presentation	Self	7.58	1.26	8.21	1.13	-0.63	1.50	0.34	0.083
	Others	7.13	1.99	6.84	3.01	0.28	3.76	0.94	0.769
Systematic Thinking	Self	8.53	0.91	8.53	0.91	0.00	0.94	0.22	1.000
	Others	7.22	1.84	7.47	2.63	-0.25	3.33	0.83	0.768
Active Listening	Self	8.74	1.37	8.42	1.43	0.32	1.38	0.32	0.331
	Others	7.31	1.18	7.16	3.09	0.16	3.18	0.80	0.847

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IV. Result

A. Paired Statistic for the 14-Dimensions of Competence

The pre and post result for each dimension is presented on Table I. It showed the 14-dimension of competencies rated by both self and others. The *others* score represented the ratings given by both supervisor and colleague for each participants. Based on that particular table, we can see that there were not many significant increases. In fact, for both self and others, mean decreases were common, despite insignificant for most cases.

V. Discussion

Based on the result showed from the previous section, we can see that the training was not statistically effective toward the top talents. As we can see, among 14 dimensions of competencies that were measured, only 2 of them (i.e., self-development and effective presentation competencies) have different values based on paired test on pre-post assessment. Furthermore, those statistical differences are only significant in self-assessment, but not in peer-assessment. There is one major argument related to these findings that is the ceiling effect related to the training inaccuracy.

Based on our pre-test statistic, the mean for each dimension was high to begin with, ranged from 6.8 to 9.25 for both self-rating and others. This condition is what usually called ceiling-effect, and this alone would make it really hard to increase the score [18], [19]. For example, let us see the common goal dimension, its pre-test mean was 8.95 meaning that that particular dimension only had 1.05 increment left. Hence, when the score increased to 9.26, there were no significant changes found. Let us compare that one with another dimension in which marginally significant change was found. In the effective presentation dimension, there was .63 points increase from the initial mean of 7.58 to 8.21 ($p = .083$). The score of 7.58 has 2.48 increment left, which makes positive changes more likely compared to the prior. Despite so, the significance level was not equal or lower than our proposed 5%, which emphasizes despite there was changes, it was not significant.

The same pre-test data also caused lower post-test mean from some other dimension. As we know, in any repeated measure, there's always chance of regression toward the mean, especially when the data were extremely high or low [20], [21]. The same statistical phenomena happened here, for example, the self-development dimension mean in the initial pre-test was 9.26. After the training, post-test mean decreased to 8.84 which was significant ($p = .042$). However, we believe that this finding was not solely happened due to statistical regression. One of one major task in this training is to learn about one own self in order to bring positive cooperative changes with others. Hence, this training facilitates individual self-awareness causing the decrease of mean. By this, we do not claim that self-awareness caused lower self-development, on the contrary, we argue that individuals were reinventing themselves as part of their self-development; as these individuals were deconstructing some cognition about themselves before reconstructing it [22], [23]. From this expose, we can conclude that this training was not effective for our participants. Based on their pre-test score, the training should have aimed differently. At the moment, the 14-dimensions of competences were focusing on the co-initiating and co-sensing stages of the Theory-U; however, it should be focused on co-presencing, that would be the basic foundation toward co-creating and co-evolving. Hence, we suggest that future training on this participant should address this matter instead of those competencies. Unfortunately, based on this result, we cannot conclude whether or not Theory-U in Action-Learning training is effective or not for different participants.

Theoretically speaking, addressing Theory-U using action learning perspective would be beneficial. Despite many insisted that action learning is irrelevant in transformational leadership—which Theory-U quite belong to—for its less mechanistic nature [24]-[26]; we would argue otherwise. There is a major argument provided here, that is effectiveness of action learning in increasing some leadership qualities, especially related to Theory-U.

Leonard and Macquardt outlined that action learning is effective for competencies related to interpersonal relationship —such collaborative, coaching, win-win solution, and many others [27]. Our training program were focusing on the 14-competencies, some are closely related to interpersonal relationship such as collaboration, common goal oriented, directing others, dialog in communication, transactional relationship, adaptability, and active listening. Hence, even if action learning is ineffective toward transformational leadership, it should still increase these competencies addressed here. Along with that, these competencies are coherent with Theory-U focusing on increasing individual's awareness in order to increase their organizational input. Despite agreeing that leadership means shaping and shifting behavioural responses toward an idealistic goal, Theory-U's goal of leadership is quite different than most of other leadership theories. This theory emphasizes on the role of awareness.

Scharmer [17] believes that leaders need to first become aware of the surroundings before they can transform others. However, the kind of awareness meant here is the type in which every little change in the system is noticeable and its implications are deeply understood. Hence, an effective leader according to this theory is the one who can comprehend the whole picture, with all the details in it. A leader is someone who knows what every detail means and how each of them comes together; hence, he/she will know how to improve it.

We believe that the 14-dimensions of competence fits quite nicely in Theory-U framework, especially for the first and second stages of its five movements. Dimensions of competencies such as collaboration, dialog in communication, transactional relationship, and active listening are part of co-initiating stage. The goal of this stage is to build some common intent; to know that individual is a part of a system. In this perspective, this stage is the most important one

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because in this stage, individual will start taking initiative to be a part of the organization. Without initiative, no one can be a leader as they will not consider about the common needs but one's own alone.

Such initiative is nurtured by collaboration and dialogs in which individuals will learn to result win-win solution for both him/herself as well as others. This win-win solution is what transactional relationship actually refers to because it implies beneficial transaction between two parties involved. In the process, they will also realize that actively listening is a fundamental part in any interpersonal relationship.

Following co-initiating stage, these individuals will enter the co-sensing stage. Self-development, adaptability, best effort, common goal, significant contribution, and directing others are all the competencies associated with this co-sensing stage. The goal of this stage is that individuals would start to become aware of their surroundings, especially in professional settings. For instance, they must become aware of their own role and significance for the work, they should get the sense that they have opportunity to grow here. From there, individuals would realize that their growth will be reciprocally depended on the environment as well; in which they will sense some common goal between the self and the society. That realization would lead them to become more and more emotionally invested that they will give their best effort toward the organizational wellbeing as well. While doing that, these individuals are going to learn to adapt to their environment as well. However, despite giving the best they possibly can, we also need to remember that leaders are leaders in a sense that their outputs are not solely about how much they can do. Leaders' outputs are how well they can make others do something—in this case, for the organization. What this means is that they are required to set an example for others they supervise or even their peers. This is where directing others comes in the equation. These leaders are supposed to direct with example, they are required to present sufficient thinking ability and to present it efficiently. Not only that, they also need to grow by becoming as creative as they can—as it signifies their uniqueness and contributions—using a set of standards set by the organization, which is customer orientation value.

VI. Conclusion

Based on the data, we concluded that the training was not effective, at least for this participant. This ineffectiveness was due to the existing level of their competencies. For the future development program, we suggested to modify the goals of the program toward the next stage of development or co-presencing.

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