

## The Effect of Collaborative Leadership on Organizational Learning via Employees' Benefits and Innovativeness

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### Abstract

In this study, the researcher tried to examine the influence that leadership has on improving organizational learning. There is an increasing need to achieve sustainable competitive advantage by effective leaders who are visionaries, and able to promote organizational learning. This article found that organizational learning is promoted by collaborative leadership through innovativeness and employees' benefits.

**Keywords:** Collaborative leadership; Organizational learning; Employees' benefits; Innovativeness

### Introduction

#### Overview

The difference between managers and leaders continue to be an important topic. Team leaders have many critical tasks to perform, which are: assembling job teams, coaching members, and developing the norms adopted by the team. Members who fit easily with their groups will be more effective, motivated, and productive. They will find a passion in doing their tasks without entering in any kind of conflicts. Norms and rules foster cooperation, but there can be resistance to cooperation, due to self-interest [1]. Leaders have a wide range of decisions and actions to perform on daily basis, but three main priorities must be considered: organizing, developing strong culture, and consistently behave and communicate clearly with all the followers [2].

Today, leaders face challenges like tough competition, increasing complexity in the environment, complicated new roles, and differences in describing power. Environments are complex both internally and externally, through the diversity of the workforce, challenging world economies and technological advancements. Leaders that adapt to different challenges will find followers who perform better.

Internal sharing of information in a learning organization is of primary importance. Leaders and their behaviors have the biggest influences on the learning organization in the way the organization deals with different situations and how employees seek learning and innovative solutions for problems. It is important for employees to be willing to elaborate alternatives and to be a part of the learning process [3].

#### Need of the study

This research was recommended by previous researches as [4] recommended that future research must investigate the introduction of innovation and learning systems in organizations.

This article can have significant impact on both theories and practice, and it can be adopted by leaders and organizations seeking best practices and methods to improve leadership effectiveness and excellence through improving organizational learning.

#### Purpose of the study

The purpose of this article is to investigate the effects of collaborative leadership on organizational learning, through the use of employees' benefits and innovativeness.

### Statement of the research question

The research problem is: "What is the effect of leadership on organizational learning, and what roles do employees' benefits and innovation play in this relationship?"

### Literature Review

#### Collaborative leadership

There is a difference between good management and good leadership. Good management is responsible for keeping order in a company and developing quality, effectiveness, efficiency, and profitability. Good leadership is about successful intervention and dealing with changes and applying the correct responses, behaviors, and decisions. Therefore, two extremes are to be studied: planning and budgeting from the management side, and setting a direction from the leadership side [5].

Leaders differ from non-leaders by their capacity to predict challenging opportunities, and including the followers in a common vision of the future of the business [6]. It is important for leaders to be honest, forward-thinking-not only focusing on their own short-term perception, but performing visionary thinking for many years to come.

Feloni [7] described traits that all great leaders share, with a focus on interviews published with Andrew Carnegie, the self-made industrialist billionaire. The main findings identify 31 traits that successful leaders possess. Some of these are: a definite purpose and plan to attain it; a team of talented people, who share the same vision, or a master mind alliance; self-reliance and self-discipline; creativity; decisiveness; fairness with the team and in allocating resources; being detail oriented without micro-managing; excellent speaking skills; and taking responsibility for the activities of the whole team; among other traits.

Successful leaders think and act accordingly and all changes

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start from inside. Changes take into consideration technological development, new connections and networking that can make companies as well as industries obsolete. For this reason, such change is called disruptive technology [8]. Leaders are continuously learning, even before having leadership positions, through communicating and participating in activities outside the industry and networking with individuals having different skills, and qualifications. A leader must push herself/himself outside the comfort zone to learn more, achieve higher potential, and build personal capacities.

Leaders are key drivers in the collaboration inside a firm. A collaborative leadership style is based on engagement and openness between employees [9]. Leaders' behavior must influence the team in order to effectively collaborate in alignment with the company's values. This style does not focus solely on the short-term performance of the company; instead of focusing on agendas, it is based on the socialization of senior management as well as compensation of highly collaborative managers.

Collaborative organizations will be able to survive when others are going out of business. Low collaboration in the workplace does not necessarily have a negative financial impact, but the workforce will miss motivation, creativity, joy and increasing productivity, all of which are present in a collaborative environment [10].

Effective leadership will empower the team to achieve excellent results. Considering the diversity in the workplace, it would be wasteful to try to standardize everyone in a group. Narrowness in differences between the members of a group will limit or even kill creativity and innovation. Talented people may be different and we must accept and adopt such differences [9].

### Organizational learning

Organizational learning describes a firm that learns, adapts, and changes continually, enabling it to acquire knowledge quickly to meet fierce competition in a global world. This firm will gain competitive advantages and be able to directly enter in any given market due to globalization and the reduction of barriers. According to Garvin et al. [3], today, organizational learning is a main component of organizational development, and it continues to have the attention of leaders, management, and third parties like business consultants, business schools, and many other professional and academic institutions.

Technological development and increased competition force companies to transform themselves into learning organizations at all managerial levels, and to continually learn new methods to perform their tasks well. The assessment of the current situation, strengths, weaknesses, advantages and disadvantages of strategies and tactics will help a firm determine what needs to be done, and the decisions to be made in order to make the business better and to increase its competitive advantages. For successful organizational learning, three primary factors are required: the existence of an environment that promotes and supports learning within the organization, the strength and quality of the content, and reinforcement through the behaviors of leaders. It is critical to seek long-term learning experiences, involve people at all levels of the firm and to continually adopt the latest efforts and research for better business results and achievements [3]. During a learning experience, advantages are not only limited to trial-and-error, but also reach the point of finding new ways to do business and to creatively perform tasks.

### Innovativeness

Nowadays, innovation is a trendy topic that was not important in previous decade. It emerged during World War 2, when military leaders became interested in innovation to advance in the battlefields [11].

Innovation is defined according to Dodgson et al. [12] as the set of new ideas that are applied in organizational environment and their related activities. Innovation has been proved to be a main driver of sustainability and continuous development.

According to Bakhshi and Nesta [13], any important innovation requires the integration of the efforts of many parties: customers, organization, academic institutions, investors, technological learning centers, professionals, entrepreneurs and many other parties involved in launching or developing innovative products, services, and processes.

This article also found that the volume of decisions based on data in innovative policies is lower than in other domains. Secondly, the decisions of policy innovation are made in an environment of uncertainty and predictions are difficult to apply. The speed of achieving innovation is related to the ability of analyzing and using data in an effective manner to achieve higher results. It is also influenced by the ability of practitioners to deal with a fast-changing technological environment. Rosenberg [14] concluded that innovation is not only related to the people who develop it, but also to the creativity of the users. Innovation has transformed entire industries with more opportunities, higher efficiency and greater effectiveness.

There are no indicators that predict whether small or large firms would be the best innovators large firms are distinguished by higher resources and small firms are by remarkable behaviors. They are complementary in the process of technological improvements. Organizations must find the right balance to improve networking and take the greatest advantage of R&D activities [15].

### Employees' benefits

Employees' compensation is another factor that is partially controlled by leaders. The development and sharing of different compensation packages is very important, as employers aim to increase employees' awareness of available benefits [16]. Hallock's research showed that a redesign of benefit packages is required for the highest returns from investment in personnel.

Employers are advised to maximize the formula for salary and benefits by balancing costs with the anticipated benefits to create value for employees. Human resources management must base the principles and methods of compensation on employees' behaviors and personalities, and determine benefits accordingly. For example, men favor risky compensation like stock options, more than women [16].

Goman [10] found that the survival and excellence in today's business world are achieved when the organizations award benefits for cleverness and ingenuity of the team. This will allow the power of mutual intelligence to emerge that can save money and boost the development and introduction of new revolutionary products, services, or systems that may change the status quo.

According to Khuong and Hoang [17], the compensations, rewards, and benefits play key role in motivating employees, and also the characteristics and behaviors of leaders have important influence that will result into positive behaviors.

## Procedures and Methodology

### Methodology

The researcher chose the following:

- Ontology: Objectivism
- Epistemology: Positivism
- Axiology: Weak
- Approach: Deductive
- Method: Quantitative
- Strategy: Survey
- Technique: Structured questionnaire.

The structured questionnaire is composed of 34 statements, pilot tested for reliability and validity by 6 experts in academic research.

### Variables and their measurement

In this study, the independent variable is: collaborative leadership, employees' benefits, and innovativeness, while the dependent variable is the organizational learning. Each variable is measured by a number of statements on a survey questionnaire using a Likert 5-point type scale, in which 1 indicates "strongly disagree" and 5 indicates "strongly agree".

The dependent variable "organizational learning" is measured by 6 statements.

The first independent variable "collaborative leadership" is measured by 16 statements taken from previous researches. The second independent variable "innovativeness" is measured by 8 statements taken from previous researches. The third independent variable "employees' benefits" is measured by 4 statements.

### Conceptual framework for analyzing data

Different statistical tests were carried by the researcher, including descriptive statistics, Kaiser-Meyer-Olkin (KMO) test, Bartlett's test of sphericity, reliability analysis, Cronbach's alpha, and factor analysis. SPSS software was used for data analysis.

### Population and sample selection

The researcher chose a random sample technique. The population is composed of 302 managers from various SMEs in Lebanon, from which 262 were considered valid for analysis.

Respondents are from higher organizational group in well-known businesses to be able to understand how to improve organizational learning.

### Findings

The sampling adopted in this study is adequate as  $KMO=0.945$ . Thus the adopted statistical sample size will lead to a reduction of chance through ensuring the required precision.

The variables used are suitable for structure detection as Bartlett's test of sphericity, and the factor analysis is useful with the data in this study as the significance level is equal 0.000 (Table 1) (Figures 1 and 2).

Based on personal experience and review of literature, the researcher constructed for this article a questionnaire. Each scale was scored using a 5-point Likert scale ranging from strongly disagree (1-

Kaiser-Meyer-Olkin measure of sampling adequacy		0.945
Bartlett's test of sphericity	Approx. Chi-square	8811.662
	Significance	1128
	Df	0.000

Table 1: KMO and Bartlett's tests.

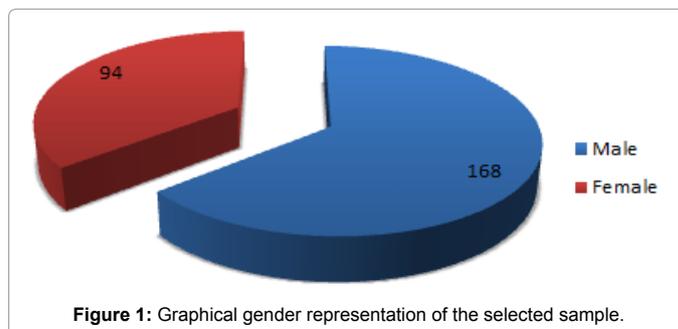


Figure 1: Graphical gender representation of the selected sample.

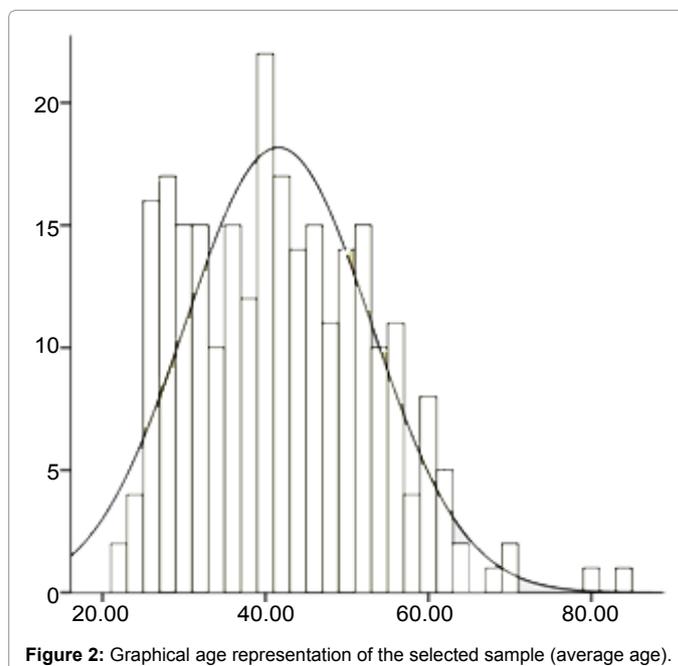


Figure 2: Graphical age representation of the selected sample (average age).

SD), disagree (2-D), undecided (3-U), agree (4-A), to strongly agree (5-SA). The survey was comprised of 262 usable questionnaires that were returned and analyzed.

### Factor analysis and construct validation

Factor analysis was carried out as a data reduction technique and test of validity of the questionnaire (instrument).

Principal axis factoring was used as an extraction method and oblique rotation was used as a rotation method. The factors were extracted using eigenvalue greater than one criterion.

Two statistical tests were conducted in order to determine the suitability of factor analysis. First, the Kaisers-Meyer-Olkin (KMO) measure of sampling adequacy score of 0.945 was well above the recommended level of 0.50. Second, the Bartless test of sphericity was significant (Chi Square=8811.662,  $P=0.00$ ), indicating that there are adequate inter-correlations between the items which allow the use of factor analysis.

The researcher in this article will call factor one “collaborative leadership”. The first factor is defined by 16 items with factor loadings close to 0.70.

The researcher in this article will call factor two “innovativeness”. The second factor is defined by its 8 items with factor loadings close 0.70.

The researcher in this article will call the third factor “organizational learning”. The third factor is defined by its 6 items with factor loadings close to 0.70.

The researcher in this article will call factor four “employees’ benefits”. The fourth factor is defined by its 4 items with factor loadings close 0.70.

**Reliability analysis and Cronbach’s alpha**

**Scale: Collaborative leadership:** The third dimension entitled “collaborative leadership” is highly reliable with Cronbach’s alpha equals 0.873 (Tables 2-5).

		N	%
<b>Cases</b>	Valid	262	100.0
	Excluded <sup>a</sup>	0	0.0
	Total	262	100.0

<sup>a</sup>Listwise deletion based on all variables in the procedure.

**Table 2:** Case processing summary.

Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
0.873	0.875	6

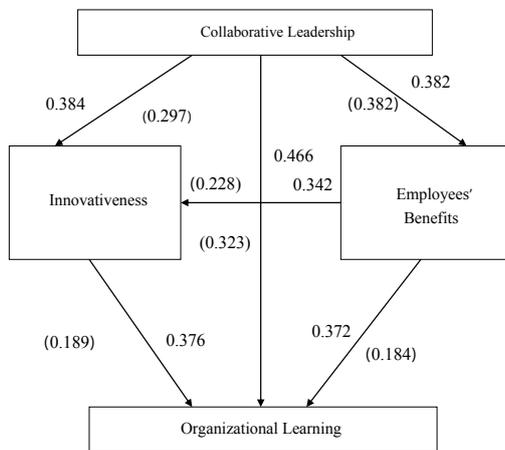
**Table 3:** Reliability statistics.

	Mean	Std. deviation	N
Our company learns from our customers	3.8168	0.91644	262
Our company learns from our suppliers	3.6718	0.95446	262
Our company learns from other business associates	3.8511	0.86922	262
Our company has processes to acquire relevant knowledge from outside our company	3.6260	0.99682	262
Our company has a companywide culture of open communication	3.6450	1.05407	262
Management in our company facilitates an open dialogue between employees	3.5344	1.10933	262

**Table 4:** Item statistics.

	Mean	Minimum	Maximum	Range	Maximum/minimum	Variance	N of items
Item means	3.691	3.534	3.851	0.317	1.090	0.015	6

**Table 5:** Summary item statistics.



**Figure 3:** Structural causal model for organizational learning.

**Scale: Innovativeness:** The second dimension entitled “innovativeness” is highly reliable with Cronbach's alpha equals 0.915.

**Scale: Organizational learning:** The third dimension entitled “organizational learning” is highly reliable with Cronbach's alpha equals 0.873.

**Scale: Employees’ benefits:** The fourth dimension entitled “employees’ benefits” is highly reliable with Cronbach's alpha equals 0.851.

**Testing the relative importance of the independent variables to the explained variation in the dependent variable**

Multiple regression analysis in this study allows the researcher to express the dimension that was identified in factor analysis as a dependent variable in terms of a set of independent variables.

The effect of collaborative leadership on organizational learning was explained via employees’ benefits and innovativeness (Table 6 and Figure 3).

The true direct effect is shown between parentheses while the other numbers are the simple relation between variables. Each simple relation is made of direct and indirect effects. For example, the simple relation between leadership and learning is 0.466 out of which 0.323 is the direct true effect and 0.143 is the indirect effect via other variables (Table 7).

**Leadership affects organizational learning via benefits and innovativeness** **Conclusion and Recommendations**

The coefficients and correlations are shown in Tables 8-11.

Organizational learning will be promoted by collaborative leadership through employees' benefits and innovativeness. And

ANOVA <sup>a</sup>						
Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	82.805	8	10.351	14.696	0.000 <sup>b</sup>
	Residual	178.195	253	0.704		
	Total	261.000	261			

<sup>a</sup>Dependent variable: REGR factor score 3 for analysis 1\_learning; <sup>b</sup>Predictors: (Constant), REGR factor score 4 for analysis 1\_benefits, REGR factor score 2 for analysis 1\_innovativeness, REGR factor score 1 for analysis 1\_leadership.

Table 6: ANOVA.

Coefficients <sup>a</sup>						
Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	1.149E-16	0.052		0.000	1.000
	REGR factor score 1 for analysis 1_leadership	0.256	0.066	0.256	3.907	0.000
	REGR factor score 2 for analysis 1_innovativeness	0.144	0.060	0.144	2.399	0.017
	REGR factor score 4 for analysis 1_benefits	0.142	0.059	0.142	2.387	0.018

<sup>a</sup>Dependent variable: REGR factor score 3 for analysis 1\_learning.

Table 7: Coefficients.

		REGR factor score 3 for analysis 1_Learning	REGR factor score 1 for analysis 1_Leadership	REGR factor score 2 for analysis 1_Innovativeness	REGR factor score 4 for analysis 1_Benefits
<b>Pearson correlation</b>	REGR factor score 3 for analysis 1_Learning	1.000	0.466	0.376	0.372
	REGR factor score 1 for analysis 1_Leadership	0.466	1.000	0.384	0.382
	REGR factor score 2 for analysis 1_Innovativeness	0.376	0.384	1.000	0.342
	REGR factor score 4 for analysis 1_Benefits	0.372	0.382	0.342	1.000
<b>Sig. (1-tailed)</b>	REGR factor score 3 for analysis 1_Learning		.000	.000	.000
	REGR factor score 1 for analysis 1_Leadership	.000		.000	.000
	REGR factor score 2 for analysis 1_Innovativeness	.000	.000		.000
	REGR factor score 4 for analysis 1_Benefits	.000	.000	.000	
<b>N</b>	REGR factor score 3 for analysis 1_Learning	262	262	262	262
	REGR factor score 1 for analysis 1_Leadership	262	262	262	262
	REGR factor score 2 for analysis 1_innovativeness	262	262	262	262
	REGR factor score 4 for analysis 1_Benefits	262	262	262	262

Table 8: Coefficients correlations.

Model	R	R Square	Adjusted R square	Std. error of the estimate
1	0.539 <sup>a</sup>	0.290	0.282	0.84741851

<sup>a</sup>Predictors: (Constant), REGR factor score 4 for analysis 1\_Benefits, REGR factor score 2 for analysis 1\_Innovativeness, REGR factor score 1 for analysis 1\_Leadership.

Table 9: Model summary.

ANOVA <sup>a</sup>						
Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	75.726	3	25.242	35.150	0.000 <sup>b</sup>
	Residual	185.274	258	0.718		
	Total	261.000	261			

<sup>a</sup>Dependent Variable: REGR factor score 3 for analysis 1\_Learning; <sup>b</sup>Predictors: (Constant), REGR factor score 4 for analysis 1\_Benefits, REGR factor score 2 for analysis 1\_Innovativeness, REGR factor score 1 for analysis 1\_Leadership.

Table 10: ANOVA.

Model		Coefficients <sup>a</sup>				
		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	1.342E-16	0.052		0.000	1.000
	REGR factor score 1 for analysis 1_Leadership	0.323	0.059	0.323	5.439	0.000
	REGR factor score 2 for analysis 1_Innovativeness	0.189	0.058	0.189	3.237	0.001
	REGR factor score 4 for analysis 1_Benefits	0.184	0.058	0.184	3.163	0.002

<sup>a</sup>Dependent variable: REGR factor score 3 for analysis 1\_Learning.

Table 11: Coefficients.

according to previous studies, organizational learning is nowadays a main component of the organizational development, and it continues to acquire higher considerations from leaders, management, and third parties like business consultancies, business schools, and many other professional and academic institutions. Fierce competition, vulnerability, complexity, and ambiguity urge businesses to adopt quick answers to any contingency, and to stay in a position of control by promoting innovation, and leading effectively.

Employees must be rewarded when they achieve, and they must obtain a primary importance from leadership in terms of diversified benefits' packages.

Leaders of organization must formulate new employees' benefits packages, so as the workforce will feel more motivated and involved in the business. This employees' involvement will be added to a successful sharing of information of the business to gain competitive advantage, and be able to respond quickly to market fluctuations.

Employees are the most important assets in the current global world, and their commitment and loyalty to the brand must be ensured by policy makers. This is done by regulations that respond to their needs.

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