Chapter 13
Senior Leadership and Lessons Learned in the Australian Defence Organisation

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ABSTRACT
The purpose of this chapter is twofold. Firstly, the authors discuss a range of personal, organizational, and environmental drivers underpinning conditions leading to leaders’ choices of transactional, transformational, and ambidextrous leadership styles. A better understanding of these drivers and conditions may aid senior leaders with achieving the right balance between exploitation of existing lessons and exploration of new lessons. Secondly, they present the mechanisms through which senior leaders can achieve relevant lessons learned objectives associated with each of these leadership styles. The authors base their findings on interviews with the Chief of Defence Force and 10 other senior leaders in the Australian Defence Organisation.

INTRODUCTION
The 2011 National Security Knowledge and Lessons Management Workshop conducted by Australia’s Attorney-General’s Department found that a lessons learned capability cannot be passive, but must be integrated into an organization’s learning processes (AGD, 2011). The workshop report especially stressed the importance of encouraging improvisation and flexibility, arguing that any learning processes “must extend beyond what has been experienced to what can be imagined” (p. 28). While seemingly paradoxical (Lewis, 2000) both change and stability are critical to organizational survival (Argyris & Schon, 1978; Gibson & Birkinshaw, 2004; He & Wong, 2004;...
O’Reilly & Tushman, 2004; Rosing, Frese, & Bausch, 2011; Thompson, Scott, & Zald, 2009; Tushman & Reilly, 1996; Yukl, 2008). Moreover, organizational adaptability is dependent on stable adaptive processes (March & Simon, 1993).

The literature identifies both organizational learning and absorptive capacity as critical to sustainable competitive advantage (Waldman, Berson, & Keller, 2009). Effective organizational learning requires exploration and assimilation of new lessons as well as consolidation and exploitation of existing lessons (Crossan, Lane, & White, 1999; Waldman et al., 2009; Yukl, 2009). Accordingly, learning at the operational and strategic military levels involves a combination of transformational and transactional leadership (Bass, 1985; Berson, Nemanich, Waldman, Galvin, & Keller, 2006; Jansen, Vera, & Crossan, 2009b; March, 1991; Nemanich & Vera, 2009; Rosing et al., 2011; Vera & Crossan, 2004).

Transaction leadership, which promotes exploitation of existing lessons (Jansen et al., 2009b), also termed single-loop learning (Argyris & Schon, 1978), focuses on reducing variation, reinforces institutionalized learning (the status quo), seeks reliability, and involves refinement, efficiency, selection, implementation, and execution. In contrast, transformational leadership, which promotes exploration of new lessons (Jansen et al., 2009b), focuses on increasing variation that challenges institutionalized learning, and involves risk taking, experimentation, flexibility, discovery, and innovation. As exploitation and exploration compete for finite resources, leadership ambidexterity involves careful balancing of the two approaches (Gibson & Birkinshaw, 2004; He & Wong, 2004; Jansen, George, Van den Bosch, & Volberda, 2008; Jansen, Tempelaar, Van den Bosch, & Volberda, 2009a; March, 1991). Thus, maintaining an appropriate balance between innovation (exploration of new alternatives) and refinement of existing technologies (tools and/or techniques) is critical to organizational competitiveness (Crossan et al., 1999; Gibson & Birkinshaw, 2004; He & Wong, 2004; March, 1991; O’Reilly & Tushman, 2004).

While innovation is particularly important in dynamic environments, too much innovation produces an excess of immature technologies, whereas too much refinement leads to a reduction in variability (increased reliability) at the expense of discovery of better alternatives (Yukl, 2008); i.e., a competency trap (Levitt & March, 1988). Maintaining appropriate balance can be difficult as innovation and refinement compete for finite organizational resources (March & Simon, 1993) as well as stand in a relative tension; short-term benefits may not necessarily be advantageous in the long-term and vice versa (March, 1991). Furthermore, organizations may prefer to focus on refinement instead of innovation as refinement usually leads to quicker and more obvious results than innovation.

Based on interviews with the Chief of Defence Force and 10 other senior leaders in the Australian Defence Organisation (ADO), we identify the conditions under which senior leaders adopt each of the three leadership styles as well as the mechanisms through which they achieve relevant lessons learned objectives. In brief, this chapter answers the following research questions: