

## Organizational learning and the learning organization

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Organizational learning theory is concerned with how learning takes place in organizations. It focuses on collective learning but takes into account the proposition made by Argyris (1992) that organizations do not perform the actions that produce the learning; it is individual members of the organization who behave in ways that lead to it, although organizations can create conditions which facilitate such learning. The concept of organizational learning as discussed in the first section of this chapter recognizes that the way in which this takes place is affected by the context of the organization and its culture.

The concept of a learning organization, which is often associated with that of organizational learning, has been defined by Scarborough and Carter (2000) as one 'that is able to discover what is effective by reframing its own experiences and learning from that process'. The notion of the learning organization is sometimes confused with the concept of organizational learning. However, Harrison (2002) points out that it is often assumed that 'the learning organization' and 'organizational learning' are synonymous processes, yet they are not.

## ORGANIZATIONAL LEARNING

Organizational learning is defined by Easterby-Smith and Araujo (1999) as an 'efficient procedure to process, interpret and respond to both internal and external information of a predominantly explicit nature'. Organizational learning is concerned with the development of new knowledge or insights that have the potential to influence behaviour (Mabey and Salaman, 1995). It takes place within the wide institutional context of inter-organizational relationships (Geppert, 1996), and 'refers broadly to an organization's acquisition of understanding, know-how, techniques and practices of any kind and by any means' (Argyris and Schon, 1996). Organizational learning theory examines how in this context individual and team learning can be translated into an organizational resource and is therefore linked to processes of knowledge management (see Chapter 12).

Organizational learning has been defined by Marsick (1994) as a process of 'co-ordinated systems change, with mechanisms built in for individuals and groups to access, build and use organizational memory, structure and culture to develop long-term organizational capacity'.

It is emphasized by Harrison (2000) that organizational learning is not simply the sum of the learning of individuals and groups across the organization. She comments that: 'Many studies (see for example Argyris and Schon, 1996) have confirmed that without effective processes and systems linking individual and organizational learning, the one has no necessary counterpart with the other'.

### *Outcomes of organizational learning*

Organizational learning outcomes contribute to the development of a firm's resource-based capability. This is in accordance with one of the basic principles of human resource management, namely that it is necessary to invest in people in order to develop the intellectual capital required by the organization and thus increase its stock of knowledge and skills. As stated by Ehrenberg and Smith (1994), human capital theory indicates that: 'The knowledge and skills a worker has – which comes from education and training, including the training that experience brings – generate productive capital'.

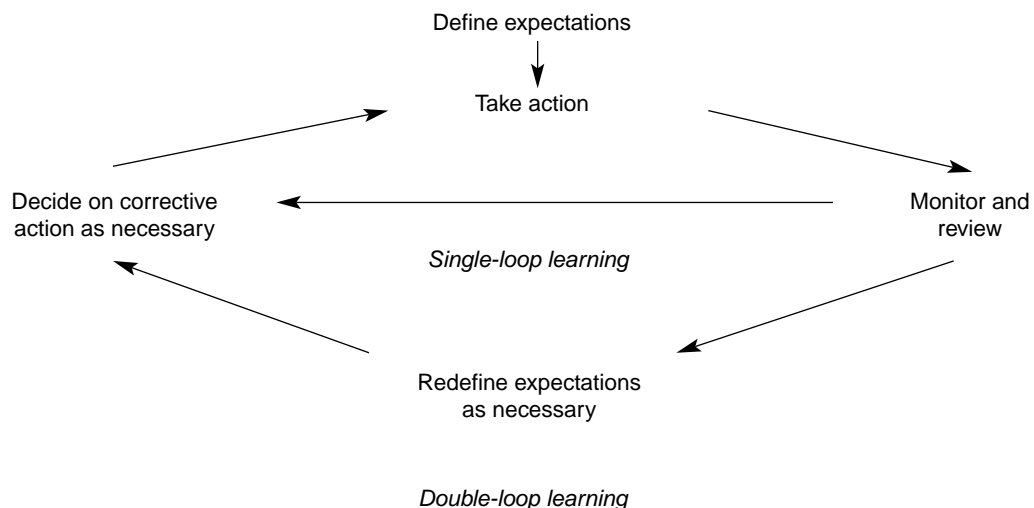
Pettigrew and Whipp (1991) believe that the focus of organizational learning should be on developing 'organizational capability'. This means paying attention to the intricate and often unnoticed or hidden learning that takes place and influences what occurs within the organization. 'Hidden learning' is acquired and developed in the normal course of work by people acting as individuals and, importantly, in groups or 'communities of practice' (Wenger and Snyder, 2000).

### *The process of organizational learning*

Organizational learning can be characterized as an intricate three-stage process consisting of knowledge acquisition, dissemination and shared implementation (Dale, 1994). Knowledge may be acquired from direct experience, the experience of others or organizational memory.

Argyris (1992) suggests that organizational learning occurs under two conditions: first, when an organization achieves what is intended, and second, when a mismatch between intentions and outcomes is identified and corrected. He distinguishes between single-loop and double-loop learning. These two types of learning have been described by West (1996) as adaptive or generative learning.

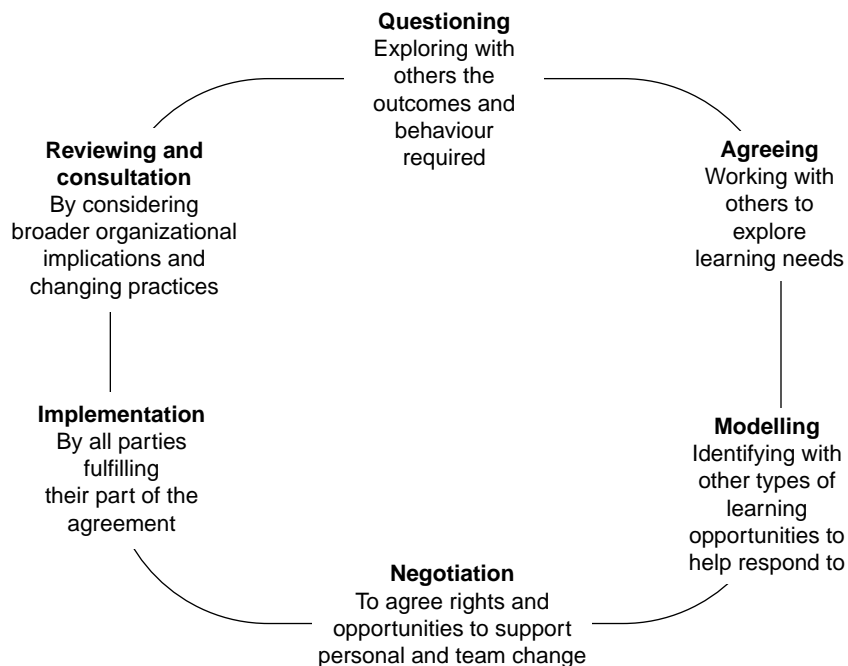
Single-loop or adaptive learning is sequential, incremental and focused on issues and opportunities that are within the scope of the organization's activities. As described by Argyris (1992), organizations where single-loop learning is the norm define the 'governing variables' – what they expect to achieve in terms of targets and standards – and then monitor and review achievements, and take corrective action as necessary, thus completing the loop. Double-loop learning occurs when the monitoring process initiates action to redefine the 'governing variables' to meet the new situation, which may be imposed by the external environment. The organization has learnt something new about what has to be achieved in the light of changed circumstances, and can then decide how this should be achieved. This learning is converted into action. The process is illustrated in Figure 36.1.



**Figure 36.1** Single- and double-loop learning

Argyris believes that single-loop learning is appropriate for routine, repetitive issues – ‘it helps get the everyday job done’. Double-loop learning is more relevant for complex, non-programmable issues. As Pickard (1997) points out, double-loop learning questions why the problem occurred in the first place, and tackles its root causes, rather than simply addressing its surface symptoms, as happens with single-loop learning.

Organizational learning takes place in a learning cycle as shown in Figure 36.2.



**Figure 36.2** Managing learning to add value; the learning cycle

(Source: New Learning for New Work Consortium, *Managing Learning for Added Value*, IPD, 1999)

## *Principles of organizational learning*

Harrison (1997) has defined five principles of organizational learning:

1. The need for a powerful and cohering vision of the organization to be communicated and maintained across the workforce in order to promote awareness of the need for strategic thinking at all levels.
2. The need to develop strategy in the context of a vision that is not only powerful but also open-ended and unambiguous. This will encourage a search for a wide rather than a narrow range of strategic options, will promote lateral thinking and will orient the knowledge creating activities of employees.
3. Within the framework of vision and goals, frequent dialogue, communication and conversations are major facilitators of organizational learning.
4. It is essential continuously to challenge people to re-examine what they take for granted.
5. It is essential to develop a conducive learning and innovation climate.

## THE LEARNING ORGANIZATION

The philosophy underpinning the learning organization concept, as expressed by Garvin (1993), is that learning is an essential ingredient if organizations are to survive; that learning at operational, policy and strategic levels needs to be conscious, continuous and integrated; and that management is responsible for creating an emotional climate in which all staff can learn continuously.

### *Definition of a learning organization*

Senge (1990), who created the term, described a learning organization as one 'where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together'.

There have been many other definitions of a learning organization, all of which are aspirational in the vein of Senge. Pedler *et al* (1991) state that a learning organization is one 'which facilitates the learning of all its members and continually transforms itself'. Wick and Leon (1995) refer to a learning organization as one that 'continually improves by rapidly creating and refining the capabilities required for future success'.

Garvin (1993) defines a learning organization as one which is 'skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new

knowledge and insights'. He believes that learning organizations ensure that they learn from experience, develop continuous improvement programmes, use systematic problem-solving techniques, and transfer knowledge quickly and efficiently throughout the organization by means of formal training programmes linked to implementation.

As Burgoyne (1994) has pointed out, learning organizations have to be able to adapt to their context and develop their people to match the context. Many individual jobs could be learnt by processes of 'natural discovery' rather than formula learning. His definition (1988a) of a learning organization is that it channels the career and life-planning activities of individual managers in a way that allows the organization to meet its strategic needs. This is done by encouraging the identification of individual needs, organic formulation of business strategy with inputs from training departments on current skills, and continual organizational review and learning from experience. In 1999 he suggested that a learning organization 'provides a healthy environment for natural learning'.

### *Key principles of the learning organization*

Miller and Stewart (1999) propose the following key principles of the learning organization:

- learning and business strategy are closely linked;
- the organization consciously learns from business opportunities and threats;
- individuals, groups and the whole organization are not only learning but also learning how to learn;
- information systems and technology serve to support learning rather than control it;
- there are well-defined processes for defining, creating, capturing, sharing and acting on knowledge;
- these various systems and dimensions are balanced and managed as a whole.

Corporate universities provide one way of putting these principles into effect - they offer an educational experience tailored to the specific needs of the organization, the emphasis being on employees constantly engaging with learning and on educators designing courses that will continuously motivate them, usually and sometimes wholly in a virtual environment. The emphasis is on employees learning continuously and on transferring knowledge quickly.

### *Developing a learning organization*

One approach to the development of a learning organization, as advocated by Senge (1990), is to focus on collective problem-solving within an organization using team learning and a 'soft systems' approach whereby all the possible causes of a problem are considered in order to define more clearly those which can be dealt with and those which are insoluble.

Garratt (1990) believes that managers have to develop learning abilities as individuals, and work and learn as teams. He advocates the use of development activities such as job enlargement, job enrichment, mentoring, and various forms of team and project-based work.

### *The learning organization and knowledge management*

Learning organizations are very much concerned with developing and sharing the knowledge that is critical to their strategic success. The problem is that it is hard to capture tacit knowledge in the form of the deeply embedded amalgam of wisdom and know-how that competitors are unable to copy. Methods of sharing knowledge were described in Chapter 12. One approach, as advocated by Wenger and Snyder (2000), is to encourage the development of 'communities of practice' in which people with similar concerns exchange ideas and knowledge and discuss shared problems. Wenger and Snyder claim that a community of practice could be treated as a 'learning ecology' with a life of its own in which there is scope to reflect jointly on experience so that it can be converted into learning.

Scarborough and Carter (2000) suggest that although the concepts of the learning organization and organizational learning have offered some valuable insights into the way in which knowledge and learning are fostered by management practice, they have been overshadowed, at least in terms of practitioner interest, by the explosive growth of knowledge management activity. They comment that:

This may be attributable to the problems of translating their (knowledge management and organizational learning) broad, holistic principles into practice. Knowledge management initiatives by contrast, are often more specifically targeted and can therefore be identified more closely with business needs.

### *Problems with the concept of the learning organization*

The notion of the learning organization remains persuasive because of its 'rationality, human attractiveness and presumed potential to aid organizational effectiveness and advancement' (Harrison, 1997). But the concept has been criticized by Harrison

(2005) because, 'as usually defined, it suggests that organizations have a life of their own and are themselves capable of learning, which is not the case'. Scarborough *et al* (1999) argue that 'the dominant perspective (of the learning organization concept) is that of organization systems and design'. Little attention seems to be paid to what individuals want to learn or how they learn. The idea that individuals should be enabled to invest in their own development (a fundamental theme of human capital theory) seems to have escaped learning organization theorists, who are more inclined to focus on the imposition of learning by the organization, rather than creating a climate conducive to collaborative and self-managed learning.

Viewing organizations as learning systems is a limited notion. Argyris and Schon (1996) contend that organizations are products of visions, ideas, norms and beliefs so that their shape is much more fragile than the organization's material structure. People act as learning agents for the organization in ways that cannot easily be systematized. They are not only individual learners but also have the capacity to learn collaboratively (Hoyle, 1995). Organization learning theory analyses how this happens and leads to the belief that it is the culture and environment that are important, not the systems approach implied by the concept of the learning organization. Argyris and Schon (1996) refer to the practice-orientated and prescriptive literature of the learning organization, which is quite different from the concerns of organizational learning theorists about collaborative and informal learning processes within organizations.

The notion of a learning organization is somewhat nebulous. It incorporates miscellaneous ideas about human resource development, systematic training, action learning, organizational development and knowledge management, with an infusion of the precepts of total quality management. But they do not add up to a convincing whole. Easterby-Smith (1997) argues that attempts to create a single best-practice framework for understanding the learning organization are fundamentally flawed. Prescriptions from training specialists and management consultants abound but, as Sloman (1999) asserts, they often fail to recognize that learning is a continuous process, not a set of discrete training activities.

Burgoyne (1999), one of the earlier publicists for the idea of a learning organization, has admitted that there has been some confusion about the concept and that there have been substantial naiveties in most of the early thinking: 'The learning organization has not delivered its full potential or lived up to all our aspirations'. He also mentioned that after a decade of working with the notion of the learning organization there are distressingly few, if any, case studies of success with the idea on a large scale. He believes that the concept should be integrated with knowledge management initiatives so that different forms of knowledge can be linked, fed by organizational learning and used in adding value to goods and services. This, he states, will



replace the 'soft' organizational development tools of the 1970s that were pressed hurriedly into service; 'The learning organization ran ahead of the methods available to implement it and into this vacuum were sucked traditional approaches such as teamworking, leadership and personal development.'

At least, however, the learning organization movement has helped to emphasize the importance of knowledge management as a practical proposition for promoting organizational learning. In added-value terms, this is likely to provide more benefit to organizations than pursuing the will-o'-the-wisp of the learning organization as originally conceived.