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What is organizational learning? (no author identified)

A learning organization is one that learns continuously and transforms itself. All organizations learn, but not always in a beneficial way. It is possible for an individual to learn, but not share this knowledge with the organization. On the other hand organizations can learn and not share this knowledge with the organization's subordinates. A learning organization is one that has a heightened capability to learn, adapt, and change. It is an organization in which learning processes are analyzed, developed, monitored, and aligned with the innovative goals of the organization. (Cummings and Worley, 1993)

It is critical in today's global competitive marketplace for an organization to maintain its position in a rapidly changing environment. A learning organization can acquire and apply knowledge faster than the competition and therefore maintain a leading edge. The need to survive in a changing economy has pushed organization learning to the fastest growing intervention in organizational development. New techniques emerge almost everyday promising corporations the ability to become learning organizations. (Gephart, Marsick, Van Buren, and Spiro, 1996)

Among practitioners, the strongest case yet for organizational learning is made by Ray Stata, Chairman of Analog Devices, who argues that the "rate at which individuals and organizations learn may become the only sustainable competitive advantage, especially in knowledge-intensive industries" (Locke and Jain, 1995 p45) For example, according to Gordon Forward, CEO of Chapparal Steel of Texas: "One of our core competencies is the rapid realization of new technology into products. We are a learning organization". (Locke and Jain, 1995, p45) Characteristics of the successful organization in the 1990's are: a continuous improvement orientation, customer focus, team relationships, flat and flexible organization structures, empowerment, and vision- and value-driven leadership. These characteristics contrast sharply with those of many organizations today, which emphasize meeting static objectives, supervisor focus, strongly hierarchical relationships, vertical and fixed organizational structures, compliance with rules, and control oriented leadership.

When considering the impact of OD on organization learning an OD practitioner may be tempted to say "Isn't building learning organizations what we were doing all along?". OD emphasizes an open systems framework, has created models for defining shared organizational visions, and has long created approaches to mental models. The most prevalent rift in OD, which is addressed by the learning organization, is the one between OD theory and practice. (Watkins and Golembiewski, 1995) The idea of a learning organization is consistent with the theories of OD but there is a large discrepancy between the number of descriptive articles written on the subject and the number of experiments on them. Perhaps OD has not been creating learning organizations all along.

There are a number of implications for OD which flow from the definition of a learning organization. First there has to be a significant shift between OD's focus and theories of change to one on theories which emphasize change and learning. What needs to be learned is a new way of thinking about organization action and improvement. Learning at the organizational level involves creating systems to capture knowledge and support knowledge creation, as well as empowering continuous transformation. (Watkins and Golembiewski, 1995)

Can organizations learn?

All learning is individual learning, and there is no such thing as organizational learning except metaphorically. All learning takes place inside human heads and an organization can learn only by learning from its members or by ingesting new members who have new knowledge that the organization did not already possess (Locke and Jain, 1995). With this in mind, it is also useful to

identify learning at three different levels: individual, group and organizational. Learning organizations concentrate on systems-level organizational learning. It is more then the sum of employees mental capacity and ability to learn. It occurs when organizations merge and then institutionalize employee's intellectual capital and learning that are stored in their memories and their core competencies. (Gephart, Marsick, Van Buren, and Spiro, 1996)

Organizations also serve as holding environments for learning, which is stored in people's memories and values, as well as in organizational memory in the form of polices, procedures, and written documents. Learning organizations create practices, which enable organizational wide collecting of information that can be shared so that all individuals have access to the same information. They embed among people new structures and practices, which enable learning to occur more effectively. (Watkins and Golembiewski, 1995)

Organizations preserve behaviors, norms, values, and "mental maps" over time. An organization builds its culture as it addresses and solves problems of survival. It also creates core competencies that represent a collective learning of its employees, which include past and present employees. As new members of the organization join and old ones leave the knowledge and competencies are transferred because they remain part of the culture. (Gephart, Marsick, Van Buren, and Spiro, 1996).

A central feature to most conceptualizations of organizational learning is the idea that there is a higher order of learning involved than the type of technical, skill-based learning associated with training departments. This depth of learning for individuals is more cognitive and transformative. It is not a rote skill, but learning that transforms or changes perspectives, structures, and routines. Learning is not one transformation of the organization but a continuous transformation and the transformation of the mind. Watkins and Golembiewski (1995) believe that this requires a shift of practice in OD from OD as the exclusive practice of an expert professional to OD as a tool, which must be transferred to many members of the organization. (Watkins and Golembiewski, 1995)

Is organizational learning always beneficial?

Organizations can learn the wrong thing, for example how to manufacture something no one wants, or can reach false conclusions. Learning does not always result in the benefit of the organization's goals and researchers need to move away from a conception of organizational learning as an "efficient" instrument to an appreciation of its "inefficiencies".

Some counterproductive performance implications are provided. Superstitious learning occurs when an organization interprets certain results as outcomes of learning when in fact there may be little or no connection between actions and outcomes. In a typical situation, a number of factors jointly produce an organizational outcome. Success learning involves concluding that what made for success in the past will make for success in the future. This can be disastrous when the business environment changes drastically. A competency trap develops when an organization settles on an inferior technology based on its initial experimentation and persists in using it despite the availability of superior technologies. (Locke and Jain, 1995)

How do organizations learn?

Organizational learning consists of four interrelated processes: discovery, intervention, production, and generalization. The learning process begins with the discovery of errors or rifts between actual and desired conditions. Diagnosing includes finding the cause of the gap and inventing appropriate solutions to close it. Production processes involve implementing solutions and generalization includes drawing conclusions about the effect of the solutions and applying that knowledge to other relevant situations. These four learning processes help the organization's members to generate knowledge necessary to change and improve the organization. (Cummings and Worley, 1993)

Most models of organizational learning stress the element of leadership and management, culture, and systems for communication, information, and knowledge. In learning organization leaders and managers give critical support to the learning of teams and individuals. Leaders and managers have enough influence to create a successful learning environment. They have the ability to furnish the systems that encourage learning. They can assist in the development of employees' knowledge, skills, and abilities with the aid of personal development plans, job rotations, and assignments across several divisions. In a learning environment managers encourage people to contribute ideas and go as far as soliciting their input and giving feedback on their ideas. When information is shared on a regular basis across the organization, people's commitment to learning strengthens (Gephart, Marsick, Van Buren, and Spiro, 1996).

Organizations learn from direct experience and from the experience of others. Learning from direct experience generally involves working through incremental refinement procedures. The rational for learning from direct experience comes from the common observation that practice improves performance. It involves a systematic "organizational search" whereby the organization "draws from a pool of alternative routines, adopting better ones when they are discovered" and/or trail and error experimentation. Learning from the experience of others may involve a number of approaches, ranging from merely observing others to actively seeking knowledge from outside the organization, then using it to improve its own processes and performance (Locke and Jain, 1995).

DiBella at MIT's Organizational Learning Center identifies three perspectives on learning and change: normative, developmental, and capability. These different approaches shape the direction that companies take to become learning organizations. Normative and developmental perspectives assume that organizations learn only when certain conditions are met. Normative based approaches are the most common and companies using such approaches begin by deciding to leverage learning in pursuit of a particular business goal. Leaders are important because they set the tone, establish the vision, and create supporting structures and systems. Internal task forces test for individual's commitment, help identify present and future conditions, measure and prioritize gaps, and make decisions about where and how to intervene.

Normative approaches foster a willingness to experiment. The results of these new initiatives are checked constantly and used to adjust interventions, launch new project phases, and periodically assesses the learning organization strategy.

Developmental approaches assume that companies become learning organizations in a series of stages. These approaches seek fundamental changes in an entire system and favor organizational-wide development effort. Developmental approaches begin with the recognition that the organization is not meeting its objectives. It is typical for a consultant to partner with the company's leaders to conduct as assessment using diagnostic tools to gauge progress through each stage. The transition from one stage to another does not have to be even, different parts of the organization may move forward at different times.

Capability-based approaches assume that organizations learn naturally as they respond to change, no matter what the conditions are. It assumes that no one form of learning is superior over another. To improve learning, an organization must discover, affirm, and enhance the current patterns of learning. Leaders need to identify those patterns so that they can make informed decisions about what to learn, who should learn it, and when and where learning should happen. These approaches are not proactive and "unfold as journeys of discovery" in which consultants and leaders guide the company to uncover insights into the kind of learning that is the best.

There are a variety of useful diagnostic tools that reflect the three perspectives. All of the tools emphasize organizational learning. Some of these tools focus only on individual and team building and most measure learning at two or three levels. Most emphasize the systems and processes for facilitating the flow of information between employees, for managing knowledge,

and for rewarding learning in performance appraisals. Most also stress a culture that emphasizes learning while at the same time caring about employees. (Gephart, Marsick, Van Buren, and Spiro, 1996)

What can undermine organizational learning?

Organizations are often faced with a number of barriers to learning, the most important being the lack of learning orientation. In order to identify the tools and techniques of organizational learning it will be useful to identify possible barriers to avoid. Barriers to organizational learning can be classified into three broad categories, individual- and group-level, organizational, and environmental.

Since an organization can learn only through its members, any limitations the members have with respect to learning will limit organizational learning (Locke and Jain, 1995). Argyris has stated that most people, including highly qualified and successful professionals, do not know how to learn. The fundamental requirement for learning is an active mind. The lack of learning most basically stems from not thinking, either due to passivity or an active refusal to think either in general or about a specific issue. Some people do not learn from experience because they do not conceptualize the meaning and implications of what happened in the past. It is believed that the most effective learners are the most mentally active and are able to conceptualize what happened in the past and anticipate the future. (Argyris, 1993)

Learning barriers at the organizational level include organizational features such as corporate culture, management practices (for example, defensive routines), reward mechanisms, and an emphasis on organizational consensuality, which may create groupthink and organizational inertia which limit learning and future growth. Others include failure of the organization to translate newly acquired knowledge into organizational policies, procedures, and routines as well as a focus on the exploitation of existing capabilities and opportunities, in preference to exploitation and experimentation. There are many more barriers to contend with and they often work in subtle ways to undermine learning (Locke and Jain, 1995).

Environmental barriers pertain to markets, industries, technology, public policy, and external stakeholder concerns. Environmental factors are generally thought to be outside of the control of an organization, but this is not always the case. An organization is part of the environment and therefore has the power to also shape the environment. In the 1990's, as never before, an organization must be aware of its environment and change it in order to remain successful.

What does OD already offer the learning organization?

It is important to consider what the practice of OD already offers to the process of organizational learning to ascertain the direction in which this application is headed for the future. The literature presents three ways in which OD may contribute to the focus of learning organizations: supportive systems of interaction, guiding values, and a sense of structural alternatives.

Supportive systems interaction: "OD rests on a technology-cum-values for inducing useful "systems of interaction" between people" (Watkins and Golembiewski, 1995 p90). Researchers draw on Argyris' concept of Model I (closed or degenerative) and Model II (open or regenerative) to depict the range of interaction patterns. A substantial proportion of managers in government, as well as business, lean toward the degenerative model in practice but away from it in personal preference. They blame their work sites and claim that there is nothing that they can do to change it. In training sessions they are shocked to learn that their own behavior, as well as the work site, is degenerative. Learning organizations also require a regenerative interaction, both in its start up phases as well as in the long run. Here OD can contribute in theory and practice. This is one of the most challenging aspects of creating a learning organization because when practitioners are focused on dialogue or on changing mental models they are faced with deeply embedded norms

(Watkins and Golembiewski, 1995).

Guiding Values: OD can contribute at the macro level through the guiding values that have attained the position of a near agreement in OD. Guiding values are a central construct, especially with respect to potent technologies. Individuals who can understand and accept "why" can better come to grips with the "what" of implementation. But one also has to be careful of the unguided missile, technology that combines great impact with a poor sense of direction. OD values can impose a constraint on both mangers and their subordinates (Watkins and Golembiewski, 1995). The concept of a learning organization requires both direction and constraint. Argyris has consistently argued that learning organizations should be characterized by "Model II" values of owning, openness, mutual trust, and experimentation as well as valid information, free and informed choice, and internal commitment to choice (Argyris, 1993).

A sense of structural alternatives: The learning organization approach faces that issue of the institutionalization of the products and allied processes. The learning organization continually expands its capacity to create its future. This involves a basic mind-shift from "focusing on parts to dealing with wholes, from viewing people as helpless reactors to empowering them as observant participants, and from reacting to the past and the present toward evolving a common future" (Watkins and Golembiewski, 1995 p92). These sound very much like OD values mentioned earlier and at the structural level the OD tools include job enrichment at operating levels of the organization, flow-of-work or divisional models at executive levels, and structural and policy empowerment throughout organizations. OD has developed many of the tools and processes which make it possible to create learning organizations. These tools generate a sense of alternative strategies, of the availability of different approaches to building learning organizations (Watkins and Golembiewski, 1995).

What changes in OD is implied by the learning organization?

The literature talks of sculpting learning organizations by chipping away all that prevents learning and building new systems and capacities to enhance learning. It is suggested that there is no blueprint or set of standard tools for creating learning organizations, but rather the idea functions like a vision of the organization in terms what it might be in contrast to what it is today. The achievement of that vision requires the work of everyone in the organization, not just the OD practitioner or top executives.

Watkins and Golembieski (1995) conclude that there are no specific changes in OD practice that we can assign to the formation of a learning organization. The learning organization requires an integrated use of management tools such as cross-functional self managed teams, training tools such as career development, and organization development tools such culture change and action research. While there may eventually be many tools for OD suggested by the learning organizational literature, there are two core processes at the issue. The first concept is dialogue and the other relates to shifts in practices of OD.

An underlying process in designing learning organizations is the use of extended dialogue at the micro and macro levels. Some new approaches used by designers of organizational learning are described here. Action science uses dialogue as a process of creating shared meaning by changing the mental models of individuals who are the recipients of the shared values and learned theories of action of the organization. Organizations and individuals are able to transform governing values from those dominated by control or self-protection to those consistent with learning and growth. They are able to achieve this objective by combining advocacy with inquiry, taking a closer look at actual dialogue in order to uncover the data on which inferences are made, and recognizing the constructive rules governing both inferences and action (Watkins and Golembiewski, 1995).

Argyris defines dialogue from a social perspective. The construction of meaning is two fold,

considered both an interpretive act and one that is socially determined. Therefore improving dialogue depends on discovering ways to help individuals and systems make the assumptions and mental modes clear. This process begins with the idea that shared meaning is desirable, but can only be achieved by listening to a pluralistic voice within the organization and working to create alignment at the level of values, meaning, and vision (Argyis, 1993).

Process consultation suggests that the difference in this type of dialogue from other forms of communication is that there is an emphasis on reflection (suspension) before the continuation of discussion and debate. When individuals experience what appears to be a misunderstanding of their words by others they first attempt to understand how others in the group are reasoning about what they have said or done, before they continue the conversation (Watkins and Golembiewski, 1995).

We must also consider the changes within the phases of OD practice and begin with a systems diagnosis focused on learning. While the design of the learning organization is similar to the open systems espoused by OD, there is an attempt to freeze systematic and habitual practices to insure continuous improvement. The focus is on systematic enablers and barriers versus short-term symptoms.

One feature of organizational diagnosis is to examine the current level of investment in learning as exploration and to identify the threshold of real skill development that has resulted from previous change efforts. Organizations have a history of exploiting new ideas and technologies without paying the same mount of attention to the more time intensive process of creative exploration. Organizations have developed a habit of quick fixes, which results in bad superficial learning while ignoring the development of a sufficient threshold of adaptability (Watkins and Golembiewski, 1995).

Canadian economist Nuala Beck has created a knowledge ratio, which is an index of a company's investments in knowledge workers and in knowledge creation. She has successfully used her indicators to predict organizations that will thrive in the new information economy. These measures constitute one reliable index of macro system learning in the learning organization (Beck, 1992).

Intervention focused on long term empowerment

There are no specific interventions employed by organization developers working to create learning organizations even though there are many tools and strategies. Organization developers such as Noel Tichy at General Electric and Linda Honold of Johnsonville Foods have emphasized the importance of long term strategies that empower. Organizations are described by some consultants as a collective group that can collect its own data and share it with the entire organization instead of the consultant collecting the data and presenting it to a select group of top executives.

The trend of consulting seems to be headed towards OD practitioners giving up their technology and teaching everyone OD. "In order to create structures for this kind of system wide dialogue and transformation, individuals at all levels of the organization are being called on to become process consultants: to facilitate dialogue, to collect diagnostic data, and to share it up the organization" (Watkins and Golembiewski, 1995 p97). By taking away the mysticism of OD and making it accessible, organizations will be better able to utilize it successfully. At General Electric every member of the organization has participated in Work Out! sessions. These sessions are intended to teach skills of consensus, negotiation, and decision making to individuals representing a multitude of levels and functions. Over time, these individuals are expected to be able to continuously do what organization developers might have once facilitated as intergroup conflict resolution or work redesign (Watkins and Golembiewski, 1995).

One of the strongest tools for building the learning organization is the use of action technologies. Action research has many strong new variations such as participatory action research, action learning, and action science. All of these technologies have great promise for the use of consultants in building learning organizations. Since action research is grounded in the context but yet data based, it is a highly flexible tool for learning among groups and organizations. These action technologies involve groups and the organization in both diagnosing and implementing their own changes. In addition, a central skill in action research is reflection. Through the process of making change, individuals learn how to work more effectively in teams, how to learn from actual work activities through reflection, and how to manage a change effort (Watson and Golembieski, 1995).

Research on the effectiveness of Organizational Learning

There is little hard evidence of organizational learning effects in organizations and much more evaluative research is needed (Cummings and Worley, 1993). But it can be said that the primary purpose of organizational learning is to make companies more adaptive and capable of altering functions and departments in response to poor performance or changes in the work environment. Whether the purpose is realized depends on the factors that link organizational learning to actions and that link actions to targeted outcomes (Gephart, Marsick, Van Buren, and Spiro, 1996).

Research at the Center for Effective Organizations at the University of Southern California shows that organizational learning has had a positive effect on the perceived and actual financial performance of companies in the center's study. For individual employees, organizational learning has had a significant effect on employee-performance measures in such areas as continuous improvement, customer focus, employee commitment, and overall work performance. Research also shows that experimentation significantly enhances innovation but not competitiveness; continuous improvement and knowledge acquisition enhance competitiveness, but not innovation (Gephart, Marsick, Van Buren, and Spiro, 1996).

Conclusion

The client of the OD intervention is the organization of the future. The OD effort to create a learning organization is one in which the goal is to put systems in place that will help the organization face the challenges it will meet 20 years into the future. The learning organization is a compelling argument for increasing efforts to move beyond short-term work aimed at only the top management. Organizations need to be looking toward learning not for survival but for generatively. The learning organization is a tentative road map to a never-ending journey.

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