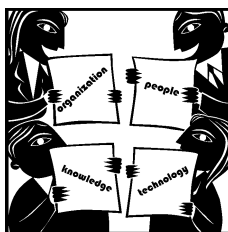


Proposition 41

A Primer on Organizational Learning

In a Word Organizational learning is the ability of an organization to gain insight and understanding from experience through experimentation, observation, analysis, and a willingness to examine successes and failures. There are two key notions: organizations learn through individuals who act as agents for them; at the same time, individual learning in organizations is facilitated or constrained by its learning system.



In Brief

A knowledge advantage is a sustainable advantage that provides increasing returns as it is used. However, building a knowledge position is a long-term enterprise that requires foresight and planning. To begin, one should grasp the fundamental, allied notions of organizational learning, and the learning organization, which some contrast in terms of process versus structure.

On Learning Organizations

In the knowledge-based economies that emerged in the mid- to late 1990s, the organizations with the best chance to succeed and thrive are learning organizations that generate, communicate, and leverage their intellectual assets. In *The Fifth Discipline*, Senge (1990) labels them "...organizations 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 to see the whole together." He catalogues their attributes as personal mastery, shared vision, mental models, team learning, and systems thinking (the fifth discipline that integrates the other four).¹ Command of these lets organizations add generative learning to adaptive learning.² Thus, they seldom make the same mistake twice. Organizational learning promotes organizational health.³ As a result, organizational performance is high.⁴ Peter Senge has characterized the core learning capabilities of organizations as a three-legged stool—a stool that would not stand if any of its three legs were missing.

The most useful piece of learning for the uses of life is to unlearn what is untrue.

—Antisthenes

¹According to Peter Senge, personal mastery hangs on clarifying personal vision, focusing energy, and seeing reality. Shared vision is built by transforming personal vision into common vision. Mental models are put together by unearthing internal pictures and understanding how they shape actions. Team learning grows from suspending judgments and fostering dialogue. Systems thinking fuse the first four disciplines to create a whole from distinct parts.

²Generative learning concentrates on transformational change that changes the status quo. This type of learning uses feedback from past actions to interrogate the assumptions underlying current views. At heart, generative learning is about creating. Adaptive learning focuses on incremental change. That type of learning solves problems but ignores the question of why the problem arose in the first place. Adaptive learning is about coping.

³The notion of organizational ill health is easily understood and needs no explanation. As long ago as 1962, Warren Bennis identified three dimensions of it: (i) adaptability, (ii) coherence of identity, and (iii) the ability to perceive the world correctly. The point here is that organizational learning can provide a necessary and valuable contribution to organizational health by advancing the shared values, clarity of purpose, institutionalized leadership, technical capability, open and honest channels of communications, and ability to deal constructively with conflict. All are qualities that employees expect from their work nowadays.

⁴Organizational performance comprises the actual outputs or results of an organization as measured against its intentions. It is commonly examined in terms of relevance, effectiveness, efficiency, and sustainability. The forces that drive these are organizational context, organizational knowledge, inter- and intra-organizational relationships, and the external environment.

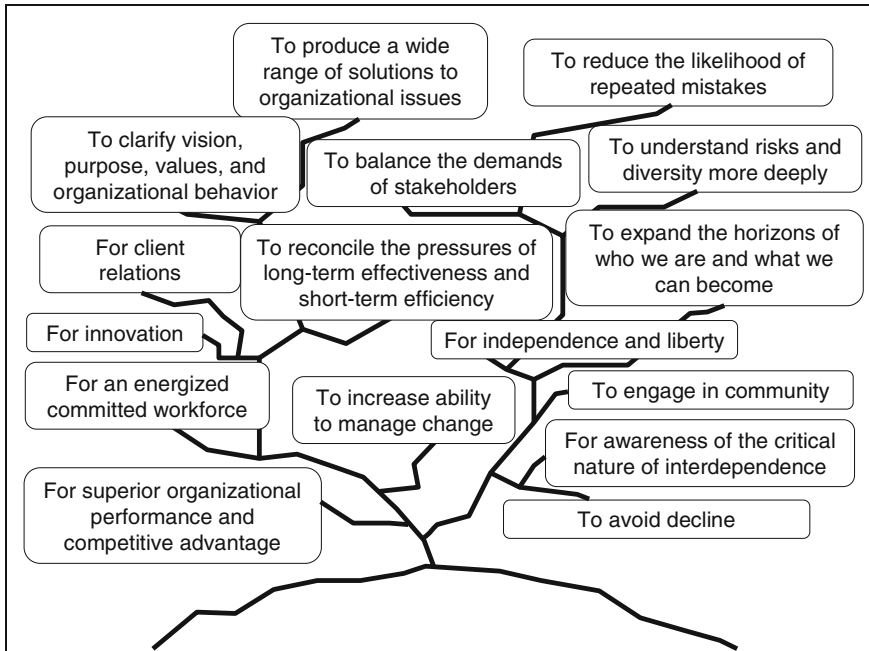


Fig. 41.1 Why create a learning organization? Source Author

Other authors⁵ see learning organizations in different ways and the search for a single, all-encompassing definition of the learning organization is attractive but frustrating. In the final analysis, the most useful description is likely to be that which each organization develops for itself. That should be a well-grounded, easy-to-apply definition. An important feature to bear in mind is that, for associated benefits to arise, a learning organization must be organized at five, sometimes overlapping, levels: (i) individual learning,⁶ (ii) team learning, (iii) cross-functional learning, (iv) operational learning, and (v) strategic learning (Fig. 41.1).

⁵Pedler et al. (1996) argue that a learning company is an organization that facilitates the learning of all its members and consciously transforms itself and its context.

⁶Individual learning is not covered in these *Knowledge Solutions*, even if it is the starting point of the learning organization and something that a learning organization should certainly encourage. Employees who are willing and able to learn new things are very important to an adapting organization. Without them, there will be no new products or services. There will be no growth. Specifically, learning organizations need skilled, enthusiastic, entrepreneurial, results-oriented, and improvement-minded individuals. To describe how individuals learn, David Kolb has framed a well-known experiential learning model: (i) doing, (ii) reflecting, (iii) connecting, and (iv) testing. Learning cycles can begin at any stage, depending on individual learning styles, but typically originate from doing. Reflective practitioners can choose to strengthen their ability at each stage to become all-round learners. Nevertheless, a learning organization is more than a collection of

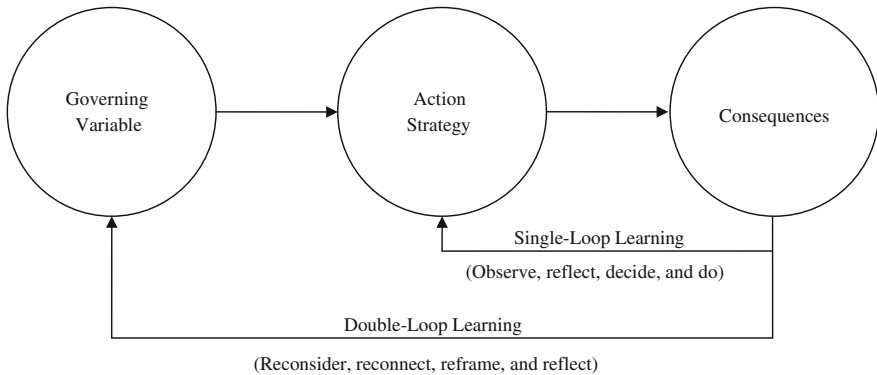


Fig. 41.2 Single-loop and double-loop learning. *Source* Author

... And Organizational Learning

In the final analysis, other definitions of learning organizations share more with Peter Senge's than they disagree with, but it should not be assumed that any type of organization can be a learning organization. In a time of great change, only those with the requisite attributes will excel. Every person has the capacity to learn, but the organizational structures and systems in which each functions are not automatically conducive to reflection and engagement. There may be psychological and social barriers to learning and change. Or people may lack the knowledge management tools with which to make sense of the circumstances they face. In this sense, the learning organization is an ideal toward which organizations must evolve by creating the motive, means, and opportunities (Fig. 41.2).⁷

The literature on learning organizations is oriented to action and geared to the use of strategies and tools to identify, promote, and evaluate the quality of learning processes. In contrast, that on organizational learning concentrates on the detached collection and analysis of the processes involved in individual and collective learning inside organizations. That is to say, organizational learning is the activity

(Footnote 6 continued)

individuals who are learning—individual learning is a necessary but not a sufficient condition for organizational learning.

⁷A motive is a reason for doing something. Here, the motive is to understand learning and why it is important. The means are models, methods, competences, and support. Opportunities are in the space made available for learning, with implications for prioritizing time.

and the process by which organizations eventually reach the ideal of a learning organization. The dividing line between the two is the extent to which proponents emphasize organizational learning as a technical or a social process.

Everybody who is incapable of learning has taken to teaching.

—Oscar Wilde

Jean Lave and Etienne Wenger think that learning is inherently a social process that cannot be separated from the context in which it takes place. They coined the term “community of practice” in 1991 based on their work on learning theory in the late 1980s and early 1990s (even if the phenomenon to which it refers is age old). Learning is in the relationships between people. Social learning occurs when persons who share an interest collaborate over time to exchange ideas, find solutions, and build innovations based on ability, not hierarchical position. Jean Lave and Etienne Wenger argue that communities of practice are everywhere and that we are generally involved in several of them—at work, school, or home, and even in our civic and leisure activities. We all are core members of some groups and at the margins of others. Naturally, the characteristics of communities of practice vary. But they can be defined along three dimensions: (i) what they are about (their domain), (ii) how they function (their community), and (iii) what capabilities they produce (their practice) (Wenger et al. 2002).

I never teach my pupils; I only attempt to provide the conditions in which they can learn.

—Albert Einstein

More recently, communities of practice have been associated with knowledge management as organizations recognize their potential contributions to human and social capital⁸ as well as to organizational performance. Communities of practice can drive strategy, spawn new ideas for products and services, transfer good practice⁹ and decrease the learning curve of new employees, respond more rapidly

⁸Human capital refers to the stock of productive skills and technical knowledge embodied in labor. Social capital refers to connections within and between social networks.

⁹A good practice is defined as anything that has been tried and shown to work in some way—whether fully or in part but with at least some evidence of effectiveness—and that may have implications for practice at any level elsewhere. Three possible levels of good practice flow from this: (i) promising practices, (ii) demonstrated practices, and (iii) replicated practices.

to specific client needs (requested or anticipated) for certain information, solve problems quickly, minimize organizational knowledge loss (both tacit and explicit), reduce rework and prevent “reinvention of the wheel,” develop professional skills, and help engage and retain talented individuals. Even with the help of community-oriented technologies,¹⁰ however, harnessing them in support of organizational development is not easy. Communities of practice benefit from cultivation, but their organic, spontaneous, and informal nature makes them resistant to supervision and interference. Importantly, knowledge and activity are intimately connected, and knowledge workers¹¹ have a strong need to feel that their work contributes to the whole. To get communities of practice going, leaders should (i) identify potential communities that will enhance the organization’s core competencies, (ii) provide supportive infrastructure, and (iii) use nontraditional methods to measure their value. In a learning organization, leaders are designers, stewards, and teachers. Fundamentally, they should move from managing to enable knowledge creation. Communities of practice are voluntary, and what will make them successful over time is their ability, within an enabling environment, to generate enough excitement, relevance, and value to attract, engage, and retain members.

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- Wenger E, McDermott R, Snyder W (2002) *Cultivating communities of practice: a guide to managing knowledge*. Harvard Business School Press, Boston, Massachusetts

Further Reading

- ADB (2008) *Auditing the lessons architecture*. Manila
- ADB (2009) *Learning for change in ADB*. Manila

¹⁰In a fast-changing market, numerous community-oriented technologies have emerged. They include (i) the desktop, with portal-like applications for managing participation in several groups; (ii) online project spaces for joint work; (iii) website communities; (iv) discussion groups; (v) synchronous meeting facilities, online auditoriums, conference rooms, and chat rooms; (vi) e-learning systems; (vii) expert profiles; and (viii) knowledge repositories. The advantages of one over another have to do with time and space, participation, membership, value creation, connections, and community development.

¹¹The knowledge worker, a term coined by Peter Drucker back in 1959, is anyone who works for a living at the tasks of developing or using knowledge.

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