The Learning Organisation: Fashionable Fad or Path to Progress?

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INTRODUCTION

Increasing competition, globalisation of industry and environmental turbulence are constant concerns in the current literature relating to organisation theory and management. Organisations are now awash with information as more information has been produced within the last 30 years than in the last 5,000 (Bird 1996). Cumulatively all these forces merge to form an incessant demand for change. Mayo (1996:20) captures the present operational climate of organisations rather well:

> The storms have come from east and west: storms of technological change, global market forces, cost competition, regulation and deregulation. They have wiped out whole staging points, and many roads have come to an abrupt end.

Therefore gone forever are the days when 'it was fashionable to make organisations as predictable as possible' (Handy 1994:172) Given the prevailing challenging context in which organisations 'face a tougher world' (Handy 1989:70), there is a constant quest for new insights which will enable them to respond positively to 'the slings and arrows of outrageous fortune' which constantly assail them.   There has never been any shortage of prescriptions for achieving organisational success. Recent nostrums include 'Excellence' characteristics; 'Total Quality Management'; 'Competitive Advantage Through IT'; 'Empowerment'; 'Benchmarking'; 'Corporate Culture Change'; 'Downsizing' and 'Business Process Engineering'. All of these approaches share a common underlying acceptance of the need for change in organisations, in response to new demands arising from the environment.   But if an organisation is to renew itself, what precisely does that entail?

Many contributors to the debate now suggest a greater emphasis on *people* in organisations as 'companies realise that in order to remain competitive they must utilize their human resources more efficiently' (Morgan A. 1996:24).   In the introduction to his book *Imaginization* (Morgan 1993), Garreth Morgan remains us that 'an organization has no presence beyond that of the people who bring it to life'. This concurs with Egan's (1988:46) view that *'people* make things happen in companies and institutions' while Handy (1994:152 counsels that 'we must make

people our assets'. Fisher & Torbert (1995) and Harvey-Jones (1994) stress that unless people in an organisation are transformed, the impact of change is limited. Referring specifically to organizations such as Intel and 3M which have been able to renew themselves, Bartlett & Ghoshal (1995:11) observe that the most vital requirement in this process is to rejuvenate people:

> After the 'slash-and-burn organisational restructuring of the past decade, one thing is becoming increasingly clear to managers: if a company is . . . to develop the ability of continuous self-renewal, it's real battle lies . . . in changing individual organisation members' behaviours and actions.

Therefore it seems that if organisations are to respond successfully to rapidly changing circumstances, this process is dependent on the *people* in the organisation to forge the new path to progress.

It is suggested by scholars that one way of facilitating this process is to create a learning organisation (L/O) where 'people are continually learning how to learn together '(Senge 1993:3).   In fact McKergon (1994:16) reports that 'learning, both by individuals and in organisations, is proving to be one of the key business topics of the 1990s'. One cogent reason for this focus on learning is that it is seen as a means of gaining competitive advantage. As Mayo (1995:14) reports' 'the pace of change needed in today's world makes flexibility and rapid effective learning key competitive advantages', a view endorsed by Black & Synan (1996) and Goleman (1996).   This working paper explores the concept of the 'learning organisation' (referred to hereafter as L/O), examining its contours and its potential in enabling organisations to meet the challenges of the demanding *milieu* in which they now operate.

EXPLORING THE CONCEPT

Although around since the 1970s (Argyris & Schon 1978), the concept of L/Os gained wide currency in the early 1990s with the publication of Peter Senge's best seller *The Fifth Discipline* (Senge 1993)   which Fulmer (1995:9) reports 'moved Senge and his work into the forefront of American thought'.   Senge (1993:3) describes L/Os as. . .

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 how to learn together

Many other writers have since contributed to the 'L/O' debate. For example, Garvin (1993:78) views a L/O as 'an organization skilled at creating, acquiring and transferring knowledge and at modifying its behaviour to reflect new knowledge and insights'. The 'fifth discipline' in the title of Senge's (1993) book refers to systems thinking, and this aspect of the L/O has been highlighted by some scholars. Kreitner (1995:55) explains that 'organizational learning portrays the organization as a living and thinking open system. . . In short, organizations are said to learn from experience, just as humans and higher animals do'. Also incorporating the 'systems' theme, Mohrman & Mohrman (1993:89) note that 'organizational learning is more than the sum of the learning of its parts - more than cumulative individual learning. . . Individual learning is necessary but not sufficient for organizational learning'.

Pedlar, Burgoyne & Boydell (1991), another trio who have contributed to the discourse on the L/O, see a learning company as one which creates learning opportunities for all its members. This theme is mentioned also by Daft (1995:492) who contrasts the provision of 'employee empowerment' and 'sharing in the overall vision of the organization' in a L/O with 'the traditional hierarchy where top management was responsibility for directing strategy and for control and employees were simply factors of efficient production'.

Taking an overview of these definitions and insights into L/Os, strong themes emerging are:

- the 'systems thinking' underpinning the process;
- acquisition of new knowledge;
- involvement of all members of the organization.

Each aspect is now examined.

Systems Thinking

Systems thinking in an organizational context is not of recent vintage. It is based on General Systems Theory (GST) which was developed by Ludwig von Bertalanffy

back in the 1940s (von Bertalanffy 1972). It is an interdisciplinary area of study, based on the assumption that everything is part of a larger, interdependent arrangement. When the limitations of the diverse approaches to management in the early part of this century were recognised, efforts at developing a more unified framework began in earnest in the 1960s (Robbins 1988).   Some of the concepts of GST were then applied to organisations (Kast & Rosenzweig 1985). A system is defined as 'a set of interrelated and interdependent parts arranged in a manner that produces a unified whole' (Robbins 1988:46). This is based on the GST concept of 'holism' (Kast & Rosenzweig 1985). An organization is seen as an open system as it 'acquires inputs from the environment, transforms them and discharges outputs to the external environment' (Daft 1986:10). The need for inputs and outputs reflects the dependency on the environment (Burns & Stalker 1961; Lawrence & Lorsch 1967; Thompson 1967).   It explains why the L/O is 'responsive to, is trying to learn what is going on in the outside world' (Hodgetts, Luthans & Lee 1994:9).

The interrelated elements of the organisation as a system, composed of various sub-systems, means that people and departments depend on one another and must work together (Kast & Rosenzweig 1985). This aspect is of particular significance in achieving a L/O as, in Senge's view, systems thinking is 'the discipline that integrates . . . it continually reminds us that the whole can exceed the sum of its parts' (Senge 1993:12), a concept known as 'synergy' in GST (Kast & Rosenzweig 1985). According to Senge (1993:12), 'without systems thinking, the seed of vision falls on harsh soil'. This means that systems thinking is at the core of a L/O.

Acquiring New Knowledge

'For an organization to learn, it must be able to acquire new knowledge and to add it to memory' (Robey & Sales 1994:425).   This need arises because in the fast-changing world of to-day, 'the things and ways which got you where you are, are seldom the things to keep you there' (Handy 1994:49). For organizations, this necessitates 'shifting out of the comfort zone' (Clarke 1994:147); it means that their learning must progress 'beyond mere adaptation' (Dodgson 1993:382) if they are not to reach the stage of being what Garratt (1987:16) describes as 'clinically brain dead'.

The concepts of 'single-loop' and 'double-loop' learning (Argyris & Schon 1978) are useful in distinguishing between different kinds of organisational learning. The type of learning which keeps organisational performance within the range set by existing

organisational norms is labeled 'single-loop'. This mode of learning is associated with managers who are strong on control and the only learning which occurs is learning how to conform. Single loop learning is concerned primarily with how best to achieve existing objectives. However, current norms may not remain appropriate over time. Rather, changes in the environment may necessitate acquiring new knowledge and new ways of operating. For instance, if developments in technology call for a change from familiar patterns of operation, efficiency in existing methods of performance is no longer sufficient. In these circumstances the operating norm for predictable management conflicts with the wish to achieve growth through exploiting new technology. Therefore the existing norms which define effective performance need to be reappraised. Argyris & Schon (1978) give the name 'double-loop' learning to those sorts of enquiry which resolve incompatible norms by creating new understandings. Thus double-loop learning allows an organisation to change and so facilitates organisational learning. Earlier, Gregory Bateson (1972) used the term 'deutero-learning' to describe this learning-to-learn, while Fiol & Lyles (1985) label it 'higher level learning'.

Operating as they do to-day in an increasingly inconstant world, organisations have little choice but to chart new ways of confronting their changing environmental contexts. Given this imperative, single-loop learning, producing 'more of the same', no longer suffices. Rather, acquiring new approaches, using double-loop learning, is the order of the day.

Organisation Wide Involvement

The themes of 'participation' and 'empowerment' feature prominently in the current organisational literature, e.g., Bennett (1991); Daft (1995); Gray & Starke (1988); Jones & Gibbs (1996); Kanter (1983 & 1989); Mayo (1995); Smith (1995). 'Organisations are now saying to their people: "We want you in the driver's seat" ' (Mayo 1996:20). This way of operating is of particular significance in the context of L/Os. Senge (1993:7) comments that 'an organization's commitment to and capacity for learning can be no greater than that of its members'. To state it in simple, basic terms, if *people* in an organisation to not learn, the organisation cannot become a L/O.

What does learning entail? According to Bennett (1991:74), 'to learn means to absorb knowledge, acquire skills and/or assume fresh attitudes'. All the members of an organisation need to be involved in this process. Daft (1995:494) reports that

'the learning organization uses empowerment to an extraordinary degree . . . People work together to identify needs and solve problems'. It is suggested by Black & Synan (1996:34) that 'becoming a learning organisation has very little to do with systems and procedures; it is a people-based company-wide philosophy which involves everyone in the organisation'. In the quest for new and creative ways of doing things, 'empowerment stimulates learning and creativity' (Hodgetts, Luthan & Lee 1994:10).

Why should everybody in the organization be involved? Based on his experience in developing a learning company, Frank Lord, MD of Appleyard, states the supporting case for company wide involvement: 'As the future of any organisation is in the hands, hearts and minds of all its people, it makes sound sense to invest in everyone so that the business can adapt, change, develop and transform' (quoted in Cumber 1994:28). In a major change in management practice, another major UK company, McVities, moved to empowering employees, realising that the old 'directive' style where employees were asked to 'leave their brains at the door and only pick them up as they left', was no longer appropriate in the face of key changes in their operating environment (Peckham & Roome 1996).

Therefore, as organizational learning is underpinned by systems thinking, all parts of the organizational system need to be involved. In effect, this means moving to a participative style of management.

DESIGNING LEARNING ORGANISATIONS

Various routes to establishing a L/O are described in the academic literature. As Peter Senge is credited with giving the concept its current high profile, it seems appropriate to start by outlining his road map for the process. In Senge's (1993) view, creating a L/O centres on five basic disciplines

- Personal mastery
- Mental models
- Building shared vision
- Team learning
- Systems thinking.

Personal mastery: This requirement recognises the connection between personal learning and organizational learning as 'organizations learn only through individuals who learn' (Senge 1993:139). In turn, it calls for the development of people in an organisation. Personal mastery is about 'deepening our personal vision. . . and seeing reality objectively' (Senge 1993:7). Yet he observes that few organisations facilitate the growth of their members in this manner. Senge also advocates supporting personal mastery in all aspects of life, rejecting what he sees as the artificial boundary between work and family: 'We live only one life, but for a long time our organizations have operated as if this simple fact could be ignored, as if we had two separate lives. . . One cannot build a learning organization on a foundation of broken homes and strained personal relationships' (Senge 1993:307 & 312).

Mental models: These refer to assumptions that influence how we understand the world. Such assumptions can block change, especially if they are widely shared in an organisation.   As Senge (1993:174) explains, 'new insights fail to get put into practice because they conflict with deeply held internal images of how the world works'. Speaking at the 1995 IPD conference, Prahalad made a similar point when he stressed the need to 'forget the past' as a prerequisite for learning about the future (Lickford 1995:45).   In essence, the discipline of working with mental models centres around bringing internal pictures to the surface and holding them up to scrutiny. Unless this process is undertaken, change is unlikely to occur. For example, Deming's TQM approach was disregarded by the Americans for many years until, seeing how successful it was in Japan, they re-examined their stance (Gatewood et al 1995).

Building a shared vision: Having 'a shared picture of the future we seek to create' (Senge 1993:9) is the focus here. Such genuine visions 'create a sense of commonality that permeates the organization and gives coherence to diverse activities' (Senge 1993:206).   In other words, a shared image of the organisation helps to foster systems thinking, i.e., that the whole is made up of interrelated sub-systems. Without it, the concept of interconnectedness is not highlighted and fragmentation of effort can result.

Team learning: The discipline of team learning 'starts with 'dialogue', the capacity of members of a team to suspend assumptions and enter into a genuine 'thinking together' (Senge 1993:10). It is important as teams, not individuals, constitute the

fundamental learning unit in organizations. Therefore, unless teams learn, organisations cannot learn. Senge (1993:234) uses the example of jazz musicians to capture the concept of alignment, noting that when teams are aligned, 'a commonality of direction emerges and individuals' energies harmonize'. Goleman (1996:160) makes a similar prediction in relation to organisations of the future: 'The skills that help people harmonize should become increasingly valued as a workplace asset in the years to come'. Many leading companies such as the international banking firm JP Morgan (Morgan JP 1996), and Motorola (Clifford 1994), now utilise a teamwork culture in their operations.

Systems thinking: The origins and broad scope of systems thinking in an organisational context were outlined earlier in this discussion. Senge (1993:69) believes that it is 'the cornerstone of how learning organizations think about their world'. The main focus is on seeing wholes and interrelationships, rather than separate parts. In order to convey the integrative nature of living systems, Senge (1993:66) uses the following heading: 'Dividing an elephant in half does not produce two small elephants'. The same concept applies to organisations - the whole system must be taken into account. Rigid internal divisions between different functions in organisations (Ohmae 1982) do not facilitate systems thinking, which is 'the discipline that integrates the disciplines. . . it keeps them from being separate gimmicks or the latest organizational fad' (Senge 1993:12).

Cumulatively, Senge (1993:11) considers that as these five learning disciplines converge 'they will not create *the* learning organization but rather a new wave of experimentation and advancement' .

Another process of organisational learning put forward by Robey & Sales (1994) centres on organisational memory. This memory is defined as 'frames of meaning that are shared by an organization's members' (Robey & Sales 1994:421) and it has three components - identity, causal maps and organizational routines. *Identity* refers to the image of the organisation that is shared by its members. An example of a *causal map* would be a belief that 'closeness to the customer' is a key component of success in a company. This causal map connects customer service with success. *Organizational routines* refer to procedures in an organisation, i.e., the accepted way of doing things.

Robey & Sales (1994) suggest that all three components may need to be revised if they become inappropriate over time. This involves organisational learning, 'a process of acquiring, accessing and revising organizational memory' (Robey & Sales 1994:420).

Acquiring knowledge: For an organisation to learn, it must be able to acquire new knowledge and to add to its memory. However if the organisational culture does not permit experimentation, it is difficult to acquire this new knowledge.

Accessing memory: Knowledge must be accessible to people in an organisation. Otherwise they cannot act on it. Therefore communication patterns in an organisation are important in accessing memory.

Revising memory: This is the process of comparing old knowledge to new knowledge and contrasting the two. It is similar to 'double-loop' learning (Argyris & Schon 1978). Robey & Sales (1994:432) observe that this higher level learning 'can keep organizations from getting trapped in obsolete organizational mind sets'. However, they counsel that 'becoming such a learning organization takes time, energy and an attitude that risk is an essential ingredient in learning' (Robey & Sales 1994:432).

The path to organisational learning presented by Robey & Sales (1994) could be categorised as being fairly broadly based, rather than narrowly prescriptive. This is in contrast to the rubric suggested by the psychologist Peter Honey (1994). He considers that, in order to establish a learning regime in an organisation, learning must be institutionalised: 'We must formalise learning from experience with rules that make learning practices a mandatory requirement' (Honey 1994:6). His proposition is based on four assumptions:

- learning from experience is far too important to be left to chance;
- people rarely do more than they need to;
- 'good' behaviour should never be assumed;
- in most organisations, upward deference is rife.

The learning regime which he proposes includes having a standardised learning form which members are obliged to complete. While some of his assumptions may reflect the reality experienced at times in organisations, they seem grounded in

pessimism and dependent on a strong control model of management which is at variance with a move towards empowerment and participation of all members.

Lickford (1996) gives an account of a far more innovative means of fostering organisational learning used recently by the IPD at its Human Resource Development week held at Wembly in March 1996. It involved the use of theatre as a learning medium for organisations. Through touching the heart and head, theatre's job is to present an argument in such a form as to enable us to see the dilemma of organisational survival and existence as an extension of our own. This avenue seems more in concert with a holistic view of organisational members. Kilcoyne (1996) reports on the successful use of drama by Women's Aid as a learning tool for exploring solutions for women victims of family violence. Perhaps it is an example of how the commercial sector can learn from the voluntary sector about creative ways of helping to forge solutions to challenges that arise in organisations.

To summarise this section which has focused on ways of designing L/Os, it can be said that there is no shortage of ideas on how to effect the process. The need for a holistic model, both for organisations and individual members, emerges as a strong theme, with systems thinking underpinning the broad process.

CONCLUSION

This working paper has explored various aspects of the L/O, explaining what it is, why it is necessary and incorporates suggestions from various contributors to the debate as to how it can be achieved. Organisations now face an increasingly dynamic and interdependent world as the certainties of the past are disintegrating. Given this operating context, they need to find fresh ways to survive and thrive. While accepting that 'successful initiatives are usually muddy and messy . . . there is no magic wand' (Morgan 1994), yet the concept of the L/O has much to offer managers charting newer and richer territory in the search for future organisational effectiveness. As Kreitner (1995:277) observes, 'the concept of learning organizations is a valuable addition to organization theory, because it explains how managers can deal with to-day's only certainty - change'. It is suggested also that organisations seeking to thrive do not have a lot of choice in the matter as 'without effective learning processes, organizations are less able to formulate strategies,

implement needed innovations, and make other needed changes' (Robey & Sales 1994:419).

The reassurance from Peter Senge (1993:4) that 'learning organizations are possible because, deep down, we are all learners' is comforting. However, it must be remembered when implementing the process that 'the learner is a whole person, and the whole person needs to be involved in learning' (Heron 1989:13). Agreeing with this sentiment, Nyberg (1996:8) predicts that 'assisting people in bringing out their full capacity will be the primary task of managers and leaders'. This challenges managers to leave behind the controlling model of management and to embrace the philosophy of organisational learning so that all members of an organisation can work together to forge a successful future for the enterprise. 'In a word, organizations must be able to learn, and to learn from their learning' (Salaman & Butler 1990:183). These are the building blocks which underpin the concept of a L/O. With this learning process in place, organisations can face the future with fortitude.

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