LEARNING ORGANISATION: UTOPIA OR PRACTICAL?

Tatum Syarifah Adiningrum[1]
BINUS Business School

ABSTRACT

Organisational learning and learning organizational concept are not new in management discipline, however the high popularity of these construct is growing in 1990s onwards to both academics and business managers. From organisational perspective, in order to keep its competitive advantage, to be successful continually, organisations have to keep improving its products and service, and to be able to do that, organisations have to learn, thus becoming a learning organisation. Definitions of learning organisation are varied from each author, from a simple, idealistic to a highly practical one. To manage organisational learning, there are also different ranges of discussions from different academics, ranging from the vague and utopian to highly practical approach. Although engaging in organisational learning is very useful for the development of organisations, becoming a learning organisation is not the one and truly aswer to the sustainability of an organisation. Organisation should pursue change to a better performance, but not all organisation have to change with the same pace and intencity. The most reasonable thing to do in addapting the learning organisation notion is to consider the sensitiveness of culture and needs, and to decide to what degree an organisation would like to adapt it.

Keywords: Organisational learning, learning organisational, sustainability.

INTRODUCTION

Organisational learning and learning organi\sational concept are not new in management area with some writers such as Argyris has been

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[1] Faculty of BINUS Business School (tadiningrum@binus.edu)

contributing in this area for over 40 years (Burners, Cooper, and West, 2003, p. 452). However, the high popularity of these construct in 1990s onwards to both academics and business managers, is accelerated bythe "pace of change and the competitive threat posed by globalization" (Burnes et.al., 2003, p. 452).

Organisations are developed to provide something to some sort of customers, whether they are profit, nonprofit, public or private. To keep its competitive advantage, to be successful continually, organisations have to keep improving its products and service, and to be able to do that, organisations have to learn (Garvin, 1993, p.), thus becoming a learning organization is considered a must in the era of when "the only certainty is the uncertainty" (Nonaka, 1991, p. 96). However, transferring a traditional organisation into a learning organisation is not as simple as turning one's hand, it takes times, effort, policy, restructuring and the right leadership. To make the matter more complicated, the exact and practical definition of organizational learning is still very much non-existent in the jungle of highly utopian, idealist and vastly different definitions by different scholars (Garvin, 1993). Therefore it needs to be discussed whether becoming a learning organisation is a desirable and realistic goal for organisation.

The Learning Organisation: What and Why
Definitions of learning organisation is varied from each authors, from a simple, idealistic one such as the one by Senge to a highly practical one such as the one provided by Watkins and Marsick (see table below)

Table 1. Definitions of Learning Organisation

Name	Definition of Learning Organisation
Senge (1992, p. 14)	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
Nonaka (1991, p.97)	Places where inventing new knowledge is not a specialized activity…it is a way of

Name	Definition of Learning Organisation
	behaving, indeed, a way of being, in which everyone is a knowledge worker. Learning organisastions are results oriented. They foster an environment in which employees are encouraged to use new behaviours and operational processes to achieve corporate goals.
Watkins & Marsick (in Knapper, 2000, p. 132	A learning organisation is one that is responsive to the larger context or environment, promotes discussions, team learning and collaboration among employees, empower employees towards a "collective vision", develop systems to monitor and share learning, and creates ongoing learning opportunities for workers.
Garvin (2000, p. 282)	A learning organisation is an organisation skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights.
De Cieri (2003, p. 342)	One whose employees are continuously attempting to learn new things and apply what they have learned to improve product or service quality.

Drawing from the definitions above, learning organisations have the characteristics of: encouraging employees to learn, result oriented, responsive to environment, team oriented, applying new knowledge in operation to reach organisational goals and to improve quality A learning organisation, then, is a dynamic relationship between organisation, employee and environment.

Environment is the important trigger for human (and organisation) to engange in learning activitites. As concluded by HomerDixon, as the world and people's lives become more complicated and fast, we have different problems to solve and we need to learn creative solutions to solve them (Homer-Dixon in Knapper, 2000, p. 130). Learning can occur anywhere, but one important place to do it nowadays is in the workplace, because the fit between the practice in the 'real' world and

the knowledge gained from formal education can become unsatisfactory very quickly (Knapper, 2000, p. 130).

Responding to the current competitive world organisations need to become a learner as well. As explained by Sveiby, "we have entered an economic age where knowledge has become the new organisational wealth" (Sveiby in Heraty, 2004, p. 450), and knowledge is considered as the "primary driver of economic success" (Heraty, 2004, p. 450). The values of organisations today is reduced costs, increased productivity, creating competitive advantage and market orientation (Knapper, 2000; Nonaka, 1991; Slater & Narver, 1995).

Nonaka (1991, p. 96) provides a good summary of today's global competition:

> *"In an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge. When market shifts, technologies prokiferate, competitors multiply, and products become obsolete almost overnight, successful companies are those that consistently create new knowledge, disseminate it widely throughtout the organisation, and quickly embody it in new technologies and products".*

In order to fulfill these needs, scholars such as Senge, Nonaka, Garvin and Argyris argue that organisations need to consider to evolve into organisations that learn; the learning organisations (Senge, 1992) or the knowledge-creating company (Nonaka, 1991). Facing the rapid environment change, an organisation cannot reply on one person to provide a grand plan for the whole organisation anymore, now it requires a joint effort in a whole company to contribute to the grand plan (Wilson in Burnes, Cooper, and West, 2003; Senge, 1992).

However, as desirable as it seems to be a learning organisation, the obvious link between learning and performance still need to be validated through more research (Henderson, 1997; Slater and Naver, 1995). Henderson gave an example of a research conducted by Jenkins and Johnsons that show little direct linkage between manager cognitive and business performance. Moreover, Burnes, Cooper, and West (2003) also argue that environment change could be managed and modified by organisations, and there are organisations that are slow to change, as it might be dangerous to itself or to the goodness of people if they experimenting too much. Such organisations include

state bureaucracy, nuclear and chemical plants and probably operating theatres (Burnes, Cooper and West, 2003, p. 460).

BECOMING A LEARNING ORGANIZATION: REALISTIC OR UTOPIAN

If becoming a learning organisation is rational and desirable, the next concern is how such an organisation created? This question is not easy to answer, as how organisation learns is varied in the eyes of writer. As explained by Garvin, most definitions agree on the knowledge acquisition and improved performance, but they differ in other important matters such as how far is the learning should go, how the learning is conducted, how to store information, and even whether organisational learning is selfprinted or common (Garvin, 1993, p. 282). Furthermore, Garvin criticised experts in this area as giving only idealistic and utopian definitions without practical guidance on how to implement them, and he proposes the 3Ms approach to give a better guide for organisations: Meaning (practical definitions), Management (clear guidelines for practice) and Measurement (tools for assessing rate and level of learning) (Garvin, 1993, p. 281-282).

The practical definitions have been provided in the previous sections, with the characteristics that need to be possessed by a learning organisation. To manage organisational learning, thereare also different ranges of discussions from different academics, ranging from the vague and utopian to highly practical approach. However, to measure whether it is realistic to become a learning organisation, a more practical explanations will be use in this study, thus, managing the organisational learning include efforts as describe below.

1. To be able to respond quickly and appropriately, organisations need to constantly scan their external environments (Kreitner and Kinicky, 2007, p. 549). In this regard, the organisation need to be market oriented, as then they will continually collect information about their customers and competitors and then use the knowledge to improve their product or service (Slater and Narver, 1995).

2. Hiring new talent and expertise when needed (Kreitner and Kinicky, 2007, p. 549). Organisations that want to be effective need to make sure that they have the right people (Pfeffer, 1998, p.

497). To ensure this, organisations need to apply selective hiring: have a large pool of applicants, be clear about the most important skills and attribute, the skills and abilities of the people selected need to be closely considered and aligned to the job requirement and the market the organisation serves, and organisation should carefully select people based on the attributes that are difficult to change through training rather than on the basis of practical skills (Pfeffer, 1998).

3. Devoting significant resources to train and develop their employees (Kreitner and Kinicky, 2007, p. 449). Although training is considered as the "key concept of the last century" (Knapper, 2000, p. 132), it still play an important role in organisation. However, the attitude toward training should be changed, that training is conducted for the sake of the budget to be spent, and "hardly ever evaluated its effectiveness (De Cieri, 2003, p. 339). Learning organisations need to engage in "high leverage training" (De Cieri, 2003). In such system, training is:

> *"Linked to strategic business goals and objectives, uses an instructional design process to ensure that training is effective and compares or benchmarks the company's training programs in other company"* (De Cieri, 2003, p. 341).

Other resources to employee development can include things such as providing an online library of learning resources and allowing employees to take time off work to study.

4. New knowledge must be transferred throughout the organisation (Kreitner and Kinicky, 2007, p. 549). It is important to develop an organisational memory, especially in an organisation with high turnover rate and which relies on part time contract worker (Slater and Narver, 1995). Important knowledge could be sustained by writing report, encouraging employee to present the new knowledge to other people, recording knowledge in information systems, operating procedure, or other means. It might be worth to create a directory of people with certain knowledge or information map of knowledge, or organisation can go as far as creating a special department for intellectual capital (De Cieri, 2003). Organisations strive to reduce structural, process, and interpersonal barriers to the sharing of information, ideas and

knowledge among organisational members (Kreitner and Kinicky, 2007, p. 549). The traditional pyramid-shape organisations is regarded to slow and inflexible, and effective organisations try to flatten their structure. New style organisations take the forms of horizontal, hourglass, or virutal organisations, and they are "costumer-focused, dedicated to continuous improvement and learning, and structured around team" (Kreitner and Kinicky, 2007, p. 551). Moreover, team-based organisations have benefits as explained by Batt :

> *"two decades of research in organizational behaviour provides considerable evidence that workers in self-managed teams enjoy greater autonomy and discretion, and this effect translates into intrinsic rewards and job satisfaction; teams also outperform traditionally supervised groups in the majority of ... empirical studies"* (Batt in Pfeffer, 1998, p. 499).

In the context of learning, teams enable employees to respond to problems quicker and with more creative solutions. Eliminating layers of management with self-managed team also means eliminating excess personnel and "putting critical decisions in the hands of individuals who may be closer to the relevant information" (Preffer, 1998, p. 501).

5. Behaviour must change as a result of new knowledge (Kreitner and Kinicky, 2007, p. 549), as change of behaviour is "the link between organisational behaviour (Menon and Varadarajan in Slater and Narver, 1995, p. 66). First, applying knowledge directly to solve problems. Second, the knowledge influences the perspective of managements to problems but might not change behaviour straight away. Third, satisfaction increased towards the change that has already been made.

6. Foster an environment that is conducive for learning (Garvin, 1993, p. 294). Time and habit to do reflection and analysis, assessing and invent should be encouraged and agreed by top management (Garvin, 1993).

Measuring the level of learning is the new challenge. Garvin argues that to completely measure the learning process, all of the stages of

learning should be assessed: cognitive-assessed by tools such as surveys, questionnaire and interviews; behavioral-assessed by direct observation; and performance improvement-measure by half-life curve or other similar tools (Garvin, 1993, p. 292-293).

However, wether being a learning organisationis applicable to organisations is highly dependent on context. First, there is the question of culture to be considered. It has to be recognised that the notion of learning organisation and organisational learning is a western culture production. It does not mean that it could not be applied in eastern culture, but adaptation would be needed. Nonaka (1991) explains the approach taken by the Japanese knowledge creating companies in influencing the knowledge production using cryptic slogans, weird analogy and made-up words that works in Japanese culture but will be sneered in western companies. It would also be difficult to flatten hierarchy in eastern cultures, and promote changes that go against more 'senior and professional' people, simply because that is the culture the people grow up with. Second, there is also the question of priority is very good to learn something new, to experiment and trial, but day-to-day task should also be prioritised. In a company which still striving for financial stability such as the IALF Surabaya, prioritising learning might not be the best solution. As a language school that is unstable in its financial report, management is not even thingking of structuring and preserving learning. Third, becoming a learning organisation take time, effort and vision from someone at the top management. It will not happen overnight, but involve management process that take time and commitment (Garvin, 1993, p. 293).

Whether there is a true and genuine learning organisation is not easy to answer, because the measure of what is truly a learning organisation is non existent (Garvin, 1993 ; Heraty, 2004). However, organisational learning is a more achievable effort to pursue. According to Tsang, the difference between the organisational learning and the learning organisation is wether it is "becoming" or "being" (Tsang in Burnes, Cooper, and West, 2003, p. 454). Furthermore, it is explained that :
"Organisational learning describes attemps by organisations to become learning organisations by promoting learning in a conscious, systematic and synergistic fashion which involves everyone in the

organisation. A learning organisation is the highest state of organisational learning, in which an organisation has achieved the stability to transform itself continuously through the development and involvement of all its members" (Burnes, Cooper, and West, 2003, p. 454, emphasis added).

CONCLUSIONS

In the time of rapid change, global competition and the worship of competitive advantage, becoming a learning organisation seems to be a great solution, as the action of continuous learning is then identified with improved performance. Organisations strive to learn, and provide a structure and condusive environment for employees to learn. Knowledge acquired, shared, preserved and later on bring changes of behaviour in both individual and organisational level.

However, although engaging in organisational learning is very useful for the development of organisations, becoming a learning organisation is not the one and truly aswer to the sustainability of an organisation. Organisation should pursue change to a better performance, but not all organisation have to change with the same pace and intencity. Imagine if all state depatments in Indonesia suddenly become a flat and highly efficient organisations, there will be a huge (additional) unemployment problems in the country.

The most reasonable thing to do in addapting the learning organisation notion is to consider the sensitiveness of culture and needs, and to decide to what degree an organisation would like to adapt it. Not all organisations in the world should have the same precription to answer the challenge of this century, no matter how good the prescription seems to be.

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