LEARNING ORGANIZATION

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ABSTRACT

This paper reviews the learning organization/organizational learning literature in five main areas: first, the definition of learning organization vs. organizational learning and the difference between them; second, the levels of learning and learning types; third, the learning processes in organizations; fourth, the need for learning organization; and fifth, the image of learning organization. This paper aimes at stimulating Vietnamese institutions' interest in the importance of learning in the success of organizations.

Keywords: learning organization, organizational learning, learning levels, learning types, learning processes.

TÓM TẮT

Tổ chức học tập

Bài viết tổng kết các lí thuyết về tổ chức học tập và học tập tổ chức ở năm khía cạnh: (i) định nghĩa khái niệm tổ chức học tập và học tập tổ chức, so sánh sự khác biệt giữa chúng; (ii) mức độ học tập và loại hình học tập; (iii) quy trình học tập trong tổ chức; (iv) sự cần thiết của tổ chức học tập; và (v) hình ảnh của tổ chức học tập. Bài viết nhằm mục đích kích thích các tổ chức của Việt Nam quan tâm đến tầm quan trọng của học tập đối với sự thành công của tổ chức.

Từ khóa: tổ chức học tập, học tập tổ chức, mức độ học tập, quy trình học tập.

1. Introduction

Since the 1990s, the term *learning organization* has become one of the most popular concepts in the lexicon of business as evidenced by the rapidly increasing volume of publications in scholarly journals and by the deep interest and adoption of the concept. In fact, the concept highlights the importance of learning in organizations. West (1994) states that adaptation to change and uncertainty is most likely to occur when sufficient and appropriate learning takes place throughout the organization all the time. It is unsurprising that the statement of De Geus (1988, p.71) *"The ability to learn faster than your competitors may be the only sustainable competitive advantage"* attracts great attention from academics and practitioners studying learning organization/organizational learning as

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they believe that learning organization/organizational learning is the right perspectives for companies to maintain competitive advantage in an ever-changing business environment.

2. Definition of learning organizations

Senge (1990, p.2) described learning organizations as places *"where people continually expand their capacity to create the results they truly desire, where new and expansive paterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn"* – and affirmed that *"The organizations that will truly excel in the future will be the organizations that discover how to tap people's commitment and capacity to learn at all levels."*

The learning organization promoted by Senge (1990) is only one of the many versions of learning organizations currently available. Nevis *et al.* (1995) defined a learning organization *"as one that is effective at acquiring, sharing, and utilizing knowledge."* According to Garvin (1993, p.80), *"a learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights."*

In spite of different definitions on learning organization, there appears to be some consensus in several areas. *Firstly*, adapting to an uncertain and fast changing environment is particularly the goal of learning organizations. *Secondly*, enhancing the organizational learning capacity, i.e. acquiring, sharing, and utilizing knowledge rather than immediate problem solving is a pathway to develop a learning organization. *Thirdly*, having a shared vision or making collective commitment to learning is regarded as the core energy for organizational change. *Fourthly*, organizational learning capacity is improved through members, who openly share, discuss, experiment with diverse insights and ideas.

3. Difference between learning organization and organizational learning

According to Fiol & Lyles (1985, p.803) *"organizational learning means the process of improving actions through better knowledge and understanding"*. The two similar and closely related terms of "organizational learning" and "learning organization" are sometimes used interchangeably until mid 1990s, when they were divided into two streams: descriptive and prescriptive (Tsang, 1997). The former stream – research on organizational learning processes – is studied by academics. The latter stream – research on the set of management practices and characteristics of an organization becoming a learning organization – is the domain of practitioners. The difference between the two, according to Tsang (1997, p.74-75), is that *"Organizational learning is a concept used to describe certain types of activity that take place in an organization while the learning organization refers to a particular type of organization in and of itself. Nevertheless, there is a simple relationship between the two – a learning organization is one which is good at organizational learning."*

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Similarly, Birdthistle (2008) sees the two terms as the two sides of the same coin, i.e if an organization wants to become a learning organization, organizational learning must be a fundamental and central activity in that learning organization. Burnes (2004, p.140) states that "*the difference appears to be between 'becoming' and 'being'*". Organizational learning describes organizations' attempts to become learning organizations by promoting learning in a conscious, systematic and synergistic fashion that involves everyone in the organization. A learning organization is the highest state of organizational learning, in which an organization has achieved the ability to transform itself continuously through the development and involvement of all its members. Therefore, once the definition of organizational learning is settled, that of the learning organization will follow. Organizational learning does not guarantee an organization to become a learning organization, but a learning organization must be good at organizational learning.

4.   Learning levels

The concept of organizational learning includes the idea that organizations could learn through employees' learning and knowledge, then share that knowledge throughout the organization, i.e organizations learn and that learning takes place at organizational level. Although some authors (Simon, 1991; Dodgson, 1993; Garvin, 1993) argue strongly that only individuals can learn, organizations do not learn by themselves, others (March, 1991; Crossan *et al.*, 1999; Senge, 1990) contend that learning takes place at group and organization levels as well. As Kim (1993) states, "*All organizations learn whether they consciously choose to or not... it is a fundamental requirement for their sustained existence*". Cook & Yanow (1995, p.368) look at organizational learning in a cultural perspective to explain the phenomenon that "*organizations learn the same way people do*".

Learning occurs at different levels in the organizations. Solingen *et al.* (2000) has classified organizational learning as the highest state of learning in the organization (see Table 1).

Table 1. Organizational learning levels (adapted from Solingen et al., 2000)

Level 1	Level 2	Level 3
Individual learning	*Team learning*	*Organizational learning*

Individual learning

Individual learning is of great importance for organizations as it provides the basis for organizational learning. As Kim (1993, p.37) emphasized, "*All organizations are composed of individuals. Organizations can learn independently of any specific individual but not independently of all individuals*". According to him, there are two levels of individual learning – operational and conceptual. Operational learning refers to learning at procedural level that codifies into routines. Conceptual learning refers to learning where

individual thinks and conceptualizes why things are done in this way by challenging the existing conditions, procedures or conceptions and leading to new mental models.

Team learning

Today organizations work in teams and teams are composed of individuals. Team learning is defined as "*a set of people that share the same learning goals and learning processes over a period of time*" (Solingen *et al.*, 2000). McDougall & Beatie (1998) stressed the importance of team learning by saying that learning can only be attained through sharing, effective communication between teams and team members, whose interactions link individual learning with organizational learning. Senge (1990) explained that when teams learn they can spread the acquired skills to other teams which can foster learning throughout the organization. "*Team learning bridges the gap between individual learning and organizational learning*" (Aslam *et al.,* 2011).

Organizational learning

Organizational learning is the process (or capacity) by which organizations learn. It can be viewed as the organization's collective capacity to learn. Organizational learning is achieved by collective sharing, which is obtained in team learning (Aslam *et al.,* 2011).

These three levels of learning are of inter-relationship. Sinkula (1994), Senge (1990) and Argyris & Schon (1978) have the same understanding that there is a link betwwen individual learning and organizational learning. For example, Argyris and Schon (1978, p.20) argued that "*there is no organizational learning without individual learning*". Senge (1990, p.236) also supported this view, stating that "*organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning, but without it no organizational learning occurs*". Although organizational learning is dependent of individuals, not all learning at the individual level translates into learning at the organizational level. Organizational learning is not merely the aggregate of all the organizational members' learning. According to Kim (1993), individual learning affects organizational learning by influencing the organization's shared mental model, which can be achieved by team learning. Team learning is a bridge connecting individual learning with organizational learning (Aslam *et al.,* 2011). As Senge (1990) explains, when teams learn, the acquired skills can be transferred to other teams, which can facilitate learning for larger organizations.

5.   Learning types

Different authors have different classifications of learning types, of which "single-loop learning" and "double-loop learning" (Argyris and Schon, 1978) or "adaptive learning" and "generative learning" (Senge, 1990) are most widely used in the literature.

Table 2. *Learning types*

Authors	Type 1	Type 2	Type 3
Argyris & Schon, 1978	Single-loop learning (learning without significant change in basic assumptions)	Double-loop learning (learning involving changing the organization's culture)	Triple-loop learning (aiming at improving the organizational learning process)
Fiol and Lyles, 1985	Lower-level learning (occuring within a given organizational structure, a given set of rules)	Higher-level learning (aiming at adjusting overall rules and norms)	
Senge, 1990	Adaptive learning (basing on implementing change in the basic assumptions of the organization like culture, value, structure)	Generative learning (involving creativity and innovations, emphasizing experimentation and feedback)	

Organizational learning begins with double-loop learning. Unfortunately, most organizations incline to do well with single-loop learning but very few are effective at double-loop and duetero learning (Dodgson, 1993).

6.   Learning processes

There have existed several organizational learning processes in the literature. For example, Huber (1991) with four steps organizational learning process, including knowledge acquisition, information distribution, information interpretation and organizational memory; Sinkula (1994) with a three-stage pattern, including information acquisition, information dissemination and shared interpretation); and Nevis *et al.* (1995) with a three-stage model, including k*nowledge acquisition, knowledge sharing, knowledge utilization*.

It is clear that the above-mentioned processes do not cover all three learning levels (individual, group and organizational levels). Crossan *et al.* (1999) has developed 4I processes sequentially encompassing intuiting, interpreting, intergrating and institutionalizing and linking the individual, group and organizational levels (see Table 3).

Table 3. *Four processes through three levels (Crossan et al., 1999, p. 525)*

Level	Process	Inputs/ Outcomes
		Experiences
Individual	Intuiting	Images
		Metaphors
	Interpreting	Language
		Cognitive map
		Conversation/ Dialogue
Group	Intergrating	Shared understandings
		Mutual adjustment
		Interactive systems
		Routines
Organization	Institutionalizing	Diagnostic systems
		Rules and procedures

Intuiting is the process of pattern recognition. In this stage, individual changes his way of thinking and and is able to develope new insights based on personal experience . Intuiting is highly subjective and uniquely individual process, it does not fit within the current organizational mental models and existing organizational rules, routines.

Interpreting is the explaining, through words/actions and interaction among members of the group, of such insights to others and to groups within an organization. Interpreting spans the individual and group levels.

Integrating is the process of developing shared understanding among individuals and of taking coordinated action through mutual adjustment. This step takes place at a group level linking with organizational level.

Institutionalizing is the process of ensuring that routinized actions occur. It takes place at organizational level. Shared understanding modifies changes in systems, structures, procedures, rules and strategies, and guides organizational action.

7. Reasons for the need of learning organizations

There are at least two interrelated reasons. *The first* reason is survival. All organizations should learn, otherwise they will die. That learning (L) must be equal to or greater than environmental change (EC): $L \geq EC$ – a very significant equation orginated by Revans (1982). The speed of technological change occurs so rapidly that it causes pressure on firms to attentively focus on research and development. Current practices are no more

valid – and firms should learn to do things in new ways in order to adapt to environmental changes. *The second* reason is excellence. All stakeholders – customers, staffs and shareholders – are attracted to superior performance. The growing competition provides additional pressure on firms to learn faster than their rivals (De Geus, 1988).

8.   Image of a learning organization

Table 4 clarifies the characteristics of a learning organization compared with the traditional organization that combines both the bureaucratic and performance-based organizations (Hitt, 1996).

Table 4. *Eight characteristics of the traditional versus the learning organization*
(Hitt, 1996, p.18)

	Traditional organization	**Learning organization**
Shared value	Efficiency	Excellence
	Effectiveness	Organizational renewal
Leadership style	Controller	Catalyst
Team	Working team	Synergistic team
Strategy	Road map	Learning map
Structure	Hierarchy	Dynamic networks
Staff	People who know	People who learn
Skills	Adaptive learning	Generative learning
Measurement system	Financial report	Balanced scorecard

Shared value

The traditional organization has two primary values:

(1)   Efficiency: doing things right

(2)   Effectiveness: doing right things

These two values are essential for all organizations. However, for those working in fast changing environments with ever-increasing competition, these two values are not sufficient. They need higher values that can be seen in the learning organization:

(1)   Excellence: obtaining the highest standards in every work while accounting for the customer's needs and the available resources

(2)   Self-renewal: encouraging a continuous innovation within the firm

Leadership style

The "controlling" style in the traditional organization means regulating, restraining or directing influence. Here the manager has three functions:

(1)   Objectives setting

(2)   Perfomance reviewing

(3)   Corrective action taking

The leader in a learning organization has a new role: designing the learning organization and being a catalyst by empowering staffs through: (1) setting a shared vision; (2) allocating the necessary recources for vision achievement; (3) giving authority; (4) praising successes; and (5) being a learning designer

Team

The working team in the traditional organization is a low-synergy team. Therefore, the collective intelligence of the whole team is less than the average intelligence of each individual. In contrast, the synergistic team in the learning organization is a high-synergy team or high-performance team. As a result, the intelligence obtained by team members is greater than the sum of intelligence of individual members. Without synergistic teams, there is no learning organization.

Strategy

In the traditional organization, strategy development is viewed as a road map that indicates goals and objectives, action plans and resources allocation for achieving those goals and objectives. In the learning organization, however, it is viewed as a learning map that figures out the formulation process of the new knowledge through sharing of individual mental model. That new knowledge helps revise the shared mental model to be aligned with the current situation.

Structure

The traditional organization focuses on the orderliness when building the structure. It seems not appropriate for organizations facing radical environment change. Therefore, flexible structure provided by the dynamic networks is a choice for the learning organization.

Staffs

Criteria for selecting people in the traditional organization is knowledge and experience, but in the learning organization it is the ability to learn. The learning organization requires their staffs to commit to lifelong learning.

Skills

Senge (1990) differentiated clearly the two types of learning in *The Fifth Discipline*. "Adaptive learning" is learning for survival whereas "Generative learning" is learning that enhances the organization's creativity. The traditional organization is commensurate with adaptive learning, but the learning organization is more appropriate with generative learning.

Measurement system

Traditional organization uses only one dimension for measurement, that is financial performance, and ignores the operational measures. Learning organization uses the framework of *The Balanced Scorecard* for measuring the performance by four categories: vision; excellence; organizational renewal; and financial performance.

9.   Conclusion

Learning is available in any organization as it is an inevitable element in an organizational life and a key to competitiveness. The rapid technological change in products and processes, the growing use of organizational softwares and the rising customer's demand increase the need for organizations to learn to do things in new ways. Hence, learning continues to be fashionable research topics for organizational sciences.

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