

# HOW TO BUILD A LEARNING ORGANIZATION

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## ABSTRACT

*The concept of "learning organization" is a relatively new one, that has been developed in the last three decades and that has been successfully implemented by an important number of companies.*

*This paper briefly describes the concept and some of its characteristics starting from Argyris, Schon and Senge works.*

*The second part of the article proposes some key points that need to be taken care of in order to build a learning organization. There are four aspects involved in this process: the structure of the organization, people, knowledge and technology.*

**KEYWORDS:** Learning organization, organizational learning, knowledge management, vision, progress

## Learning organization - the concept

Analyzing the entrepreneurial environment of the global market within the last decades, we can state that learning is the key to success - some can even call it the key to surviving - for the companies that want to maintain and develop their activity.

The concept of organizational learning was first developed by Argyris and Schon in their work, "*Organizational learning*", published in 1978. Of course, the "learning" concept is not a new one; quoting no one else but the creator of the Theory of Evolution himself, Charles Darwin who said: "It is not the strongest of the species who survive, nor the most intelligent; rather it is the most responsive to change.", we realize that this concept existed since the beginning of times: men progressed by learning.

The present reality and the fierce competition created the need of theorizing the concept of organizational learning in the entrepreneurial environment and the creation of the ***learning organization model***.

Argyris and Schon talk about 2 learning models:

- the single loop learning: the organizations modify their actions starting from the comparison of the obtain results with the expected results
- the double loop learning: the organizations analyze the politics, values and the suppositions that lead to these; if they are capable of modifying these politics and values, than we have a process of double loop learning.

Peter Senge, developed the term of organization learning, in 1990, in his work that quickly became a best seller: "*The fifth discipline: The Art and Practice of the Learning Organization*".

Senge defines two concepts that need to be accomplished in order for a company to be named a learning organization:

- the ability to shape the organization in such way as to be in accordance with the desired results

- the ability of recognizing the moment in which the direction of the organization is different from the desired result and to follow the necessary steps to correct this imbalance

Senge identifies five disciplines that enable organizations to move toward the ideal of a *Learning Organization*.

The five disciplines are:

- \* Systems thinking
- \* Personal mastery
- \* Mental models
- \* Shared vision
- \* Team learning

1. ***Systems thinking*** is the conceptual cornerstone that underlies all of the other disciplines: "A discipline for seeing wholes. It is a framework for seeing interrelationships rather than things, for seeing patterns of change rather than statistic snapshots" (Senge, 1990).

Systems thinking is about interdependencies within a system and between systems.

2. ***Personal mastery*** - according to the author, the fostering of personal mastery is to be achieved not through compulsory personal growth programs but through creating a climate where it is safe for people to create visions, where enquiry and commitment to truth are the norms and where challenging the status quo is expected.

### 3. ***Mental models***

Mental models can explain why two people can observe the same event yet have different descriptions or reactions to it. They simply pay attention to different details. Because of the tacit nature of mental models, they are generally invisible to us. This practice seeks to bring these mental models to the surface, so that we can discuss them. Senge identifies reflection and inquiry as the two types of skills that are central to this work.

### 4. ***Shared vision***

Through the practice of shared vision, people are bound together around a common identity and sense of destiny whereby they excel and learn. Senge idea about leadership is "the capacity to hold a share picture of the future we seek to create" (Senge, 1990). Visions are spread because of reinforcing process, "As people talk, the vision grows clearer. As it gets clearer, enthusiasm for its benefits grows" (Senge, 1990).

5. ***Team learning*** is viewed as "the process of aligning and developing the capacities of a team to create the results its members truly desire" (Senge, 1990). Teams transform their collective thinking. They learn to mobilize their energies and actions to achieve common goals and thereby draw forth an intelligence and ability greater than the sum of the individual members' talents.

Nevertheless, Senge's work was criticized as being too idealistic when he stated: the ability to learn faster than your competitors can be the only sustainable competitive advantage. The critics come with questions as: Is this hurry justified? Are we learning what we want to learn? Are we learning what is missing in our organization? Are we efficient while learning?

Whatever the questions and answers are and even if the implementation models vary from one researcher to another, we can all agree that the organization learning is a vital concept in today's economy.

## **How to build a learning organization**

The first step in creating a learning organization is of course to identify the need and means to do that. We consider the best way to start changing the organization is linking it to an existing process (as an organizational diagnosis, a review of the existing systems) or to the need of a new product or service acquisition or development. These are all good points to start and reasons for develop a better company.

There are four aspects to take into account when building a learning organization: the structure of the organization itself, people, knowledge and technology.

### **1. Structure**

Of course, a formal structure that facilitates learning, adaptation and change is needed.

This involves, without this pretending to be a complete list, the followings:

➤ The strategy, structure, systems, procedures and plans facilitate planned learning. A learning culture exists – that means an organizational climate that nurtures learning.

➤ Adequate resources are allocated for learning in terms of time allocation, specialist support staff, budget for knowledge management infrastructure, formal and informal communities of practice and other value networks and learning and development programs.

➤ Approaches to strategic and scenario planning that go beyond the numbers, encourage challenging assumptions, thinking 'outside of the box'. They also allocate a proportion of resources for experimentation.

➤ Finding appropriate measures and indicators of performance and reward and recognition systems that encourage continuous personal development.

➤ Time and effort spent by staff members on learning and knowledge development are recognized as core activities in the organization's time and performance management systems

➤ Competitor analysis as part of the process of continuously analyzing the external environment

### **2. People**

Senge defined in his work the learning organizations 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 to learn together.*"

This definition resumes very well the type of staff an organization needs in order to achieve its goal of becoming a learning organization:

- staff members are reflective practitioners, they reflect on their experience and create new theories that they test in practice with colleagues
- people operate in teams in which the outcomes are analyzed and where is a high level of safety and trust
- managers have leadership and mentoring qualities and they are a source of inspiration for the other staff

### **3. Knowledge**

- Important knowledge is easily accessible to people who need and use it
- Knowledge is constantly generated and integrated in the products and services the company delivers. New principles are incorporated as examples of good practice.

- The necessary systems for knowledge management are in place, understood and working effectively
- The organization is not vulnerable to loss of important knowledge when staff members move to other jobs in the organization or leave

#### **4. Technology**

The technology issue refers on one side to the information and communication technologies used inside the organization and on the other side to the openness of the organization to integrate new products and technologies.

Learning organizations are likely to be "early adopters" of important learning enabling technologies or even inventors of new technologies and products in the industry they activate.

#### **Conclusions**

Organizations with the best chance to succeed and thrive in the future are learning organizations. There are some fundamental aspects that need to be reinforced inside the company, in order to become a learning organization. Main tools and techniques include: continuously seeking information, encourage creativity (brainstorming, associating ideas), management techniques that imply the development of skills like leadership and mentoring, using and develop the latest and best information and communication methods and means.

The process of passing to a learning organization is a complex one that needs time and flexibility and it is better to start when the company is already involved in a transition process or when a new incorporation of a product or service is taking place.

The purposes and advantages of a learning organization need to be clearly and convincingly explained to the staff as it is the people the main resource that will be used in building and maintaining a learning organization.

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This article is a result of the project „Doctoral Program and PhD Students in the education research and innovation triangle”. This project is co funded by European Social Fund through The Sectorial Operational Programme for Human Resources Development 2007-2013, coordinated by The Bucharest Academy of Economic Studies.