
Innovation and the Learning Organisation

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목 차

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|---|---|
| I. Categorising the 'Learning Organisation' Definitions by Source | III. Misperceptions of feedback
- the critical issue for the Learning Organisation |
| II. Peter Senge's Learning Organisation | IV. Conclusion |
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Abstract

Arguably, the term "Learning Organisation" (LO) was coined in the 1970's, in the organisational learning context, by Chris Argyris. Certainly it has been around for many years. But it achieved new heights of popularity after the publication of Peter Senge's book "*The Fifth Discipline the Art and Practice of the Learning Organisation*"¹. Now every respectable Government Agency and major company feels obliged to call themselves a LO.

A review of the academic literature and organisation documents show many different concepts being described. Indeed, it seems that some organisations claiming to be a LO have no clear idea of what they mean by the concept. This paper seeks to go behind the confusion to see whether there is still value for serious practitioners to continue using this concept, or whether it is now such a hackneyed phrase that more precise concepts are desirable.

The literature relating to the LO is vast and it is beyond the scope of a conference presentation to give a comprehensive literature review. Instead, the paper gives an overview of the broad groups using the term and summarises their similarities and differences. It then reviews the key concepts in Senge's work in the light of this cacophony.

The paper concludes that the diversity of definitions render the term "Learning Organisation" virtually meaningless, unless it is accompanied by a specific definition. The paper also concludes that the central tenet of Senge's work, which played a major role in popularising the concept, has been largely overlooked by the many organisations claiming this proud title "A Learning Organisation." It is argued that Senge's contribution to the literature in this field, the centrality of systems thinking to effective organisation learning remains a little understood, but critical insight.

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I. Categorising the 'Learning Organisation' Definitions by Source

At the risk of upsetting some in the audience, we have tentatively divided our sources into two groups, loosely termed theorists/practitioners and managers. The borders are obviously fuzzy.

Managers:

- Government organisations
- Private sector corporations
- Management consultancy groups
- Educational institutions and organisations

Theorists \ practitioners:

- Academics and researchers
- Human Resources branches in large public or private sector organisations
- Human Resources branches in large Consulting Businesses

The Managers Group

Government agencies, from their literature and publicity, appear to see an emphasis on training to be synonymous with being a "learning organisation".

"striving to build a learning organisation whereby employees are motivated to learn and share their learning's with others."²

"developed in line with learning organisation principles, that develop and utilise the skills and knowledge of all its staff: "³

"The life long learning, the though career education and training continuum is essential; it is the partnership between the organisation and the individual; what I would call as making us a learning organisation through our people continually learning."⁴

The business sector, especially medium size ones, have tended to see the learning organisation in terms of quality initiatives, innovation, improvement and customisation of products for the customers' need.

"A Learning Organisation tries to develop its human resources to achieve their full potential, and uses learning as a means of improving its business performance."⁵

"Learning Organisations adapt to change much faster than companies who are set in their ways. Managing diversity, achieving the full potential of our people and shaping the Organisational Design to fit customer requirements are the hallmarks of a learning organisation". "Learning Organisation,"⁶

Management consulting firms are a special category of the private sector. For them, the learning organisation becomes a marketing concept where the term is but one of a group of buzz words.

"We are an Australian Change Management Consulting company creating results focused learning organisations."⁷

Universities and other educational institutions have got into the act, projecting the (to them) logical message that organisations, which exist to foster learning, by definition, must be 'learning organisations'.

It is noteworthy that major corporations such as AMP, BHP, IBM, Coles-Myer, and the major management consulting firms such as KPMG and Ernst & Young eschew the term learning organisations'in their HR publications and Web pages. Rather than present a nebulous LO terminology, they tend to spell out their management and training philosophies in greater depth.

From analysisof publicly available documents from a wide range of theorists/practitioners and managers, Table 1 presents keywords relating to

their explicit or implicit understanding of learning organisation. This table evidences the diversity

of meanings embodied in the popular usage of the term 'learning organisation'

Table 1: A Potpourri of Concepts in Learning Organisation Definitions

Human Resources		Management	
Learning	Training	Change Management	Organisation
Motivation to learning	skill assessment /improvement	Embracing change	Corporate success
Learning contract	Staff development	Culture of improving	risk management
Individualised learning agreement	Management leadership programs	Best practice	LO as responsibility to the government
Project based learning programs	Performance management framework	Innovation	Remedy for internal admin-istrative difficulties
Life long learning / learning for life	Human development / Further education	opportunities for process improvement	Managing complexity
Formal/informal learning	Achieving full potential of people	Adaptation to change	Fit customer requirements
Individual improvement	Delivery of learning solutions	Process improvement	Customer service
Dynamic learning	Development opportunities	Flexibility	Profit
Learning as process	Continuing programs	Improvement	Productivity
learning to benefit the organisation	training needs analysis		Turnover
Reinforce learning	Training programs		Encouraging innovation

The Theorists \Practitioners Group

There is a large group of professionals who have focussed on the idea of the 'Learning

Organisation". The following small sample of the field illustrates again a diversity of perspectives on this elusive entity.

Table 2: Sample Definitions of Learning Organisation from the Academic Literature

Author	Definition
Cullen, Joy	"It is argued, in this commentary, that the concept of a learning organisation is closest to the third phase in learning research (learning in social context), and that the LO concept would be enriched by reference to contemporary developments in research on learning ". ⁸
Dixon, Nancy	"For organizational learning, self-confrontation means that an individual, as a sub-system of the organization, must be able to confront others who have

	constructed a different meaning". The essence of organisational learning is the organisation's ability to use the amazing mental capacity of all its members to create the kind of process that will improve its own. ⁹
Garavan, Thomas	"The author tends towards the view that it is perhaps more useful to consider the learning organization in terms of organizational values and processes that adopt a learning-based approach than in terms of specific learning structures or interventions.
Garvin, David A.	"A learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights." ¹⁰
Griffey, Simon	"The learning organisation is a concept and, as with any complex concept, embodies sets of values, goals and beliefs. it is suggested that the learning organisation concept can be thought of as the lowest of a three-stage conceptual hierarchy of learning-wisdom-enlightenment. Wisdom can be thought of as a special case of learning culture because it provides the conditions for coming to know reality rather than increased sophistication of representational systems that is a characteristic outcome of other learning environments." ¹¹
Karash, Richard	"A Learning Organisation is one in which people at all levels, individuals and collectively, are continually increasing their capacity to produce results they really care about". ¹²
Limerick, David; Ron Passfield, Bert Cunnington	"In sum, the modern learning organization needs to be able to engage in changing and developing the entire metastrategic cycle. It is this combination between the requirement for both action and self-transcendent reflection which has led us to focus not on the learning organisation, but on the action learning organization". ¹³
Robinson, T., B. Clemson, C. Keating	"All organizations are learning organizations. The question is whether or not the learning is adequate. There are issues regarding the type of learning and the rate of learning, but learning is ever present". ¹⁴
Skyrme, David; John Farago	"Learning organisations are those that have in place systems, mechanisms and processes, that are used to continually enhance their capabilities and those who work with it or for it, to achieve sustainable objectives – for themselves and the communities in which they participate". ¹⁵
Wheatley, Margaret	" what we believe are three guiding ideas that are relevant for learning organizations: the primacy of the whole, the community nature of the self, and the generative power of language". "The irony of designing a learning organization is that the organizational architecture—the 'hard', quantitative aspects—is in reality the most ephemeral aspect. The deep learning cycle—the development of new skills and capabilities, new awareness and sensibilities, and a shift in attitudes and beliefs—constitutes the essence of the learning organization". ¹⁶

The many different authors follow different streams and questions towards the concept:

1. One genre focuses on the difference between "Learning Organisation" and "Organisational Learning".¹⁷ Many authors, however, use the

two concepts synonymously.

2. Some authors emphasise that the "Learning Organisation" is a process of 'becoming', others define it as a goal or an outcome, whilst a small number insist that every organisation is a

learning organisation which simply differ in their efficacy in that role.

3. Some tend to avoid definitions and focus instead on what a "Learning Organisation" might look like, so that it is effective, productive or measurable.

The diversity is enormous, reflecting the writers' discipline in human resources management, training, change management, organisation design, leadership, entrepreneurship

etc. It would seem apparent that, within particular disciplines, writers have applied the term within the confines of their disciplinary mental models without seeking to understand the meanings applied elsewhere.

The Theorists \Practitioners and the Managers

One can discern four different levels of rigour in the definitions presented or implied by the different users:

- Level 1 ▶ No underlying concept; LO is used simply as a fashion word / buzzword
- Level 2 ▶ a simple concept has been adopted (a LO is simply an organisation where 'earning is valued or where people receive training);
 - ▶ a new name has been given for an existing management concept (e.g., continuous process improvement)
- Level 3 ▶ Elements of learning theories are used to compose "new strategies"
 - ▶ A new name has been given to the new composition
- Level 4 ▶ Learning Theories are used with all their implications, plus elements of newer research have been integrated

Most of the managerial statements of organisational public relations falls into the first two categories, whilst much of the academic literature falls into the third category.

One may speculate on the causes of this terminology confusion. The diversity amongst the "Managers" group undoubtedly reflects the failure of the theorists to promote any semblance of consensus. The diversity amongst the theorists probably is a result of the fact that a variety of disciplines involved in people management have interpreted the term LO through their particular paradigms (training, change management, industrial relation, etc.)

II. Peter Senge's Learning Organisation

At this stage it seems appropriate to look at Peter Senge's concepts, since his writings in the early 1990's triggered the explosive popularity of the term.

Senge sees the learning organisation as one which promotes of movement towards *an organisation 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.*

He articulates this vision in *The Fifth Discipline* where he defines the essential characteristics of a learning organisation, namely the five disciplines

1. Team learning is a tool for raising the collective IQ of an organisation above that of anyone in it. This discipline includes dialogue and talking and thinking together. Senge says team learning is vital because teams, not individuals, are the fundamental learning unit in an organisation. Unless the team can learn, the organisation cannot learn.
2. Shared vision binds people around a sense of destiny. A genuine shared vision tends to cause people to do things because they want to, not because they have to.
3. Mental models are deeply ingrained assumptions and generalisations that influence how we see the world and how we take action. In organisations such mental models control what people think can or cannot be done. Changes rarely take place unless people change their shared mental models.
4. Personal mastery is a discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively.
5. Systems thinking is a framework for seeing interrelationships and patterns rather than things and snapshots. It does away with boundaries that we invent and find ourselves trapped inside. Applied in organisations it cuts down on complexity and stops people from saying "there's nothing I can do about it, it's the system".

With the exception of the fifth discipline (*systems thinking*), these disciplines are not unfamiliar. Senge would be comfortable with much of the writing on the LO, notwithstanding the variety. But he would argue that these all lack

a critical factor. It is apparent that most of the managers and many of the theorists who speak of the learning organisation totally ignore or misunderstand the significance of *systems thinking* in relation to the Learning Organisation, even authors who rely closely on Senge and use much of his terminology.

*"The 5th Discipline (Systems Thinking) is the cornerstone of how learning organizations think about their world. . . the essence lies in a shift of mind: seeing interrelationships rather than linear cause-effect chains, and seeing processes of change rather than snapshots."*¹⁸

Systems thinking, as understood by Senge, is a rigorous discipline having its origins in general systems theory, and more specifically in system dynamics. Senge notes that the practice of systems thinking starts with understanding a simple concept, consequent on interrelationships, called "feedback" that shows how actions can reinforce or counteract (balance) each other. The concept of feedback is central to Chris Argyris' concept of 'double loop learning', which is an oft quoted characteristic of learning organisations.

III. Misperceptions of feedback – the critical issue for the Learning Organisation

Why should systems thinking be so central to a "Learning Organisation". One reason is that there is abundant research in the fields of experimental economics and psychology, which suggest that

managers have great difficulty managing dynamically complex tasks where there is feedback, especially delayed feedback. Professor John Sterman of MIT's Sloan School of Management argues persuasively from his research that there is "*systematic misperception of feedback*"¹⁹.

In more recent experiments, where graduate students had full information, training, incentives and opportunities for gaining experience, Diehl and Sterman still found poor managerial performance in the face of variations in feedback strength and delay. They argue that the mental constructs and heuristics that managers bring to bear on complex tasks are fundamentally dynamically deficient:

"Subjects were unable to account well for delays and feedback effects because (1) people's mental representations of complex tasks are highly simplified, tending to exclude side effects, feedback processes, delays, and other elements of dynamic complexity; and (2) even when these elements are known, people's ability to infer correctly the behaviour of even simple feedback systems is poor."

The problem we face is that delayed feedback relationships are ubiquitous in both people and resource management. Without a grounding in systems thinking, managers do not have the intellectual tools to 'learn' effectively how their behaviour interacts with 'system' behaviour. In other words, systems thinking, as Senge argues, needs to be the *cornerstone* of any learning organisation, however defined.

IV. Conclusion

The common managerial use of the term, Learning Organisation has become a

meaningless buzzword, such that major corporations are abandoning it as a useful descriptive concept.

In the area of academic research it seems unlikely that there can now be a move to any commonly agreed definition. At best we can hope that writers clearly define their particular definition when using the concept.

Regardless of definition, we face the irony that the central issue raised by Peter Senge, the critical importance to organisational learning / learning organisation of *systems thinking* has largely been ignored by managers and theorists alike. The intellectual rigour required for understanding systemic concepts, and especially feedback relationships, has to battle with the demand for quick fix solutions in a very fast changing organisational culture. We would argue that, whilst these may be a case for getting rid of the nebulous term "Learning Organisation", we must nevertheless address the issue of systems thinking in this broad field.

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