

Organisational learning essay



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It has been stated that a business derives value from knowledge, know-how, intellectual assets and competencies rather than 'things' and that these capabilities are vested within people (Hamel, 2005). Consequently, in order to create an enduring competitive advantage, a company must therefore focus on the retention and development of its organisational expertise (skills set, tacit and explicit knowledge, capabilities and core competences) and how to engage staff in the process (Porter, 2004; French, Rayner, Rees & Rumbles, 2008).

Two contrasting learning philosophies appear to exist within organisations - a basic, predominantly instructional approach focussed on remedial action to correct errors or omissions; and a more comprehensive lifelong learning recognising the fundamental importance of employees to business therefore adopting a more developmental approach (viewing people as assets) (Beardwell & Thompson, 2014).

Training is a planned and systematic way of improving an individual's knowledge, skills and attitudes so that they can perform their current role more competently, whereas development is the process of preparing a person to take on more onerous responsibilities or equip them to face higher level, future challenges within the organisation (Malone, 2003: 76). Learning is the process that brings about a persistent change in behaviour through the acquisition of increased competence to deal successfully with the operating environment through the acquisition of knowledge, skills and required attitudes (French et al, 2008: 123).

Whilst learning is focussed on the acquisition of the required skills and competences to perform effectively, this has to be linked to performance i. e. combining this essential learning with the motivation to engage in a manner that applies it in a way that delivers improved or enhanced results (Bratton & Gold, 2007). This learning (and its application) can take place at various levels within a company - such as on an individual or team/group basis - but the focus of this paper will be on organisational learning aspects (French et al, 2008).

Key Definitions and Concepts

Organisational learning can be viewed as the process by which a company can build a collective or shared knowledge base and the development of mechanisms to retrieve and disseminate this knowledge (Hora & Hunter, 2014). This is built upon the premise that as an organisation grows and adapts, it is able to generate/create a store of institutional knowledge that delivers a collective business benefit exceeding that which could be expected to be provided by employees operating individually (Hagen, 2010). As a company develops over time, the collective learning that takes place generates organisational knowledge - the shared intelligence specific to that company accumulated through both formal systems and the shared experiences of people in the organisation (Cole & Kelly, 2011; Johnson, Whittington & Scholes, 2011).

Organisational learning therefore requires an entity capable of continual regeneration through the application of knowledge, experience and skills by creating a culture that encourages challenge and review (Johnson et al, 2011). The traditional, rigid, hierarchical structures that ensure the

command and control of individuals are no longer conducive to competing in more dynamic environments or for generating organisational learning (Henry, 2011). Organisational learning consequently refers to the capacity of a company to learn how to do what it does, where what it learns is possessed not by individual members but by the collective - when the group acquires the know-how associated with its ability to carry out its collective activities then organisational learning has taken place (Cohen & Sproull, 1996).

Organisational learning provides a mechanism to address the essential nature of knowledge (Thompson & McHugh, 2009), in that there are fundamental differences in terms of explicit knowledge (which can be expressed formally and communicated through language) and tacit knowledge (which is difficult to formalise or communicate as it is embodied, personal and rooted in action/context) (Nonaka, 1994). A company requires the effective application of tacit knowledge developed from a more intimate appreciation of their operations and environment, in order to build a sustainable competitive advantage (Henry, 2011; Porter, 2004). This tacit knowledge can be perceived as corporate wisdom and despite the challenges associated with its transmission and dissemination, organisational learning approaches can be used to capture it effectively to create, innovate and maintain the competitive advantage required (Mullins & Christie, 2013).

In terms of individual employee capabilities, a company requires skill in the person (rooted within the individual and can be developed through education, training and experience), skill in the job (meeting role requirements) and skill in the setting (an understanding and appreciation of the shared/collective interests of the company and the organisational

culture) (Johnson et al, 2011). Effective organisational learning approaches should therefore seek to maximise the collective return from the application and sharing of tacit knowledge, and the skills that can be acquired and developed through the working environment and culture (Hatch & Cunliffe, 2006), as these possess real business utility as they cannot be easily replicated by competitors (Barney, 1986).

Organisational Learning Approaches

Senge (1990) argued that an effective organisational approach to learning required the application of five key disciplines:

- Personal mastery - understanding individual aspirations and creating clear linkages to organisational goals;
- Mental models - creating a culture of reflection and inquiry to develop a wider awareness of the organisations needs so that individual thinking begins to anticipate those needs;
- Shared vision - creating a collective commitment to a common purpose with activities and targets clearly linked to that purpose;
- Team learning - group development interactions (rather than individual skills programmes) to ensure that training reflects requirements generated by shared goals;
- Systems thinking - taking a holistic view to understand and appreciate key interdependencies, using feedback to develop, refine (and ultimately simplify) often complex systems.

(Senge, 1990)

For such an integrated thinking approach to be effective, the leader(s) must be able to develop a shared vision of where the organisation wants to be, developing a creative tension by also clearly articulating the current position of the company (Henry, 2011). The organisation uses clear mission and vision statements, underpinned by shared goals and targets to create a collective framework, which in turn shape learning interventions (often utilising individual or group performance development agreements) (Schein, 2004; Clegg, Kornberger & Pitsis, 2011). In order to create collective commitment, flexibility and creativity from employees, learning opportunities/interventions must be relatively frequent, as this then creates an enduring capability for change and innovation (Huczynski & Buchanan, 2013).

Whilst this approach is reflected in many large organisations and has the capacity to foster a culture that could maximise the return from tacit knowledge held within the organisation (Knights & Willmott, 2012), the structural emphasis outlined has been criticised. Unless the articulated mission and vision are regularly reviewed to consider the wider business environment and the demands of competitive advantage (Porter, 2004), thinking and learning can become constrained. Consequently, challenge is not encouraged and process/activity is seen as a worthwhile end in itself - ultimately the focus on measurable achievement/innovation can be lost and a blame culture can develop (Seddon, 2008).

Using organisational learning to manage the development and sharing of knowledge (as articulated by Senge, 1990) has the potential to maintain the competitive advantage required (Newell, Robertson, Scarborough & Swan, <https://assignbuster.com/organisational-learning-essay/>

2009). However, to maximise the potential return, “ know-why” (such as design rationale and reasoning – the capturing of best practice) must be combined with “ know-who” (the mapping of relevant expertise and skills) as well as “ know-how” (promoting a learning and development environment in a manner that encourages innovation) (Mullins & Christie, 2013). Efforts to capture the critical aspect of “ know-how” has led to the creation of Communities of Practice as an organisational model of learning (Lave & Wenger, 1998).

Cross-functional communities of practice seek to utilise the informal, social interaction of the group (rather than rely on structured, mechanistic knowledge transfer mechanisms) to create an engaged learning approach focussed on what needs to be known by the group (Lave & Wenger, 1998). Such groups often have the ability to capture and share vital tacit knowledge which more formal information management systems are often unable to do (Newell et al, 2009). A community of practice recognises that in order to learn and innovate, it is necessary to participate on a more personal level and to create engaged participation, it is necessary for people to feel included in the decision-process, thus allowing a sense of ownership to develop (Easterby-Smith, Burgoyne & Araujo, 1999). In sharing a concern, a set of problems, or a passion about a topic, the group/community are proactive in developing their knowledge and expertise, interacting on a regular basis (Wenger, McDermott & Snyder, 2002).

The perceived “ added-value” of effective communities of practice has led to organisations attempting to manage the process by creating groups that cut across organisational boundaries in order to innovate, share knowledge and

solve problems (Davenport and Hall, 2002).. However, the mere existence of a structure that brings people together does not ensure that this approach will be effective (Linstead, Fulop & Lilley 2009). Attempting to overly manage or even directly control any Community of Practice could introduce the very constraints that these informal peer-to-peer groups originally sought to work against/around and thus minimise their effectiveness (Eraut, 2002).

Issues and Caveats

Whilst it is possible to gain greater business utility and an enduring competitive advantage from organisational learning approaches, the following aspects need to be considered:

- **Superstitious learning.** Where organisations learn the wrong things due to the connections between outcomes and actions being incorrectly specified e. g. rapidly or constantly adapting targets will be close to current performance levels (making being above or below the target an almost chance event) creating a misleading belief that organisational performance has improved.
- **Ambiguity of success.** Where the indicators of success are constantly modified or targets continually change, it is difficult to measure what has actually been learned by the organisation even if meeting a goal is seen as a major achievement.
- **Competency Traps.** Improving procedures or practices that do not deliver any real competitive advantage can create an illusion of organisational progress. In reality, they expose the company to competitors able to focus on improvements that deliver practical business benefits that meet customer requirements.

(Hatch & Cunliffe, 2006; Cohen & Sproull, 1996).

Essentially, organisational learning relies on knowledge management to capture and convert individual tacit knowledge into explicit knowledge that can be more easily shared with others in the company (Huczynski & Buchanan, 2013). In considering such knowledge management and intellectual capital capture processes in relation to a learning organisation, a number of issues can emerge:

- Learning organisation ' positives:
- A rich, multi-dimensional concept affecting many aspects of organisational behaviour.
- An innovative approach to learning, knowledge management and investment in intellectual capital.
- Challenging concepts, focussed on the acquisition of individual and corporate knowledge.
- An innovative approach to organisation, management and staff development.
- Innovative application of technology to manage organisational knowledge (e. g. databases, internet and intranets).

Learning organisation negatives:

- A complex/diffuse set of practices which can be difficult to implement systematically.
- Attempts to use dated concepts (from change management and learning theory) re-packaged as management consultancy projects.

- New approaches to encourage employee compliance with strict directives applied in the guise of 'self-development'.
- New/innovative approaches to strengthening management control over staff behaviours.
- A technology-dependent approach which does not consider how people actually develop and use knowledge in the organisation.

(Adapted from Huczynski & Buchanan, 2013: 179).

Summary

A learning organisation is defined as an entity that encourages and facilitates the learning and development of people at all levels of the company, values that learning and which simultaneously transforms itself to maintain an enduring competitive advantage (Cole & Kelly, 2011: 487). The best learning organisations are skilled at creating, acquiring and transferring knowledge whilst also being able to modify their behaviour(s) to reflect new knowledge and insights (Garvin, 1993: 80). To do so effectively, requires skills in terms of systematic problem solving, experimentation with new approaches, learning from experience and past history, learning from the experiences and best practices of others and the ability to transfer knowledge quickly and efficiently throughout the organisation (Cole & Kelly, 2011). Unless the methods outlined (above) are able to create a collaborative environment where employees feel empowered to reflect on present practices and to provide improvement suggestions, then they will not provide any real added-value when compared to more traditional/individual learning interventions (Fineman, Gabriel & Sims, 2010).

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