“From Organizational Learning to the Learning Organization: A Paradigm Shift”

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Abstract

Changes in the workplace such as increases in technology and the increased influence and competition from international markets have led organizations to rely increasingly on their ability to train employees on an ongoing basis to maintain the necessary levels of knowledge, skill, and performance. Indeed, with many organizations viewing training & learning process as a way to gain a competitive advantage, it is important that trainees learn the necessary knowledge and skills and that this learning is successfully transferred to the job.

Traditionally, training research has focused on training design, individual differences, and the work environment to understand the factors that affect transfer of training. Over the past 20 years, training researchers have increased efforts to investigate transfer interventions. The majority of the interventions targeted to facilitate transfer are embedded within the design of the training. For example, meta-analytic studies have shown that behavior modeling and error management training can enhance training transfer. Post training interventions such as goal setting relapse prevention/self management, and verbal Self-guidance have shown small impacts. So there is a need for learning organization where the era of monotonous training programs can be replaced by value added learning era.

This paper deals with importance of learning in an organization, why is change required in an organization, the concept of learning organization and its uses.

Key words- Learning organization, training transfer, organizational culture.

Introduction

In a dynamic and fast paced corporate world, learning and development is an indispensable function.

Learning and development is one of the lowest things on the priority list of most companies. When it's organized, it is often at the persistence of the human resources department. There is, however, enormous value in organizing proper training and development sessions for employees. Training allows employees to acquire new skills, sharpen existing ones, perform better, increase productivity and be better leaders. Since a company is the sum total of what employees achieve individually, organizations should do everything in their power to ensure that employees perform at their peak.

But it has been noticed that in spite of providing training to employees, the result is not remarkable and the organizational growth is still slow. Hence there is a need of organizational change where learning should be given more priority than only mere training.

A learning organization can be defined as the business term that can be given to a company which facilitates the learning of its members and continuously transforms itself. The concept was coined through the work and research of Peter Senge and his colleagues. The financial turmoil ignited by the currency crisis in Thailand since mid-1997 has started a widespread chain reaction in almost all Asian countries and Australia as well. The Hong Kong stock market crashes in October 1997 worsened the situation. With the benefit of hindsight, what are the lessons we can learn from these adversarial changes and how can we make things change for the better. Thus,
organisations today need to focus on the various micro and marco learning elements which can help them survive and be successful.

**Management of change**

There is an old saying: "the only constant is change". If change is part of our daily life, how can we drive it under our control rather than being driven off by it? Change in an organization would, in the long run, lead to change in the organizational culture. A typical example is the learning organization, where people are excited in trying out new ideas and recognize that failure is an important part of success. Let us take a step back to look at the traditional strategic change process which can broadly be summarized by five key steps (Ho, 1998):

1. **Vision** → **Mission** → **Behaviour** → **Action** → **Culture**

**A new paradigm is:**

2. **Action** → **Behaviour** → **Mission** → **Vision** → **Culture**

In fact, the first step is nothing new. Peters and Waterman (1982) have already found out from over 46 successful firms that most of them choose "action" as step number one in their pursuit towards excellence. The new idea here is that action leads to behavioral change of employees. This arises from the learning process, and as Reg Revans (1983) said: "There is no learning without action and no action without learning".

If learning has been taken successfully, organizational behavior will be lifted to a dynamic and challenge-seeking level. This will influence the top management in defining their mission. By then they are confident that the mission, spin-off from a better organizational behavior, will take off once it is announced. The chief executive will then be in a position to develop the corporate vision which will take the organization through to a world-class level against competition. Being built on firm foundations, the new vision will establish a new culture within the organization. One best known example of this new culture is Kaizen, the Japanese word for continuous improvement.

This new paradigm shift is not without evidence. Many successful Japanese and American firms have emphasized the importance of "close to the scene". Typical examples are open office and factory plan. Sony and Hewlett Packard in Penang (Malaysia) have their general managers sitting in the middle of open offices which have a line of vision straight through to the shop floor. McDonald's Restaurants have, right from the start, made their kitchen see-through, even by passing pedestrians.

**The concept of learning organization** Peter Senge [1994] proposed the framework of the learning organization, i.e.:

1. **Systems Thinking** - the ability to see the big picture and to distinguish patterns instead of conceptualizing change as isolated events. Systems thinking need the other four disciplines to enable a learning organization to be realized. There must be a paradigm shift - from being unconnected to interconnected to the whole, and from blaming our problems on something external to a realization that how we operate, our actions, can create problems

2. **Personal Mastery** - begins "by becoming committed to lifelong learning," and is the spiritual cornerstone of a learning organization. Personal Mastery involves being more realistic, focusing on becoming the best person possible, and striving for a sense of commitment and excitement in our careers to facilitate the realization of potential

3. **Mental Models** - must be managed because they do prevent new powerful insights and organizational practices from becoming implemented. The process begins with self-reflection; unearthing deeply held belief structures and generalizations, and understanding how they dramatically influence the way we operate in our own lives. Until there is realization and a focus on openness, real change can never take place.

4. **Building Shared Visions** - visions cannot be dictated because they always begin with the personal visions of individual employees, who may not agree with the leader's vision. What is needed is a genuine vision that elicits commitment in good times and bad, and has the power to bind an organization together. As Peter Senge contends, "building shared vision fosters a commitment to the long term"
5. **Team Learning** - is important because modern organizations operate on the basis of teamwork, which means that organizations cannot learn if team members do not come together and learn.

To summarize, a learning organization does away with the mindset that it is only senior management who can and do all the thinking for an entire corporation. Learning organizations challenge all employees to tap into their inner resources and potential, in hopes that they can build their own community based on principles of liberty, humanity, and a collective will to learn.

Way before Senge was hailed as the world's authority on building learning organizations a number of TQM gurus had already developed some important teaching on the learning organization (Ho, 1995). Amongst them are:

(1) W. Edwards Deming (1993) - new management philosophy. Ten of Deming's 14 Points are related to learning:
- Point 2: Adopt the new philosophy, i.e. learning organization.
- Point 6: Institute training.
- Point 7: Institute leadership.
- Point 8: Drive out fear.
- Point 9: Break down barriers between departments.
- Point 10: Eliminate slogans, exhortations and numerical targets for the workforce.
- Point 11: Eliminate numerical quotas or work standards.
- Point 12: Remove barriers to taking pride in workmanship.
- Point 13: Institute a vigorous programme of education.
- Point 14: Take action to accomplish the transformation.

### Importance of learning and development in an organization

In an ever changing and fast paced corporate world, training and development is an indispensable function.

Training and development is one of the lowest things on the priority list of most companies. When it's organized, it is often at the persistence of the human resources department. There is, however, enormous value in organizing proper training and development sessions for employees. Training allows employees to acquire new skills, sharpen existing ones, perform better, increase productivity and be better leaders. Since a company is the sum total of what employees achieve individually, organizations should do everything in their power to ensure that employees perform at their peak.

Here are a few reasons that demonstrate the importance of training and development.

#### 1. New Hire Orientation

Training is particularly important for new employees. This can be conducted by someone within the company and should serve as a platform to get new employees up to speed with the processes of the company and address any skill gaps.

#### 2. Tackle shortcomings

Every individual has some shortcomings and training and development helps employees iron them out. For example, in many organizations they divided the entire headcount in several groups to provide focused training which is relevant to those groups - sales training, first time managers, middle management, senior leadership, executive leadership.

#### 3. Improvement in performance
If shortcomings and weaknesses are addressed, it is obvious that an employee’s performance improves. Training and development, however, also goes on to amplify your strengths and acquire new skill sets. It is important for a company to break down the training and development needs to target relevant individuals. If we can draw examples from many organizations, every department has targeted training groups. These generally revolve around product development training, QA training, PMP among others where internal and external process experts facilitate various programs.

4. Employee satisfaction
A company that invests in training and development generally tends to have satisfied employees. However, the exercise has to be relevant to the employees and one from which they can learn and take back something. It will be futile if training and development become tedious and dull, and employees attend it merely because they have to. As a company, we stress on industry specific training and send many employees for international seminars and conferences that can be beneficial to them.

5. Increased productivity
In a rapidly evolving landscape, productivity is not only dependent on employees, but also on the technology they use. Training and development goes a long way in getting employees up to date with new technology, use existing ones better and then discard the outdated ones. This goes a long way in getting things done efficiently and in the most productive way.

6. Self driven
Employees who have attended the right trainings need lesser supervision and guidance. Training develops necessary skill sets in employees and enables them to address tasks independently. This also allows supervisors and management to focus on more pressing areas.

To transform our company into a learning organization and encourage a culture of continual learning among employees, we have launched a training and development initiative called ‘Rate Gain Lighthouse’. We call it lighthouse, as it symbolizes strength, guidance and direction. We conduct various in-house training sessions on knowledge-building and skills & process.

The network facilitates various training sessions, based on experiential learning methodologies. We have also engaged globally renowned experts like Aaron Ross, author of ‘Predictable revenue’ and world renowned Sales coach and trainer. His session for our sales teams have transformed the way we are working. The results from our training and development initiatives have been very positive and it clearly shows that it is not a fad.

Training is not enough
It is difficult to find organizations that would say, “We find that training has little impact on our bottom line year on year”. Is this because organizations know exactly what return they get from training? The answer to that question is a clear no. The American Society for Training and Development reported that only 3% of organizations measure what happens to their bottom line as a result of training. Or is it that it is politically incorrect to say in an organization that has a high investment in training, designing training that allows adults to learn is no simple feat in itself. A designer (once the objectives of the training are understood) has to design training with four major elements in mind. Participants must recognize the need for information and rapport with the trainer must be established early, otherwise the trainer’s efforts will be in vain. The opening of any training effort must provide a believable and appropriately challenging answer to the question, “Why am I here?” and must lead to an early engagement between the participants and the trainer. The design must also be able to reinforce positive behavior. In doing so, the design must not ignore negative or undesirable behavior.

The design needs to include negative reinforcements to eliminate the undesired behavior as much as it includes positive reinforcement for desired behavior. Retention is a key aspect of training design that is often ignored, in that very few entities undertaking a training programme test for retention. Participants must also have adequate opportunity to practice what they learn to increase levels of retention. The fourth critical element of training design is transference. Participants must be able to transfer what they have learnt to a new setting, away from the classroom. For example, the workplace! Participants are more likely to transfer their learning to the workplace when the learning is critical to them doing their job or the learning revisited familiar patterns of work or knowledge. Conversely, they have a high probability of learning transfer when the learning was very new and fresh. Transference is stopped cold if participants return to a workplace which has policies, processes and measures of processes which promote behaviors opposite to those reinforced in the training. If negative policies, processes and measures are well known and expected to remain after the training, then motivation for attending
training will be severely hampered as well. Most training is completed over a period of a day or two. In many industries, it is difficult to allow participants the time off to attend even a day’s training; hence the training may only be a half day or two hours. Workplace learning happens mainly at the workplace, not in the training room.

Why Is Change Important in a Learning Organization?

Change is important for any organization that wants to continue to grow and prosper.

Any business in today's fast-moving environment that is looking for the pace of change to slow is likely to be sorely disappointed. In fact, businesses should embrace change. Change is important for any organization because, without change, businesses would likely lose their competitive edge and fail to meet the needs of what most hope to be a growing base of loyal customers. Thus, change is needed to survive and excel and ultimately it demands learning.

1. Technology

Without change, business leaders still would be dictating correspondence to secretaries, editing their words and sending them back to the drawing board, wasting time for all involved. Change that results from the adoption of new technology is common in most organizations and while it can be disruptive at first, ultimately the change tends to increase productivity and service. Technology also has affected how we communicate. No longer do business people dial a rotary phone, get a busy signal, and try again and again and again until they get through. No longer do business people have to laboriously contact people, in person, to find out about other people who might be useful resources - they can search for experts online through search engines as well as through social media sites. Today's burgeoning communication technology represents changes that allow organizations to learn more, more quickly, than ever before.

2. Customer Needs

 Customers who were satisfied with conventional ovens many years ago are sometimes impatient with the microwave today. As the world evolves, customer needs change and grow, creating new demand for new types of products and services -- and opening up new areas of opportunity for companies to meet those needs.

3. The Economy

The economy can impact organizations in both positive and negative ways and both can be stressful. A strong economy and increasing demand for products and services will mean that companies must consider expansion that might involve the addition of staff and new facilities. These changes offer opportunities for staff, but also represent new challenges. A weak economy can create even more problems as companies find themselves needing to make difficult decisions that can impact employees' salaries and benefits and even threaten their jobs. The ability to manage both ends of the spectrum is critical for organizations that want to maintain a strong brand and strong relationships with customers as well as employees.

4. Growth Opportunities

Change is important in organizations to allow employees to learn new skills, explore new opportunities and exercise their creativity in ways that ultimately benefit the organization through new ideas and increased commitment. Preparing employees to deal with these changes involves an analysis of the tools and training required to help them learn new skills. Training can be provided through traditional classroom settings or, increasingly, through online learning opportunities. Importantly, organizations need to do a good job of evaluating employees' capabilities and then taking steps to fill the gaps between current skills and the skills required to respond to growth.

5. Challenging the Status Quo

Simply asking the question "Why?" can lead to new ideas and new innovations that can directly impact the bottom line. Organizations benefit from change that results in new ways of looking at customer needs, new ways of delivering customer service, new ways of strengthening customer interactions and new products that might
attract new markets. New employees joining an organization are especially valuable because they can often point to areas of opportunity for improvement that those who have been long involved in the company might have overlooked. But even existing employees should be encouraged to question why things are done a certain way and look for new ways to get work done faster, better and with higher levels of quality and service.

Importance of Corporate Learning and Development

Corporate learning and development plays a very important role in the sustainable long term growth of an organization. The issue of corporate learning and development has become even more significant with the increase in competition in every field of business today. The right learning and development curve along with a customized corporate human resource programs is needed to give your organization that crucial edge over your competitors in the market. Corporate learning and development and human resource programs are crucial for the growth of a company as:

- There is a direct link between corporate learning and growth with the business needs of the organization
- Corporate human resource programs for management have been identified as the most effective solution to tackle issues of productivity.
- The objectives and outcomes of the corporate learning and development plans are well defined and measurable. A quantifiable goal is easier to achieve than a vague estimation.
- Corporate learning and developments plans make it easier to meet those objectives and outcomes in the most cost effective way.
- Learning and development interventions held at regular intervals helps track growth and gauge the direction of business. They also help employees deliver exactly what is required at each stage in the business by designing and implementing corporate human resource programs.

Here are some reasons why your organization needs to develop and implement a corporate learning and development program:

Employees tend of have some weaknesses in their work skills. A learning program allows strengthening of skills-

1. Improved Employee Performance

An employee who receives the necessary training is better able to perform his job. Corporate learning and development programs help build confidence and ensure that they have a stronger understanding of the industry.

2. Consistency

A structured learning and development program ensures that employees have a consistent experience and background knowledge. This consistency is particularly relevant for any company’s basic policies and procedures. All employees need to be aware of the expectations and procedures within the company for smooth functioning of the organization.

3. Employee Satisfaction

Employees with access to corporate learning and development programs have an advantage over employees in other companies who are left to learn on their own over the course of work.

Corporate learning and development programs and human resource training programs create a coherent work force, this is vital for any organization to succeed in the market. ABAMI Consultancy and Training offers many corporate learning and development programs, and human resource training programs to help organizations succeed in the market. Another added bonus is that, investment in learning and development programs shows employees they are valued and will motivate them to perform better.

Steps needed to create a Culture that Supports a Learning Organization

To compete in this information-saturated environment we are currently living in, it is necessary to remain dynamic, competitive, and to continue to look for ways to improve organizations. As David Garvin of Harvard University writes, "continuous improvement requires a commitment to learning" (Garvin 1994,19). Change is
the only constant we should expect in the workplace, and therefore, we must rid ourselves of traditional, hierarchal organizational structures that are often change-averse, or undergo change only as a reaction to external events (Johnson 1993). Learning organizations embrace change and constantly create reference points to precipitate an ever-evolving structure that has a vision of the future built-in. According to Richard Karash, learning organizations are healthier places to work because they:

- Garner Independent Thought
- Increase Ability to Manage Change
- Improve Quality
- Develop a More Committed Work Force
- Give People Hope that Things Can Get Better
- Stretch Perceived Limits
- Are in Touch with a Fundamental Part of Our Humanity: The Need to Learn, To Improve Our Environment, and To Be Active Actors, Not Passive Recipients (Karash 1995).

How to Achieve the Principles of a Learning Organization

The first step is to create a timeline to initiate the types of changes necessary to achieve the principles of a learning organization.

Timeline: In Order of Appearance

- **Stage One** is to create a communications system to facilitate the exchange of information, the basis on which any learning organization is built (Gephart 1996,40). The use of technology has and will continue to alter the workplace by enabling information to flow freely, and to "provide universal access to business and strategic information" (Gephart 1996,41). It is also important in clarifying the more complex concepts into more precise language that is understandable across departments (Kaplan 1996,24).

- **Stage Two** is to organize a **readiness questionnaire**, a tool that assesses the distance between where an organization is and where it would like to be, in terms of the following seven dimensions. "Providing continuous learning, providing strategic leadership, promoting inquiry and dialogue, encouraging collaboration and team learning, creating embedded structures for capturing and sharing learning, empowering people toward a shared vision, and making systems connections" (Gephart 1996,43). The questionnaire is administered to all employees or a sample of them, and is used to develop an assessment profile to design the learning organization initiative (Gephart 1996,43).

- **Stage Three** is to commit to developing, maintaining, and facilitating an atmosphere that garners learning.

- **Stage Four** is to create a vision of the organization and write a mission statement with the help of all employees (Gephart 1996,44).

- **Stage Five** is to use training and awareness programs to develop skills and understanding attitudes that are needed to reach the goals of the mission statement, including the ability to work well with others, become more verbal, and network with people across all departments within the organization (Navran 1993).

- **Stage Six** is to "communicate a change in the company's culture by integrating human and technical systems" (Gephart 1996,44).

- **Stage Seven** is to initiate the new practices by emphasizing team learning and contributions. As a result, employees will become more interested in self-regulation and management, and be more prepared to meet the challenges of an ever-changing workplace (Gephart 1996,44).

- **Stage Eight** is to allow employees to question key business practices and assumptions.

- **Stage Nine** is to develop workable expectations for future actions (Navran 1993).
Stage Ten is to remember that becoming a learning organization is a long process and that small setbacks should be expected. It is the journey that is the most important thing because it brings everyone together to work as one large team. In addition, it has inherent financial benefits by turning the workplace into a well-run and interesting place to work; a place which truly values its employees.

Role of Leaders in Knowledge Sharing & Organizational Learning Process

Leaders must champion a knowledge sharing & organizational learning process. They need to demonstrate their commitment by setting a vision and goals for learning connected to furthering the mission. And they must act as role models by participating in learning activities. Second, leaders need to foster a culture of continuous improvement that values organizational learning. The culture reinforces learning by providing incentives for learning behaviors and by measuring and communicating results of learning. Third, the organization needs to define a learning structure that specifies the people who are accountable for capturing, distilling, applying, and sharing knowledge. The structure also should include networks and coordinating tactics that help information flow among the people who need it, when they need it.

Creating a Knowledge-Sharing Process

Last, the organization must design intuitive knowledge processes that are aligned to how people work. These processes specify how staff members define a learning agenda, and how they capture, distill, and apply knowledge. These processes also include the technology systems for exchanging knowledge, but they need to keep people-to-people interactions at the heart of them.

Four Elements of Organisational Learning

Katie Smith Milway and Amy Saxton, in their article The Challenge of Organizational Learning, they identified four elements of organizational learning in nonprofit organisations. The four elements include: Supportive leaders, culture of continuous improvement, defined learning structure and intuitive knowledge processes.

Four Elements of Organizational Learning
Case of Toyota’s as a learning organization

In the *Toyota Way* by Jeffrey Liker (2004), the book’s the author identifies 14 management principles that make Toyota the world’s greatest manufacturer. One of these 14 principles is “Become a Learning Organization.” Many have tried to become learning organizations, but, according to the author Liker, no one has succeeded like Toyota. Toyota’s learning organization has three key elements according to Liker:

1. **Identify root causes and develop countermeasures.** Toyota identifies root causes primarily using a very simple method called the “five why’s.” This simply entails asking the question “why?” as many times as possible to determine the root cause of a problem:

   **Figure A** *(Source: Peter R. Scholtes, The Leader’s Handbook, McGraw-Hill, 1998)*

<table>
<thead>
<tr>
<th>Level of Problem</th>
<th>Corresponding Level of Countermeasure</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a puddle of oil on the shop floor.</td>
<td>Clean up the oil.</td>
</tr>
<tr>
<td>Because the machine is leaking oil.</td>
<td>Fix the machine.</td>
</tr>
<tr>
<td>Because the gasket has deteriorated.</td>
<td>Replace the gasket.</td>
</tr>
<tr>
<td>Because we bought gaskets made of inferior material.</td>
<td>Change gasket specifications.</td>
</tr>
<tr>
<td>Because we got a good deal (price) on those gaskets.</td>
<td>Change purchasing policies.</td>
</tr>
<tr>
<td>Because the purchasing agent gets evaluated on short-term cost savings.</td>
<td>Change the evaluation policy for purchasing agents.</td>
</tr>
</tbody>
</table>

2. **Use hansei: Responsibility, self-reflection, and organizational learning.** In a nutshell, this concept is about reflecting on mistakes/weaknesses and devising ways to improve. Hansei is a concept that Toyota uses as a practical improvement tool like kaizen. Toyota actually conducts hansei events (like kaizen events) to improve products and processes. As hansei is utilized, the improvements are fed back into the organization and disseminated.

3. **Utilize policy deployment (hoshin kanri).** This is Toyota’s process of cascading objectives from the top of the company down to the work group level. Aggressive goals start at the top level and each level develops objectives to support these goals. Many systems like this are being used at companies across the United States, but often they are failures because the objectives rarely support important company goals; they usually are put in place to ensure that an individual gets his/her incentive! At Toyota, objectives are always measurable and concrete, and they always support executive-level/company goals. The process as it permeates the organization follows the simple PDCA (Plan-Do-Check-Act) process. This ensures that the success is being measured and monitored on a regular basis.

The last point that Liker makes regarding Toyota’s learning organization is the number of years it has taken for Toyota to achieve its success. For example, it took Toyota more than a decade to build an organization that even comes close to the learning organization it has in Japan. Toyota succeeds as a learning organization ultimately because it has relentlessly pursued success rather than pursued several “flavors of the month” over years with little results.

Today, we witness organisations like Cognizant Technology Solutions, Mindtree Limited, Tech Mahindra, Deloitte LLP, Verizon, IBM Corporation, Sutherland Global Services etc, have been setting examples as world-class learning organisations.

**Conclusion**

This paper has dealt with few concepts like importance of learning in an organization and the very first thing needed to create a learning organization is effective leadership, which is not based on a traditional hierarchy, but rather, is a mix of different people from all levels of the system, who lead in different ways. Secondly, there must be a realization that we all have inherent power to find solutions to the problems we are faced with, and that we can and will envision a future and forge ahead to create it. As Gephart and associates point out in *Learning Organizations Come Alive*, "the culture is the glue that holds an organization together;" a learning organization's culture is based on openness and trust, where employees are supported and rewarded for learning and innovating, and one that promotes experimentation, risk taking, and values the well-being of all employees.
To create a culture and environment that will act as the foundation for a learning organization begins with “a shift of mind - from seeing ourselves as separate from the world to connected to the world” (Senge 1996,37); seeing ourselves as integral components in the workplace, rather than as separate and unimportant cogs in a wheel. Finally, one of the biggest challenges that must be overcome in any organization is to identify and breakdown the ways people reason defensively. Until then, change can never be anything but a passing phase. Everyone must learn that the steps they use to define and solve problems can be a source of additional problems for the organization.

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