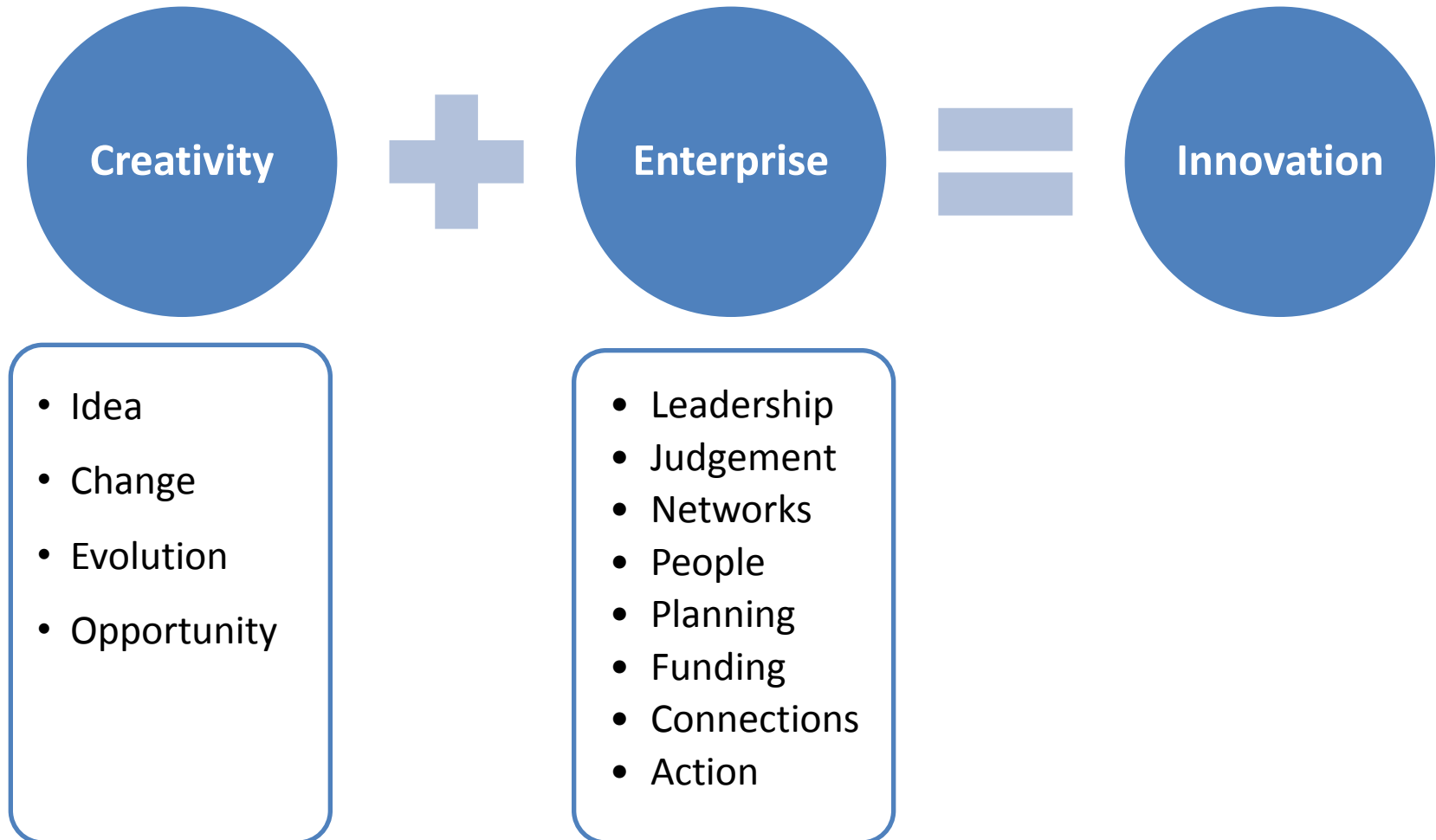
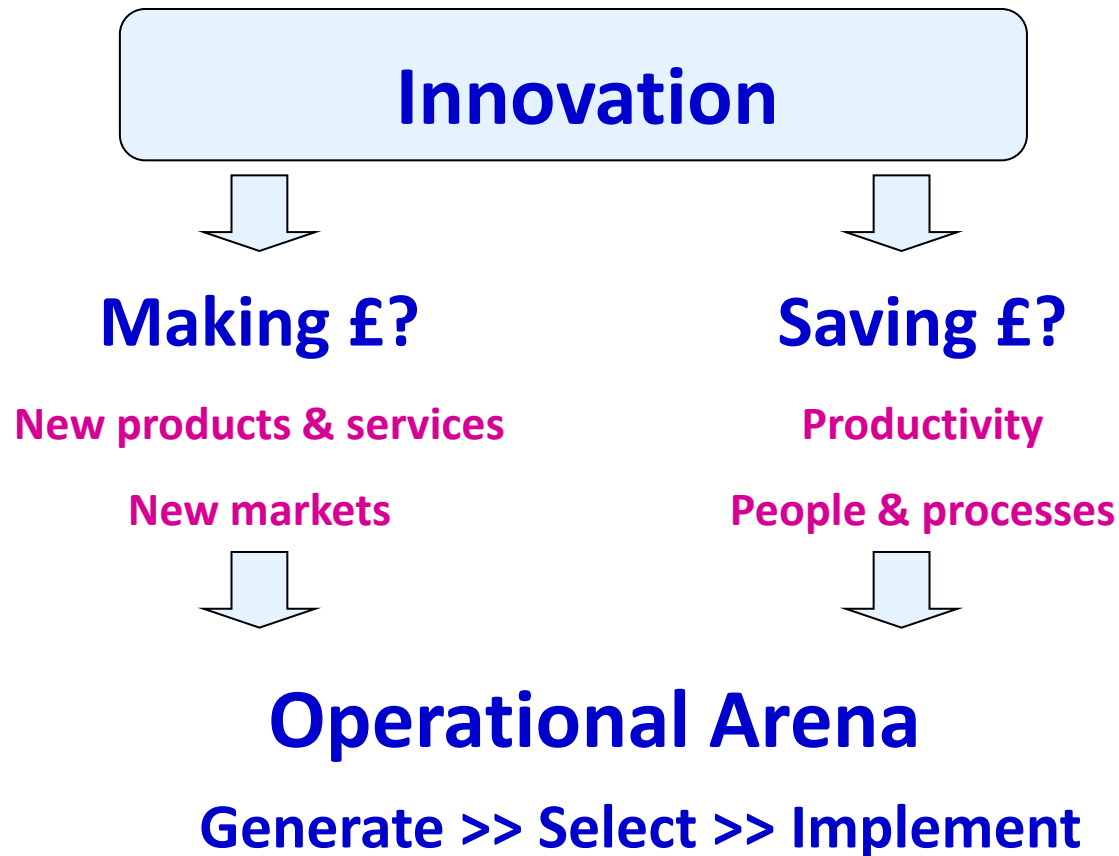


# **Art of Enterprise UCIL24002**

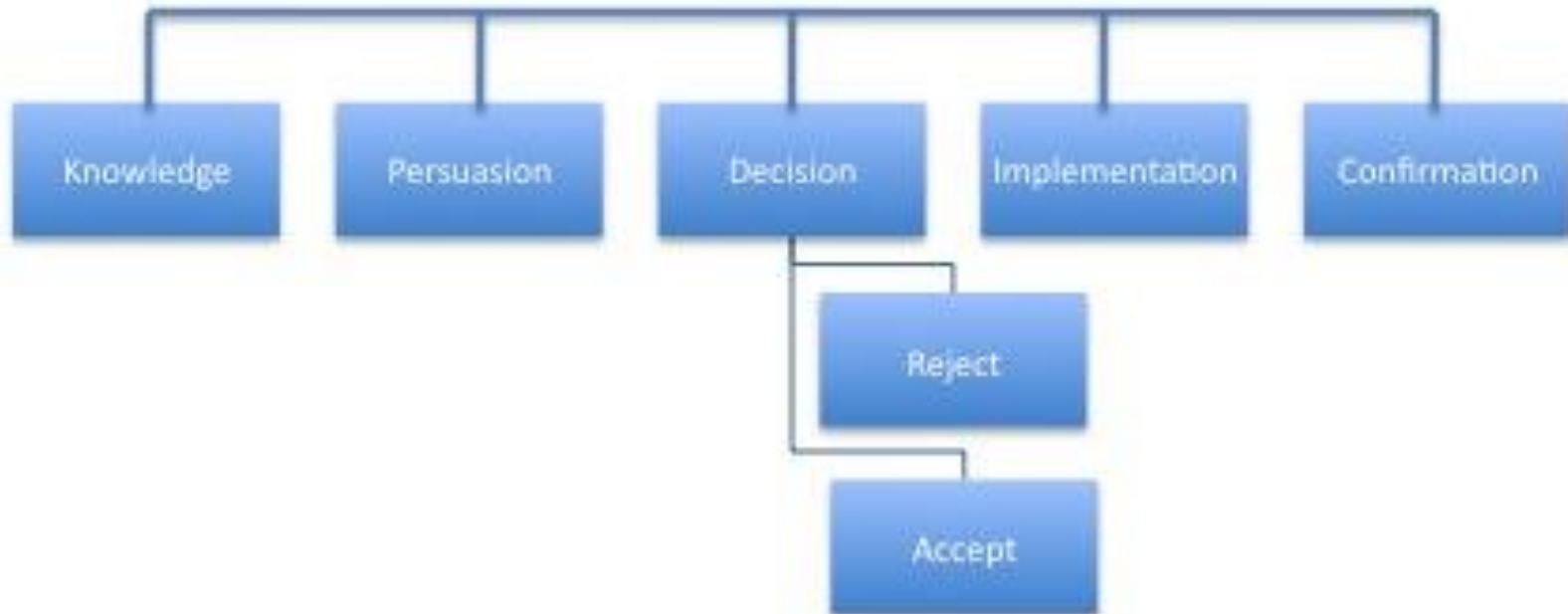
## ***Organisational Learning***

# The art of enterprise





## Five Stages in the Decision Innovation Process



# The key elements of business innovation are...

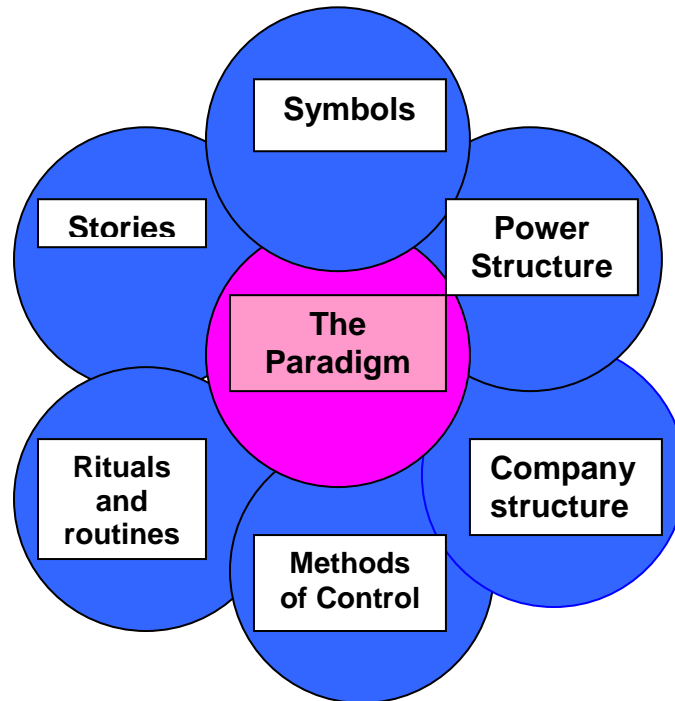
Ideas/**P**rojects

**P**rocesses/**O**rganisation

**P**eople

**C**ulture

# The Cultural Web...



# Creating a culture of organisational learning

To focus on change to meet the demands of this rapidly  
changing environment

*'The significant problems we face cannot be solved at the same  
level of thinking we were at when we created them. – you have  
to rise above it to the next level.'*

*Einstein*

# The learning organisation

In order to innovate and grow, organisations need to:

- Be more inquiring
- Move beyond the routine
- Not be solely 'history' dependent
- Not be solely target oriented

In order to make 'wise' decisions...and become a true  
'learning organisation'

***It is an ideal, 'towards which organisations have to evolve in order to be able to respond to the various pressures they face'***

***Finger & Brand 1999***



# The learning organisation

Learning organisations:

- Create a culture that encourages and supports continuous employee learning, critical thinking and risk taking with new ideas
- Allow mistakes and value employees contributions
- Learn from experience and experiment
- Disseminate the new knowledge throughout the organisation for incorporation into daily activities.

***‘Organisations 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 see the whole together.’***

***Peter Senge 1990***

# Can 'learning' help organisations achieve real outcomes?

In situations of rapid change only those that are flexible, adaptive and productive will excel; according to Peter Senge those that...

- Decentralise the role of leadership
- Employ a holistic approach
- Employ systems and structures for sustainability
- Emphasise informal and social networks

**It's not enough for businesses 'just to survive' – we must enhance our capacity to create...**

# The 5 Learning Disciplines

- Key dimensions include:
  - Personal mastery
  - Mental models
  - Building shared vision
  - Team learning
  - Systems thinking

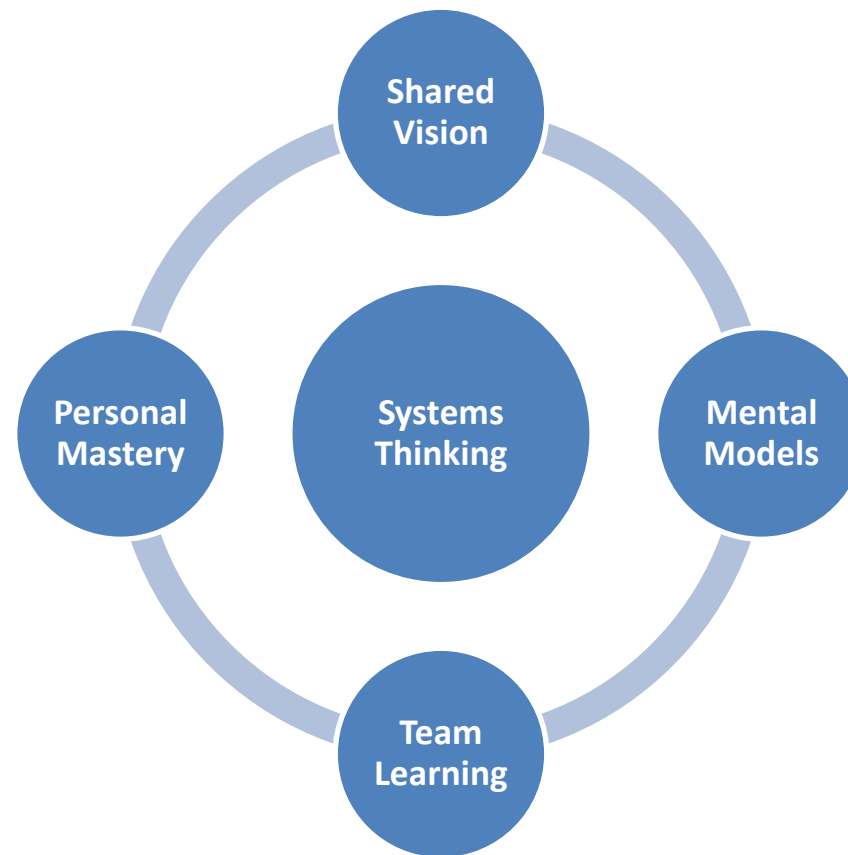
*Peter Senge The Fifth Discipline*

# The 5 Learning Disciplines

- Personal mastery – the discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively.
- Mental models – the deeply ingrained assumptions, generalisations, and even pictures or images that influence how we understand the world.
- Shared vision – a collective experience; it's the cumulative total of each participant's personal vision. It's intuitive and instinctive; and is a 'picture of the future'.

# The 5 Learning Disciplines

- Team learning – any group's collective IQ will always be much higher than an individual's IQ; the only way to begin building group IQ is to open the channels of communication within the group and start talking to one another.
- Systems thinking – we must look at the patterns that connect the larger system. Systems thinkers cure headaches by removing the cause, rather than simply taking aspirin; they believe that by examining these patterns of interplay we can better pinpoint the important issues



# The 5 Learning Disabilities

Most organisations have difficulty learning...

- Key disabilities include:
  - Focusing only on 'my position'
  - Blaming others...
  - The fixation on day to day issues
  - The boiled frog scenario
  - The myth of the management team as a cohesive group...

# Organisational learning theory

Argyris & Schon (1996) identify three levels of learning in the organisation:

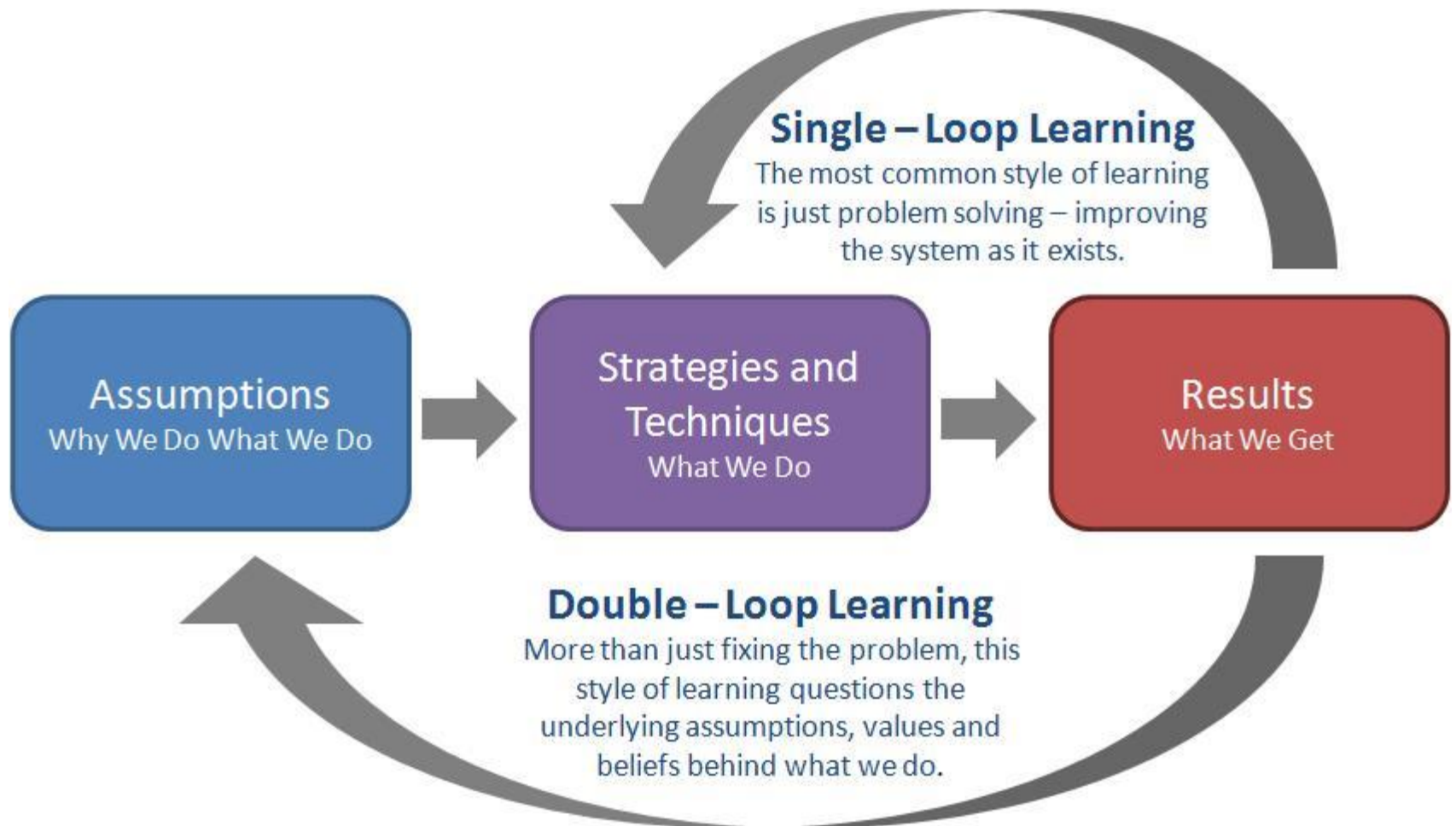
- Single loop learning
- Double loop learning
- Deutero-learning – *improving the learning system itself*

***Effective learning must therefore include all three, continuously improving the organisation at all levels.***

***However most organisations employ just single loop learning; double loop and particularly deutero-learning are a far greater challenge.***



# Single and double loop learning...



## Single Loop vs. Double Loop

# The OODA loop

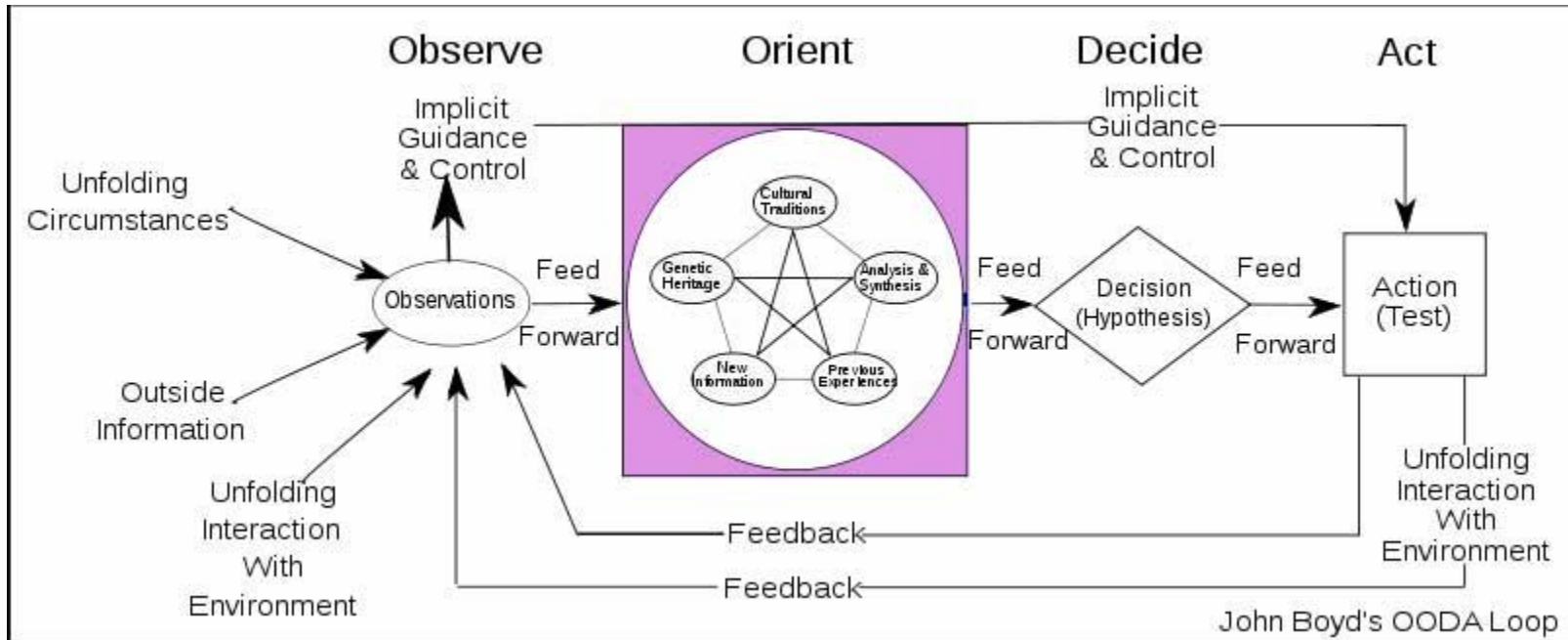
The OODA Loop model was developed by Col. John Boyd, USAF during the Korean war. It is a concept consisting of the following

- **O**bserve
- **O**rient
- **D**ecide
- **A**ct

Another variation of the OODA cycle is SOAP – used by paramedic and medical teams

- **S**ituation
- **O**bservation
- **A**nalysis
- **P**erform

# The OODA Loop



# **What are the characteristics of a learning organisation...**

# A learning organisation

Yet there are examples of organisations that have been 'learning organisations' for many years...

- *Toyota Motor Company*
- *Apple*
- *Johnson & Johnson*
- *Microsoft*
- *Pizza Hut*
- *Goldman Sachs*
- *General Electric*

There are also examples of those that didn't learn...

# Toyota's learning organisation

One of the management principles that make Toyota the world's greatest car manufacturer is 'becoming a learning organisation'. It includes three key elements:

- Identify root causes and develop countermeasures – the five why's
- Use 'hansei' – responsibility, self-reflection and organisational learning
- Utilise policy deployment ('hoshin kanri')

*They have relentlessly pursued success ...*

**Innovation** is  
fundamentally about  
*people*, without whom  
*ideas* just remain *ideas*...





# Steve Jobs: Innovator

*The Innovation Secrets of Steve Jobs* reveals the 7 principles that were largely responsible for his breakthrough success — principles that guided Jobs throughout his career.

# Introduction

Apple co-founder Steve Jobs will be remembered as one of a handful of history's most elite innovators. He was the classic American entrepreneur — starting his company in the spare bedroom of his parents' house and pioneering the development of the first personal computer for everyday use. This was a man who was fired from the company he had started, but returned 12 years later to save it from near bankruptcy. Not only that, but in the next 10 years Jobs used Apple to reinvent four different industries — computing, music, telecommunications and entertainment. (Let's not forget he was the CEO of a little company called Pixar.)

In 2010, Fortune magazine named Jobs the CEO of the Decade. The famed *New York Times* columnist Thomas Friedman wrote a column in which he declared America needs more jobs — Steve Jobs. He meant that innovation and creativity must be nurtured and encouraged to help the United States and other countries emerge from the global recession.



## Principle One: Do what you love

Steve Jobs said that the secret to success is having “the courage to follow your heart and intuition; you already know what you truly want to become.”

Jobs followed his heart his entire career, and that passion made all the difference. It’s very difficult to come up with new, creative ideas that move society forward if you are not passionate about the subject. Jobs once said. “I’m convinced that about half of what separates successful entrepreneurs from the non-successful ones is pure perseverance.

Unless you have a lot of passion about this, you’re not going to survive. You’re going to give up.” How do you find your passion? Passions are those ideas that don’t leave you alone. They are the hopes, dreams and possibilities that consume your thoughts. Follow those passions despite the skeptics and naysayers who do not have the courage to follow their own dreams.



## Principle Two: Put a dent in the universe

Steve Jobs attracted those who shared his vision and helped turn his ideas into world-changing innovations. Steve Wozniak was the engineering genius, but it was Jobs' vision that inspired Wozniak to focus his skills on building a computer for the masses.

In 1979, Jobs took a tour of the Xerox research facility in Palo Alto. There he saw a new technology that let users interact with the computer via colorful graphical icons on the screen instead of entering complex line commands. In that moment, Jobs knew that this technology would allow him to fulfil his vision of putting a computer in the hands of everyday people. He went back to Apple and refocused his team on building the computer that would eventually become the Macintosh and forever change the way we talked to computers. Jobs later said that Xerox could have “dominated” the computer industry but instead its “vision” was limited to building another copier.



## **Principle Three: Kick-start your brain**

Creativity leads to innovative ideas. For Steve Jobs, creativity meant connecting things. He believed that a broad set of experiences expands our understanding of the human experience and leads to breakthroughs that others may have missed.


Breakthrough innovation requires creativity, and creativity requires that you think differently about the way you think. Scientists who study the way the brain works have discovered that innovators do think differently — they seek out diverse experiences. Jobs created new ideas precisely because he spent a lifetime exploring new and unrelated things — seeking out diverse experiences. Jobs hired people from outside the computing profession. He studied the art of calligraphy in college, studied the fine details of a Mercedes-Benz for product ideas, and evaluated The Four Seasons hotel chain as he developed the customer service model for the Apple Stores. By bombarding his brain with new experiences, he removed the shackles of past experiences.

## Principle Four: Sell dreams not products

Steve Jobs didn't rely on focus groups. "It comes down to the very real fact that most customers don't know what they want in a new product," but he understood his customers really, really well.

When Jobs returned to Apple in 1997 after a 12-year absence, Apple faced an uncertain future. Jobs said "I think you have to think differently to buy an Apple computer. I think the people who do buy them do think differently. They are the creative spirits in this world. They are people who are not out to get a job done; they are out to change the world. And they are out to change the world using whatever great tools they can get. And we make tools for those kinds of people...A lot of times people think they're crazy, but in that craziness we see genius." Apple's breakthrough success relied on the innovative ideas of Jobs and his team. Nobody cares about your company or product. They care about themselves, their dreams and their goals. Steve Jobs won them over by helping them achieve their aspirations.

## Principle Five: Say no to 1,000 things



Steve Jobs said the secret to innovation is “saying no to 1,000 things.” He was committed to building simple, uncluttered design which allowed Apple to build a continuous stream of products that continue to wow and delight customers with their elegance and simplicity. In October 2008, Apple introduced its next-generation MacBook laptop computer. Apple design guru Jonathan Ive explained the new process of building mobile computers that allowed Apple to offer notebooks that were lighter and sturdier. Apple’s new “aluminum unibody enclosure” eliminated 60 percent of the computer’s major structural parts. Reducing the number of parts made the computer thinner but it also made it more rigid and robust — the computer was actually stronger. Customers demand simplicity, and simplicity requires that you eliminate anything that clutters the user experience — whether in product design, website navigation, marketing and advertising materials or presentation slides.


## Principle Six: Create insanely great experiences

Steve Jobs made the Apple Store the gold standard in customer service, generating more revenue-per-square-foot than most other brands, by introducing simple innovations to create deeper, more emotional connections with their customers. For example, there are no cashiers in an Apple Store. There are experts, consultants and even geniuses. Jobs explained, “People don’t want to just buy personal computers anymore. They want to know what they can do with them, and we’re going to show people exactly that.” Apple created an innovative retail experience by studying a company known for its customer experience — The Four Seasons. Apple Stores would attract shoppers not by moving boxes, but by “enriching lives.” Apple would offer customers a concierge-like experience, much like a customer would receive in an elegant hotel. The lesson — don’t move the “product.” Jobs and Apple instead set forth to enrich lives. The result was huge success.





## Principle Seven: Master the message



You can have the most innovative idea in the world, but if you can't get people excited about it, it doesn't matter. For every idea that turns into a successful innovation, there are thousands of ideas that never gain traction because the people behind those ideas failed to tell a compelling story.

Steve Jobs was considered one of the greatest corporate storytellers in the world because his presentations informed, educated and entertained. By giving extraordinary presentations, he stood out as a leader and communicator. He understood that the company was being judged to a large degree on his ability to communicate Apple's mission. The big difference between extraordinary communicators and the average leader is that people like Jobs use presentations to *complement* the message. The speaker is the storyteller; the slideshow serves as a backdrop to the story.

# Conclusion

In a documentary on the making of the film Jaws, Steven Spielberg said that he was forced to improvise when the mechanical shark failed. He asked himself, “What would Hitchcock do?”

The answer: Hitchcock would never show the shark.

Today the global economy faces significant challenges. How can you emerge stronger, more inspired and more innovative than ever?

We need to look at history as a guide and ask ourselves...

**“What would Steve Jobs do?”**

## Some thoughts...

So if we want to create a true learning organisation  
– how do we do it?

- How can senior leaders demonstrate how they themselves continuously learn?
- What causes companies to stop learning?

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