The boundedly rational organization: How to conceptualize organizational learning

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[Maybe add paragraph about coexistence of high-tech and backwards stuff here? To clarify what kind of world it is I am talking about.]

How do organizations choose what to learn? Organizational learning is more likely to occur when there is a value or purpose to it. When an organization makes a new product, and this product does not sell well, the lesson learned may be "we have tried making this product, and there is no interest from the general public for this product" [could potentially change this example with something sustainability-related]. Organizations are also hard-pressed to improve something that they cannot measure, usually in terms of hard numbers [1].

One of the most prolific streams of the learning literature until the 1990s been the discourse on learning curves. When plotting out input and output, one can observe that factories improve productivity over time. The same learning effect has been demonstrated for a selected number of other important metrics (Argote 2013). Are there things that organizations cannot learn? The literature on organizational learning does not answer that question–where there is no learning, there is nothing to report in this stream of research. The behavioral stream on organizational research suggests that organizations do not know what they cannot measure; if they are able to measure it, but not to improve it, they may not bother to measure it; and if they are capable of measuring it and improving it, we still might not hear about it if they do not do so.

By addressing this topic, we hope to initiate a discourse on some of the basic assumptions of the learning literature. The learning literature has made great progress since scholars first started to theorize on the topic (Cyert and March 1963).

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[1] hence the extensive discussion in the learning literature on rare events, near-failures, and near-misses

References