



Building a Learning Organization

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Why Learning Organization

- ❖ Continuous improvement requires **commitment to learning**
- ❖ In the absence of learning companies and individual –**repeat old practices**
- ❖ The topic remains **murky, confused** and **difficult to penetrate**

Main Challenges of Learning Organization

- How will managers know their companies have become learning organization?
- What concrete changes in behavior are required?
- What Policies and program must be in place?
- How do you get from here to there?

Three Ms of learning Organization

Meaning

Plausible, well-grounded definition of learning organization

Management

Clear guidelines for practice, filled with operational advice

Measurement

Better tools for accessing organizations rate and level of learning



3M

What is a Learning Organization ?

Definition from the author – David A. Garvin

A learning organization is an organization skilled at creating, acquiring and transferring knowledge and at modifying its behavior to reflect new knowledge and insights

- New ideas are essential if learning is to take place
- Without accompanying changes only the potential for changes exist

Distinctive Policies and Practices are essential for the success of an organization



Building Blocks of a Learning Organization



Systematic problem solving



Experimentation with new approaches



Learning from own experience and past history



Learning from the experience and best practices



Transferring knowledge



1. Systematic problem solving

- This activity rest heavily on the philosophy and methods of quality movements
- Relying on the scientific method, rather than guesswork for diagnosing problems
- Insisting on data, rather than assumptions as background for decision making
- Using simple statistical tools to organize data and draw inferences

2. Experimentation with new approaches

Systemic searching for and testing new knowledge

Two main forms

Ongoing Programs

- Continuous and series of small experiments
- Produce incremental gains
- Most common in shop floors
- Needs incentive to take risks
- Need managers and employees who are skilled to perform the experiments

Demonstration Projects

- Embodies principles and approaches that may be adopted in the future
- Establish guidelines and rules for future project
- Test the commitment of employees who want to see if the rules have changed.
- Developed by strong multi functional team
- Limited impact on the rest of the organization



“..is a mind-set that...enables companies to recognize the value of productive failure as contrasted with unproductive success.”



3. Learning from own experience and past history

Reviewing and systematic reporting of success and failures within the learning organization. Valuable knowledge is connected with past events, especially failures.

- **Productive failure:** provides insight, understanding, provides contrast to common wisdom of the organization.
- **Unproductive success:** Knowledge and understanding not fully developed, because Knowledge means deep understanding

Active transfer of experience and past history:

- case studies
- post-project reviews
- Predict future from Past – AI, ML, Big Data
- Fuckup nights events

“Steal ideas shamelessly”

(Roger Milliken, Entrepreneur)



4. Learning from others

Benchmarking or gaining an outside view

Successful benchmarking via a “disciplined process”

- Identify best-practice organizations
- study own practices and performance
- progresses through systematic site visits and interviews
- Uncover, analyze, recommend and implement

Use your customer ideas as a vital source

- Get insight through:
 - meet personally and on a regular basis
 - field trips to customers’ factories
 - Development of interactive processes
- **Customer Approach** : “cultivate the art of open, attentive listening”

"It is very difficult to become knowledgeable in a passive way. Actively experiencing something is considerably more valuable than having it described."

Roger Schank, with Peter Childers, *The Creative Attitude* (New York: Macmillan, 1988), p. 9



5. Transferring knowledge

Spreading Knowledge quickly and efficient is key for a learning organization via various communication channels and actions:

- ✓ Written/oral/visual reports
- ✓ Education and training programs
- ✓ Personnel rotation programs
- ✓ Tours



Avoid small working spheres for highly skilled employees



Allow diffusion of knowledge across the organization!

“learning curves”

and

“manufacturing progress functions”

Measuring Learning



The experience curves

BCS transferred the concept to whole industries

costs and prices fell by amounts as industries grew and increase in production



<https://www.bcg.com/publications/1968/business-unit-strategy-growth-experience-curve>

The Half-Life Curve

Steeper slopes represents faster learning

The concept of “learning and experience curves” does not reflect other competitive variables,

- ✓ Quality
- ✓ Delivery
- ✓ new product introductions

Additional Measures

“half-life” curve can help to measure internal improvement rates for specific performance measures, e.g. defect rates, on-time delivery, time to market

[https://en.wikipedia.org/wiki/Half-Life_\(series\)](https://en.wikipedia.org/wiki/Half-Life_(series))





Thank you
