ORGANIZATIONAL LEARNING SELF EVALUATION TOOL (OLSET)

THE MANUAL

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Chapter 1: Introduction

1.1 What is the Organizational Learning Self-Evaluation Tool?

During the last 50 years, research has proved that integrating Organizational Learning (OL) and strategy provides a considerable competitive advantage. OLSET is an easy "plug-n-play" way to use management's latest innovation wherein OL and strategy are integrated by design, improving both performance and bottom-line results.

1.2 How is the OLSET Manual used?

Just use the measurement scale (Ch. 2) to identify the current Organizational Learning Capacity (OLC) of your team or organization and keep measuring regularly to track change over time. Another way to use the self-evaluation scale is before and after an Organizational Development (OD) process, to identify its impact on OLC and the overall sustainability of your organization.

Between evaluations, improve by using the model provided in Chapter 3 or any other improvement model that suits your needs.

OLSET, as a descriptive tool, includes detailed instructions, spans the organization vertically and horizontally, and is designed for autonomous use. This also means that apart from the self-evaluation measurement scale in Chapter 2, you can customize it as much as you wish to fit your specific needs.

In addition, the optional OLSET software[1] offers easy application of the whole tool and its various components, thus complementing the present OLSET Manual.

1.3 Who can use it?

OLSET can be employed by organizations of any size (from SMEs to multinationals) and by managers of any level even with no prior experience.

OLSET has been designed for autonomous use by:
- a. owners or managers (e.g. entrepreneurs, micro businesses, SMEs, CEOs); and
- b. consultants, as a tool that complements their OD, Change Management (CM) and/or Total Quality Management (TQM) efforts in large organizations (e.g. multinationals, development aid projects, social innovation projects, public sector, etc.) by reaching where a top-down approach cannot reach.

Active support of the organization's top management is the first and overarching specification of OLSET since, just like any other improvement or change tool, if this is lacking the possibilities of success are considerably compromised.

1.4 Where/For what does one use OLSET?

OLSET aims to make the latest approach to management accessible to all. Thus, OLSET can be used in all cases from small teams' initiatives and projects to the corporate governance strategy of a multinational organization, complementing and enriching existing governance practices.

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[1]Not yet available.

Chapter 2: The Self-Evaluation Measurement

2.1 Introduction

2.1.1 How to use the questionnaire?

The self-evaluation questionnaire (Section 2.2) is composed of 28 descriptive statements to be answered in terms of your level of agreement, from Completely Disagree to Completely Agree.

The questionnaires should be anonymous for unbiased results.

The questionnaire measures the OLC of the group that uses it. It can therefore be used by any team and/or the whole organization to measure and improve performance, sustainability and all the other beneficial implications that are associated with managing OL.

If you are also using the PLSET software, then most of the following instructions are not needed as everything is done automatically.

2.1.2 Who fills in the questionnaire?

Ideally, anyone related to the project, team and/or organization that is being measured should fill in this questionnaire. This means the whole workforce must answer when measuring a whole organization's OLC. However, you can adjust this and choose to measure, for example, only the OLC for the team of managers of your organization.

If you wish, you can also separately calculate the OLC mean score of different groups of employees, such as office clerks, managers, technical staff, etc. In such a case you should add a demographic question at the beginning of the questionnaire to determine which group the survey participant belongs to.

2.1.3 What do I do with the filled-in questionnaires?

For each completed questionnaire there should be a score (ranging from 1 to 5) for each of the 28 statements. Summing up all the scores for statement A1 from all completed questionnaires and dividing that sum by the number of completed questionnaires will provide the mean score for statement A1. Do the same for statements A2 to G28. These scores represent the OLC of the team, project and/or organization at the specific point in time. Use a blank questionnaire to record the mean score of each question and this will give you a clear picture of what you need to improve in your team, project and/or organization.

Then, by adding up the mean scores, you calculate the Total Mean Score to be compared with the OLC stages described in Section 2.3. This will give you a clear picture of how well your team and/or organization manages OL and change at the specific point in time and a way to benchmark your progress over time.

2.1.4 What do I do afterwards?

Then, and ideally for the next six months until the next measurement, establish improvement projects. Reward employees for the improvement projects' successes and communicate these successes to the whole organization in order to achieve continuously improved results. For the improvement projects, you can use the process described in Chapter 3 (customized or as a whole) or any other TQM, CM or OD process that suits your needs best.

Regardless of the process selected, it would be very beneficial to utilize, together with the questionnaire, the short reflection processes described in sections 3.2.2 (Strategic intent guidelines), 3.2.4.1 (Step 0: Reflect) and 3.2.4.4 (Step 3: Self-evaluate) for any decision-making.

2.1.5 When do I use the questionnaire?

You can use it as a regular self-evaluation at a set frequency, for example every six months, and/or before and after a development project.

For example, if you have a TQM, CM and/or OD process already established, you can use the questionnaire directly at the beginning. If you are now starting a new project (e.g. OD, CM, social innovation, public sector reform, etc.) and/or organization (e.g. a start-up), you might prefer to begin with Chapter 3, which will lead you to use this questionnaire at the right stage of your development trajectory.

2.2 The self-evaluation questionnaire

To what extent do you believe that your organization is learning? Based on your answers to the following questions and the score statements in Section 2.3 of this document, the level of OL achieved so far in your company can be ascertained. OL is also related to the sustainability of an organization and thus this questionnaire will also indicate how sustainable your organization is at the specific point in time.

Using the scale below please indicate the extent of your agreement with the following statements by circling the correct number below each question.

Completely Disagree	Disagree	Neither Agree nor Disagree	Agree	Completely Agree
1	2	3	4	5

A. External knowledge acquisition				
1. Co-operation agreements with other companies, universities, technical colleges, experts, etc. are promoted.				
1	2	3	4	5
2. The organization encourages its employees in various practical ways to join formal or informal networks.				
1	2	3	4	5
B. Internal knowledge acquisition				
3. New ideas and approaches on work performance are experimented with continually.				
1	2	3	4	5

4. Organizational systems and procedures support innovation.				
1	2	3	4	5

C. Knowledge distribution

5. The company has formal mechanisms to guarantee the sharing of best practices among the different fields of activity.				
1	2	3	4	5

6. There are individuals within the organization who take part in several teams or divisions and who also act as links between them.				
1	2	3	4	5

7. There are individuals responsible for collecting, assembling and distributing employees' suggestions internally.				
1	2	3	4	5

D. Knowledge Interpretation

8. The company offers internal opportunities to learn (visits to other parts of the organization, internal training programs, etc.) so as to make individuals aware of other people's or departments' duties and share employees knowledge and experience.				
1	2	3	4	5

9. Teamwork is a very common practice in the company.				
1	2	3	4	5

10. All the members of the organization share the same aim, to which they feel committed.				
1	2	3	4	5

E. Organizational memory

11. The company has databases or other means to store its experiences and knowledge so as to be able to use them later on.				
1	2	3	4	5

12. Databases are always kept up to date.				
1	2	3	4	5

13. All the employees in the organization have access to the organization's databases.				
1	2	3	4	5

14. The codification and knowledge administration system makes work easier for employees.				
1	2	3	4	5

F. Organizational system alignment

15. My organization encourages people to think from a community perspective.				
1	2	3	4	5

16. My organization works together with the outside community to meet mutual needs.				
1	2	3	4	5

17. In my organization, leaders ensure that the organization's actions are consistent with its values.				
1	2	3	4	5

18. My organization builds alignment of visions across different levels and work groups.				
1	2	3	4	5

19. My organization considers the impact of decisions on employee morale.				
1	2	3	4	5

20. My organization encourages people to get answers from across the organization when solving problems.				
1	2	3	4	5

G. Culture of learning and development

21. In my organization, people openly discuss mistakes in order to learn from them.				
1	2	3	4	5

22. In my organization, people give open and honest feedback to each other.				
1	2	3	4	5

23. In my organization, people view problems in their work as an opportunity to learn.				
1	2	3	4	5
24. In my organization, people are rewarded for exploring new ways of working.				
1	2	3	4	5
25. My organization recognizes people for taking the initiative.				
1	2	3	4	5
26. My organization gives people control over the resources they need to accomplish their work.				
1	2	3	4	5
27. In my organization, leaders generally support requests for learning opportunities.				
1	2	3	4	5
28. In my organization, investment in workers' skills and professional development is greater than last year.				
1	2	3	4	5

Adapted from López, Peón and Ordás (2005); Bess, Perkins and McCown (2010)

2.3 The meaning of the results

OLC stages

Using the evaluation form containing the mean scores, add up the score of each question to calculate your total score. For example, if your answers are Q1 = 2, Q2 = 4, Q3 =1 ... Q28 = 3 then your total score would be TS = 2+4+1 ... +3. Then compare your total score with the OL stages' statements below.

Total score assessment statements:

28 - 56: My organization/team is not adapting to change. There is no evidence of OL. It will be extremely difficult for my organization to respond to change, sustain itself or contribute to sustainable development.

57 - 84: My organization/team rarely adapts to change. It is far from being a learning organization. There is a low OLC. My organization will need to develop its approach to OL if it is to respond to change, sustain itself and/or contribute to sustainable development.

85 - 112: My organization adapts to change effectively. There is OLC and an OL culture. My organization can be considered to have the capacity to respond to change, sustain itself and/or contribute to sustainable development.

113- 140: Adaptation to change is a competitive advantage in my organization. The place I work can be described as a learning organization. My organization has the capacity to respond to changes in its economic, environmental and social context. It is capable of sustaining itself through learning, innovation and change that provides for competitiveness while contributing to sustainable development. This will help it to survive and succeed.

Chapter 3: Organizational Learning Management (Optional)

3.1 Introduction

For your improvement efforts in between the measurements, you can use the governance model provided below or any other TQM, CM or OD process that you wish.

When using the OLSET governance model, you can customize it as much as you want.

The OLSET software complements and automates the process.

3.1.1 What is the OLSET governance model?

OLSET allows you to access the benefits of the contemporary participative management method, namely the bottom-up approach, without sacrificing efficiency and thus effectively and without risk in large-scale applications. OLSET's governance model provides tools for your decision-making process wherein OL strategy is already integrated, and thus can bring forth considerably improved results.

The OLSET governance model is a simple cyclical reflection process for self-organized decision-making and project management, no matter how big or small the project is. The process is composed of the following iterative steps: "Reflect", "Understand", "Design and Implement" and "Evaluate".

3.1.2 How to use OLSET?

All teams are given the OLSET Manual and/or software and are then left to self-organize their improvement project(s). Alternatively, a leader (e.g. a consultant, the entrepreneur, a change agent, etc.) is assigned the responsibility of applying OLSET and leads the whole strategic development effort.

OLSET is the synthesis of the cutting-edge management literature into a descriptive operational instrument for all. This means that OLSET provides only guidelines to adjust and apply to your specific situation.

Support from a consultant or facilitator is, as always, an advantage. In fact, OLSET complements the top-down approach of strategy, OD and/or CM consultants. Nevertheless, OLSET is designed to be used by people with no previous management experience (e.g. new entrepreneurs with micro businesses, intrapreneurs, workers in very big corporations, etc.).[2]

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[2]OLSET is currently in its pilot version. If you find anything difficult or if you can recommend improvements, please let us know by contacting a.theiopoulou@acg.edu

3.1.3 Ground Rules

The use of the OLSET governance model has two ground rules that apply to all and any question and inquiry techniques employed in it:

A. Answer validity. Valid answers, which are consequently taken under consideration and utilized within the process, are those based on observable facts. Searching for answers based on observable facts generates a variety of responses, all of which need to be included in the inquiry process, producing a spectrum of causes to be tackled (see Appendix 1).

B. Answer depth. All questions need to be asked repeatedly until all levels of potential answers are explored and the root cause(s) is/are revealed, like peeling an onion. This process will provide a great spectrum of valid answers on multiple levels, all of which need to be encompassed in the subsequent steps of the process (see Appendix 2).

C. Answer breadth: Answer breadth is defined by the number of people as well as by the variety of hier archical levels who provide answers to a question. Ideally, at least three people from at least three different hierarchical levels will provide their answers to every question. The synthesis of all the answers is the answer that should be utilized within the process.

3.2 The OLSET governance model

3.2.1 Introduction

This part describes the strategic intent template for OLSET to be used by the leader(s) of the organization. It is a template in order to assure that the organization's long-term strategy is aligned with the integrated OL strategy that OLSET provides, thus proactively tackling the major problem reported in several case studies.

Top management should be prepared and expect disruptive innovations to appear throughout the organization as a result of using OLSET. These innovations will mostly address the critical topic of how the organization learns (named deutero learning) and will result in improved efficiency and effectiveness if allowed to scale up over time.

INFO!: Numerous case studies (e.g. Reeve and Peerbhoy, 2007) report that the performance improvement observed at the operations, resulting out of an OL-aligned approach, failed to be sustained because of an unbridged gap between policy and operations or, from a hierarchical point of view, between shareholders and the rest of the organization.

3.2.2 Strategic intent guidelines

Shareholders' long-term strategy must be compared for resonance with the template presented as a graphic representation in Figure 1 below showing the evolutionary path that the organization and its OL-tuned operations will undertake by using OLSET. Compare for this resonance by asking the question provided below.

For every decision, one question must be mindfully and exhaustively asked which is provided here in various phrasings. The question is recommended for use in every decision to be taken by the specific group of organizational members, i.e. its shareholders. Inquire:

1. Is this decision (e.g. project, strategy, policy, investment, change...) a move in the right direction (i.e. up the spiral)?
2. Is this decision, pulling the organization upwards or does it push it downwards?
3. Will the effects of this decision create dynamics resonant to the evolution of the organization (i.e. upwards in the spiral) or will they create dynamics suppressing the upwards path?

4. Is this decision reinforcing/supporting the innovations taking place recently in the organization (at any level and within any context) or is it undermining their escalation?

5. Is this decision contributing to the exploitation/utilization of our employees' creativity or just our employees' time?
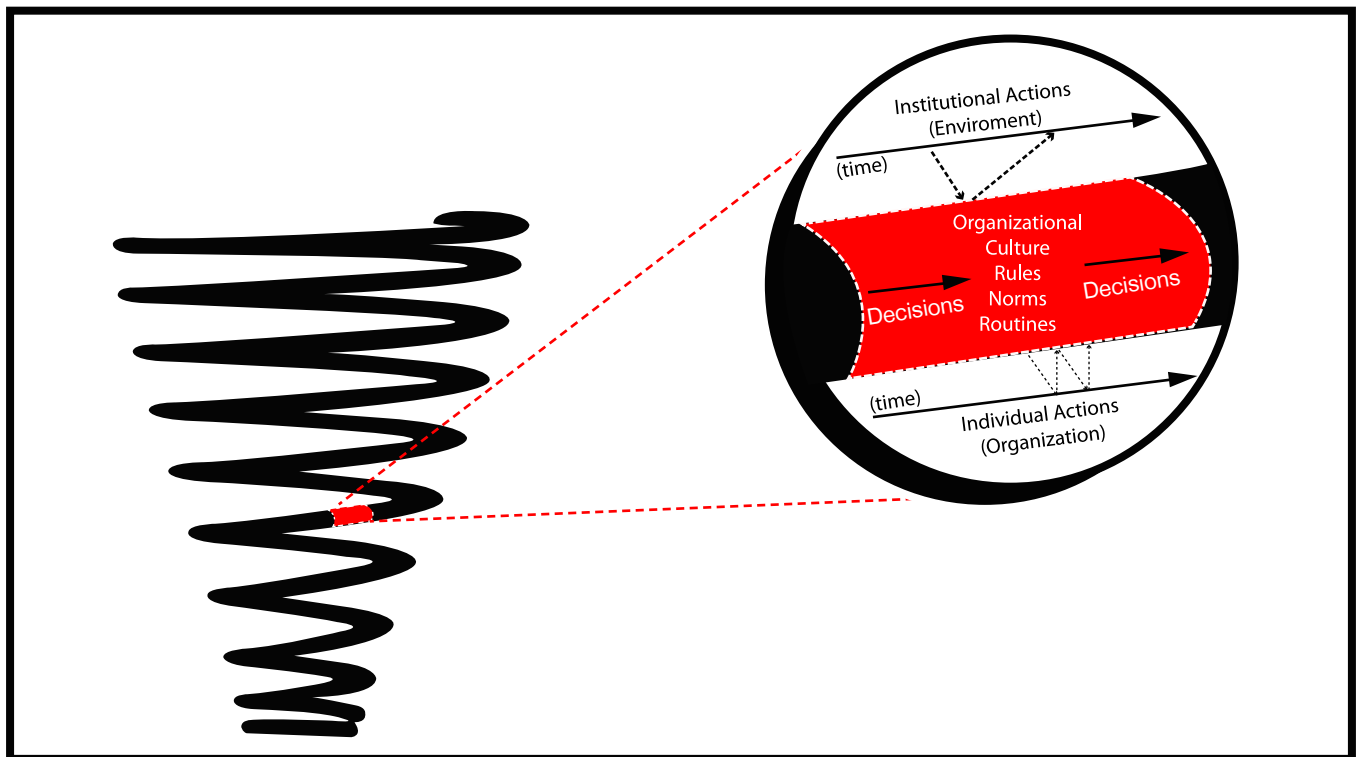

Figure 1. Organizational evolution by using OLSET
(Diagram in circle adjusted from Scapens (2006))

Shareholders, leaders and top management need to make sure that any decision or action taken at their level is moving toward the evolutionary direction, i.e. the upwards spiral or in other words is pulling the organization upwards. If the decision cannot be adjusted to meet this specification then it is strongly advised that the organization either reverses the decision or does not employ this model because otherwise one of them, along with the respective resources, is at risk.

Example: To describe the misalignment case metaphorically and thus make its long-term effects more obvious, it could be said that it is like a teacher instructing his/her students to read from right to left and then providing them with books in which the sentences are written from left to right. The students will never learn how to read and nor will the teacher ever complete his/her job or, in other words, achieve his/her goal.

3.2.3 Strategic planning guidelines: Four steps in a three-stage cycle of continuous learning and development

From this part onwards all of the components of OLSET are intended for use in a fractal formation. That is: a. throughout the organization (i.e. individual, team and organization-wide levels) and b. on a continuous cycle basis (i.e. as soon as the steps of the process are completed the individual, team or organization starts the process all over again).

This is a cycle similar to Deming's[3] continuous improvement cycle, with the only critical difference being a design that forces the user to utilize reflection and thus seize its value.[4] In other words, this is an OL cycle not a TQM one. Which cycle model the organization chooses does not influence the use of the OLSET questionnaire. However, the time for
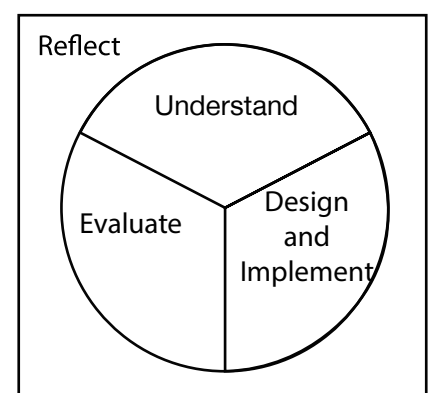

Figure 2. The OLSET cycle

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[3]Slack et al (2010: 544)
[4]e.g. Fetterman (2002); Minnett (1999)

reflection before each cycle starts and the respective guidelines for such reflection, provided below as Step 0, would add great value.

The starting point should always be the leader of the user-group himself/herself, followed by a subgroup of the user-group if any (for example, a single department of an organization). Subsequently, the methodology should be encouraged to grow at a fast pace in other existing subgroups. Last, the whole group or organization should be engaged. The pace of this methodology can be diverse depending on the function; for example, operations will go through the cycle fast and frequently while the strategic level might go through one cycle every year.

3.2.4.1 Step 0: Reflect

This is the first part of the OL management process, wherein the user assumes an unattached observer's role, intended to neutralize the mental models that act as a filter of the reality,[5] taking detailed stock of the basics, i.e. current reality and the vision of the situation at hand (e.g. process, project, department, unit, whole organization).

Figure 3. OLSET's Step 0

Tool/guidelines:

Step zero is for observation and reflection. The user, assuming the role of observing a friend's organization, department, team, process, employee or problem, takes a metaphorical step back, dissolving any attachment with the situation at hand and enabling objectivity in the inquiry into the current reality and vision. Inquire:
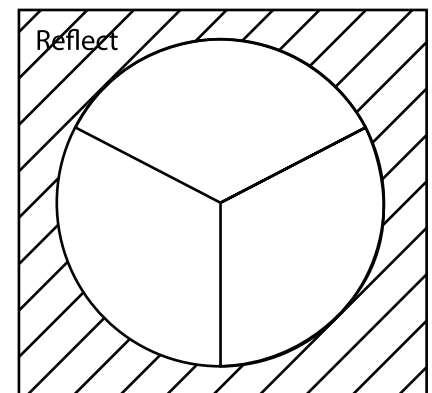
1. What is the current state of the organization/department/operation/team/process?
2. What does this current state look and feel like?
3. Why are we not content with that current state?
4. What is the envisioned/ideal state of our organization/department/operation/team/process?
5. What would that envisioned state look like? / How would the organization look if we had already achieved that vision/ideal state?
6. What would we be doing on a long-term, mid-term and daily basis? What would our work on the ideal state of the organization/department/process/team look and feel like (long-term, mid-term and daily basis)?

Both the identified current reality and the vision should be recorded and readily accessible to all OLSET users, as this information composes the clear path ahead for the learning and development of the organization. The vision constitutes the major milestone against which the learning and development need to be benchmarked at the end of every cycle.

Note: Step Zero is for assessing the current state of the system of interest as well as its envisioned one. Neither the causes behind the current state nor the way to achieve the vision and whether it is feasible, realistic etc. are of interest at this stage.

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[5]Senge (1990)

3.2.4.2 Step 1: Understand

At this stage, in possession of a clear picture of both the situation at hand and the intended end result, the user steps into the action cycle seeking to understand the system of intervention. The system's "systemic structure" (i.e. stocks and flows or in other words components and their interconnections, among the various elements of the organization/department/operation/team/process) is the inquiry and aim of this stage. This stage answers questions like: how does the system work? how is it usually treated? and what would be the best way to treat it now in order to maximize the chances of reaching the envisioned state?
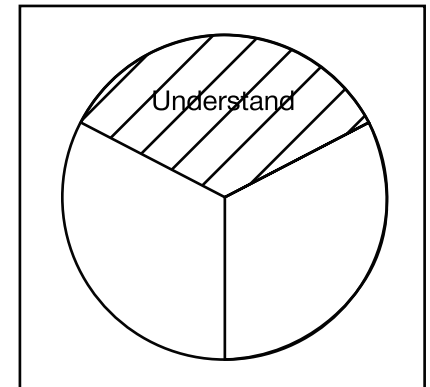

Figure 4. OLSET's Step 1

What drives the system's behavior and defines the patterns of behavior that then define the events is the systemic structure.[6] The systemic structure was created when the system was first put in place and its defining factors (components) were a) the mental models of the individuals that created it and b) the artifacts (scientific and technological knowledge, measurement systems, etc.) of the time.[7] In practice, any new process/product/team/etc. implanted into a non-altered systemic structure will produce the same results over time. Consequently, the purpose of Step 1 is to acquire a clear picture of the systemic structure and its dynamics.

INFO! *"When placed in the same system, people, however different, tend to produce similar results" (Senge, 1990: 44)*

"System structure is the source of system behavior. System behavior reveals itself as a series of events over time." (Meadows, 2009: 89)

Tool/Guidelines:

Draw a systemic structure map to record your organization's stocks and flows. There is an example in Appendix 3 and many more freely available through the Internet. There is also an easy application in the OLSET software.

After the systemic structure is identified and recorded, inquire into the following:[8]
1. How have we dealt with the system so far? When something was wrong, what was the stock of intervention, through which one(s) of its flows, and what was the systemic result (i.e. what effect did that action produce on a systemic level? which other stock of this map our action influenced and how? how did the system react? what did the system produce?)?
2. Did that previous method of intervention produce fundamental solutions or was it just a quick fix that also produced side effects while the initial problem re-emerged after a while, calling again for the same type of intervention? If the same intervention/solution (i.e. on the same stock and toward the same flows) was applied again, would that resolve the problem once and for all or would the problem re-emerge again later in time?
3. What is a new way that I can deal with/treat the system/problem? What is an alternative mode of action (i.e. an alternative stock and/or flow) that holds the potential to solve the problem? Is this new solution (i.e. way of intervention) a fundamental one (i.e. will create a different reaction from the system than the one triggered by the previous way of dealing with the problem)?

New insights for dealing with the system, i.e. how to meaningfully and positively intervene in your organization, will be generated. These insights, besides indicating clearly the direction in which the organization should move, will also produce a set of potential projects toward that direction and thus become the initial input for the next step.

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[6]Forrester (1975) and (1961); Senge (1990); Meadows (1982)
[7]Senge (1990)
[8] Senge (1990); Senge et al (1994)

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Note: A "new way of dealing with/treating the system" is beneficial, and thus of actual value, only if it matches the specification described at the strategic intent stage. That is, only if it pulls the whole system upwards instead of pushing it downwards toward a past condition of the evolutionary spiral.

3.2.4.3 Step 2: Design and Implement

For Organizational Learning to be effective, diversity, inclusiveness, empowerment, self-organization, and free flow of people, information and resources, are necessary characteristics of the active organizational culture. A strong and positive organizational culture, especially the type described above, is not easy to be created. However, the following tool[9], if used as an approach to decision making, holds the potential to create and sustain it efficiently and effectively, besides its value as a tool for action or project design and implementation.
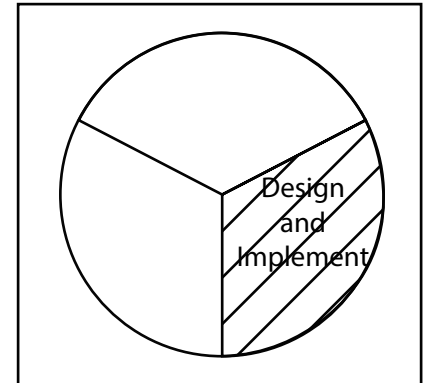

Figure 5. OLSET's Step 2

Tool/Guidelines:

Taking the set of insights regarding potential change projects generated during Step 1, this is the stage for their detailed exploration. Ideally, the whole set of insights would be acted upon however time restrictions naturally impose prioritization. This prioritization is recommended to be based upon careful balance between level of intervention (i.e. fundamental or superficial, systemic or events level) and the 'quick-wins' best practice.[10] Priority is recommended to be given to insights can bring quick-wins while intervening at the fundamental systemic level of the organization.

Each one of the items derived from Step 1 will be in a generic form, e.g. 'sales-products', and should be transformed into a specific potential project, e.g. 'double the sales of X product'. Generating several specific potential projects from each of the items is recommended. For example, for the same item an additional clarification could be to 'introduce an innovative product X on the market that will attract x% of the market share', while for prioritization the same criterion as above applies.

Case Study: Cimsa S.A.'s CEO, M. Hacikami-loglou, describes his nine-year experience of successful OL management using this map at SoL Greece's Conference (2010). Highlights can be accessed at: http://www.youtube.com/watch?v=kcqHGe5mRmo&feature=rel mfu

Then, participants explore each of the chosen projects by assuming the task of retrospection during a hypothetical future debriefing meeting. Imagining that future meeting, the desired end result of a project is phrased as a failure inquiry question on a past tense and a negative way which is then recorded at the center of a paper, e.g. 'why did sales of product X not double during the last year?', 'why was new product X not launched last year?' and 'why did new product X not attract x% of the market share two years after its launch?' Note that in the second example there are two potential reasons for project failure that need to be inquired into separately in order for each reason to reveal the whole set of causes, and thus the tasks to be undertaken in the present. Using imagination and past experience, the users record potential causes of this imagined failure around the central item, as well as causes of the causes as in the example in Appendix 4. The sum of the causes recorded on the map constitutes a reverse and yet detailed action plan for the project that is recorded as a hypothetical failure at the center of the map. Implementation of these projects based on these action plans through inclusive and empowering approaches (see Glossary of terms) is the final phase of Step 2.

In case the answer validity ground rule is violated by recording an opinion instead of an observable fact on the map, users will soon discover a natural elimination process since opinions provide no insights for specific actions. For example, 'because our sales force was not competent enough' offers only discour-

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[9]Calcavur (2006); Senge et al (1994)
[10]Auluck (2002)

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agement by focusing on the titanic and bluer goal of creating a highly competent sales force. In contrast, a statement like 'because our sales force was not trained to the relevant best practices in sales' is an observable fact, since perhaps sales best practices training was provided by the organization's competitors and/or partners to their employees, clearly indicating a specific action – i.e. provide best practices training to the organization's sales force.

Note: Tools that facilitate the process of creating group maps as well as the implementation of an empowering self-organizing manner that triggers OL[11] are World Cafe[12] and Open Space.[13] The combination of the three tools, i.e. Systemic Action Map, World Cafe and Open Space, offers a vision and decision-making process that enables, facilitates and sustains OL on all hierarchical levels and in all contexts.

3.2.4.4 Step 3: Self-Evaluate

The last step of each cycle is self-evaluation, which forms the link between strategy and performance.[14]
Any key performance indicator can be used at this stage, but OLSET provides two ways of self-evaluation – both of which need to be used.

Figure 6. OLSET's Step 3

The self-evaluation questionnaire of Chapter 2 provides a way to evaluate your group or organization over time. The 28-item OLSET questionnaire (adjusted from L pez et al., 2005 and Bess et al., 2010) provides a holistic measurement and thus picture of the organization, department, team, etc. In addition, another tool is provided below for the evaluation of each individual action and/or project.
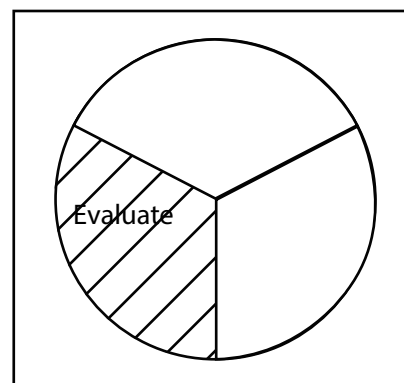
Macro tool/guidelines:

The questionnaire (Chapter 2) should be filled in in a decentralized manner, for each question measuring the mean score (i.e. the sum of the users' scores divided by the number of users), which is then recorded on a blank questionnaire form (see Section 2.2). The evaluation process can be either direct, i.e. one meeting where all stakeholders are present to fill in the questionnaire and discuss the results, or indirect, i.e. each stakeholder fills in the questionnaire privately. Then, the mean scores for each question are calculated and the information fed back to all users, providing in this way a clear direction and valuable insights to be used as input for Step 0 of the new cycle.

 In addition, Step 3 on a daily basis, takes the form of self-evaluation on each individual action/project scale. OLSET is designed to trigger a ripple effect on multiple levels in synch, triggering in its turn the transformation of the organization and its culture at the hyper level of emergence, thus multiplying the effect of the effort made on the practical level. Practically this means that OLSET is to be applied not only within the various contexts (e.g. departments, hierarchical levels, strategies, operations and processes) but also on multiple scales within each context, i.e. strategic intent, strategic planning, project planning and deployment down to individual action.

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[11]e.g. Senge (1990); Lee et al (2000); Child (2005); Nonaka (1994); Crossan et al (1995)
[12]Brown and Isaacs (2005)
[13]Owen (2008)
[14]van Schalkwyk (1998)

Micro tool/guidelines:

On a daily basis Step 3 is performed through the tool named After Action Review (AAR)[15]. AAR is a sequence of four questions intended for use right after the conclusion of each individual action/project, practically enacting and forcing double-loop learning. The four questions are:

1. What was the purpose(s) of doing this action/project?
2. Did we achieve it and how can we tell/know? (what are the observable facts indicating clearly that we achieved or not the purpose(s) identified through the previous question?)
3. If we were to repeat the same action/project now, what would we do the same? Why?
4. If we were to repeat the same action/project now, what would we do differently and how? Why?

3.3 How and Where to start

Every OLSET cycle should happen, in a sense, twice. Specifically, every action considered for implementation is recommended to be tested on an incremental scale first in order to test if the reaction of the system is indeed the one expected. If the reaction is not toward the direction expected, then the systemic structure map needs updating. After this test and potential respective adjustment of both system maps, actual implementation of the project can begin.

Like in most OD or CM programs, this exact 'test the water' pattern is also employed at the point of introduction of the OLSET to an organization. In practice, the first one to engage and use this decision-making model is the CEO and/or the General Manager of the organization, on an individual basis and without involving or even informing any other employee. In this first stage, only changes within the direct reach of the CEO or General Manager should be undertaken (i.e. no other employee is instructed to implement them). This is an exploratory and experimental stage, and consequently special care should be taken in order for the process to be subtle and silent, thus saving the organizational culture and climate from unnecessary anxiety regarding future changes and consequently also from unnecessary and unproductive fear and resistance. When all changes of this type have been implemented, the adoption of OLSET moves to its next stage, i.e. to being used by the whole top management team.

The top management team, as in the case of the CEO or General Manager, tests OLSET while also taking extra care not to disturb the culture and climate. Again, only incremental changes that stand within the immediate reach of the top management group should be implemented (i.e. no employee outside the group is involved in its application). This is still an exploratory and experimental stage, albeit this time for the wider top management group.

It is only after that stage that the actual adoption of OLSET begins by engaging the whole organization in a decentralized manner. The adoption is recommended to proceed in parallel both vertically (top management and department heads work on strategic and centralized operations or projects, e.g. through an appraisal system) and horizontally (each department, unit and/or location works on their respective issues in a decentralized manner). At this stage, self-evaluation and cross-departmental teams become the norm.

Top management needs to focus on fostering and nurturing the continuous learning and development process as well as on keeping track of the knowledge generated and taking advantage of it. For more experienced users (e.g. consultants), a schematic representation of OL and strategy integration (Haibo et al., 2007) is provided in Appendix 5. In addition, a comprehensive list of OL factors (adjusted from Jerez-Gomez et al., 2005) is provided in Appendix 6, the two main archetypes of OL (Kululanga et al., 2001) are set out in Appendix 7 and the places to intervene in a system (Meadows, 1999) are provided in Appendix 8.

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[15]Adjusted from Argyris (1991); Senge et al (1999); Philip (2010); USAID (2006)

From the beginning of your improvement efforts, the information, knowledge and insights created or identified (from within or outside the organization) need to be systematically shared throughout the organization and stored on a database accessible by all employees, forming in this way an Organizational Memory System (OMS). The existence of a OMS ensures the upwards developmental course of the organization[16] by distributing best practices beyond time and space, freely providing opportunities for collaboration on new ideas and projects generated and thus enabling economies of scale for innovation, as well as eliminating the time-consuming pattern of continuously 'reinventing the wheel'. An effective OMS would have procedural (e.g. socializing time for the last hour of each Friday), physical (e.g. a socializing room) and electronic (e.g. knowledge database and wiki accessible through the intranet) components. The OLSET software provides a ready-to-use OMS.

Example: Developing the OMS is a great project itself for a team composed of top management, who know how to best direct the flow of information to leverage innovation, IT department employees, who know how to create and manage the electronic part of the system, procurement department employees, who know if the electronic part or any of its components are available on the market and at what cost, R&D department employees, who know what information is most valuable to them and how it is best received, and the employees of other departments who know what information is most valuable to them and how it is best received, etc.

OLSET is a descriptive model with the 'testing the water' provision intended for organization-specific adaptation and with the decentralization, self-organization and empowerment provisions intended for the necessary local culture adaptation.

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[15]e.g. Templeton et al (2004); Jenlink (1994); Watkins and Marsick (1992)

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Glossary of terms

Leadership practices: Definitions
Developing vision, strategy and policies. This includes practices such as grounding the company vision for global responsibility in its context, crafting a strategy that focuses on the triple bottom line, and developing specific policies that support strategy and vision. The practice of creating a vision helps order and prioritize the many potential activities a company might undertake. Once a compelling vision for global responsibility is developed, strategies are crafted to work toward that vision. The development of specific policies links vision and strategy to organizational systems and day-to-day operations. To become a learning organization, a company develops a long-term vision that is rooted in the background of the firm and takes into account the business's strengths.
Operationalizing OL. This cluster covers organizational practices that make global responsibility and OL an integral part of the everyday practices (processes, procedures, tools and actions) of the organization. These practices are found in all the organization's functions, business lines, locations. This does not mean that practices are uniform across the organization. The organization will face different challenges in its functions, different locations and business lines and these will need to be addressed by suitably tailored practices. However, the expectations is that these practices will be brought together under the umbrella of the organization's vision, culture or overall strategy, policies and principles by which it works. In this way locally appropriate practices are unified under this higher level organizational umbrella. This leads to the idea that OL principles include global responsibilities that often have different local applications. For example, the organization will have principles by which it operates and it is left to local employees to determine what the application of those principles means in their area of work and to justify their actions according to those principles.
Top management support. In order for a company to make real progress toward OL and global responsibility, top management support is vital, in different forms (e.g. adequate resourcing for projects, creation of dedicated positions, specific investment decisions, etc.). Top management support is revealed in actions that create visibility and awareness of OL and global responsibility inside and outside the company, such as briefings, executive speeches, internal newsletter or celebrations. Top management's support, consistently endorsing the organization's OL and global responsibility efforts, prove particularly relevant when challenges arise, during periods of increased cost or decreased revenues, when there are difficulties with sustained stakeholder engagement, or situations of gaining client acceptance of CSR and OL orientation and related policies.
Engaging across boundaries (stakeholder engagement). The leadership practices in this cluster are concerned with the engagement of stakeholders – internal as well as external – across boundaries. This requires leadership practices directed to working across, e.g. personal boundaries of social identity, internal boundaries of level and function, and structural boundaries of organization, country or region. In the same cluster are leadership practices geared toward developing

the culture and systems to approach stakeholders' engagement built through partnerships at any level (e.g. with direct reports and teams, top management, clients and customers, suppliers or the society as a whole), actively reaching out to the external community, building balanced relationships with a clearly stated and understood reciprocity of commitments, responsibilities and benefits, and most important of all creating a shared understanding of the situation.

Inclusive and empowerment approaches. Leadership practices in this cluster refer to actions and processes that place emphasis on the empowerment of employees and the constructive engagement with external stakeholders. In this way employees and external actors are seen as a source of knowledge, and innovation and as potential collaborators in future actions. Experience shows that globally responsible organizations are open to learning from whatever source it originates and that they are prepared to question established assumptions held in the organization. Openness to learning is based on an approach to others actors (internal and external) based on mutual respect, participation and strong communication. Formal training for global responsibility and OL promotes understanding of, and commitment to, the goal of seeking solutions that provide for the financial, environmental and social performance of the organization in the different settings in which it operates. Training can be either provided as a standalone activity or is an integrated part of standard training activities. Other leadership practices that prove supportive and effective are mentoring and coaching, offering challenging assignments that link business activities with performance in financial, environmental and social terms. It is also supported by the development of multi-functional teams which work on the actions of the organization and its projects. Again these decentralized activities are always in line with the principles that the organization has declared it operates.

Communication for OL. Leadership practices for communicating around global responsibility and OL comprise the development of policies and procedures to effectively collect and share information. This includes business needs, successes and challenges in company-wide global responsibility as well as specific applications and actions throughout the organization and across organizational boundaries. Communication on global responsibility and OL follows paths and mechanisms that portray it as highly meaningful and strategically important to the organization. It is important to note that regular communication is more important than frequent communication. Systematic communication includes both formal and informal communication activities, verbal and written, adapted to fit the local context of the audience, as well as a two-way process across organizational boundaries to inform the company's direction for global responsibility and OL and to ensure commitment and create a deeply shared understanding among all the different stakeholder groups.

Performance development and accountability. This means managing performance to encourage global responsibility and OL efforts and holding individuals and groups accountable for their contributions, thus establishing responsibility and learning goals, standards and norms at individual and organizational levels. Elements of responsibility and learning goals are included in employees' performance development plans. On a collective level, companies promote external audits, look for and provide timely feedback, and actively participate in setting

standards and norms for the sector. The formal measures contribute to monitoring and controlling performance and to planning ahead for future goals. Managing performance to enhance global responsibility and OL in a company implies a focus on continuous improvement rather than the aim of meeting a certain standard and then maintaining it. Accountability is necessary to ensure that OL goals are not only set but enacted. Accountability at the individual level is ensured by incorporating responsibility and learning targets in annual performance reviews, feedback sessions, regular reporting, professional development and certifications, as well as rewards and recognition. At the organizational level, external audits and regular reporting help ensure accountability.

Ethical actions. Leadership practices are here based on the recognition that ethics and integrity are the foundations of leaders' decision-making. Acting with integrity sets an example inside and outside the company that shows global responsibility and OL are taken seriously. In turn, this speeds up the integration of global responsibility and OL into the company's business model. Managers who openly practice sustainability in their personal life are role models for the employees. Companies set incentives for all employees to bridge personal and professional sustainability. Acting ethically and with integrity is fundamental at the organizational level, e.g. participative decision-making including the major stakeholders, the use of decision criteria that include environmental, social, and financial considerations, open book practices and systematic integrity policies for suppliers and clients are practices that represent consistency and honesty on a collective level.

Adapted from D'Amato and Roome (2009)

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Appendixes

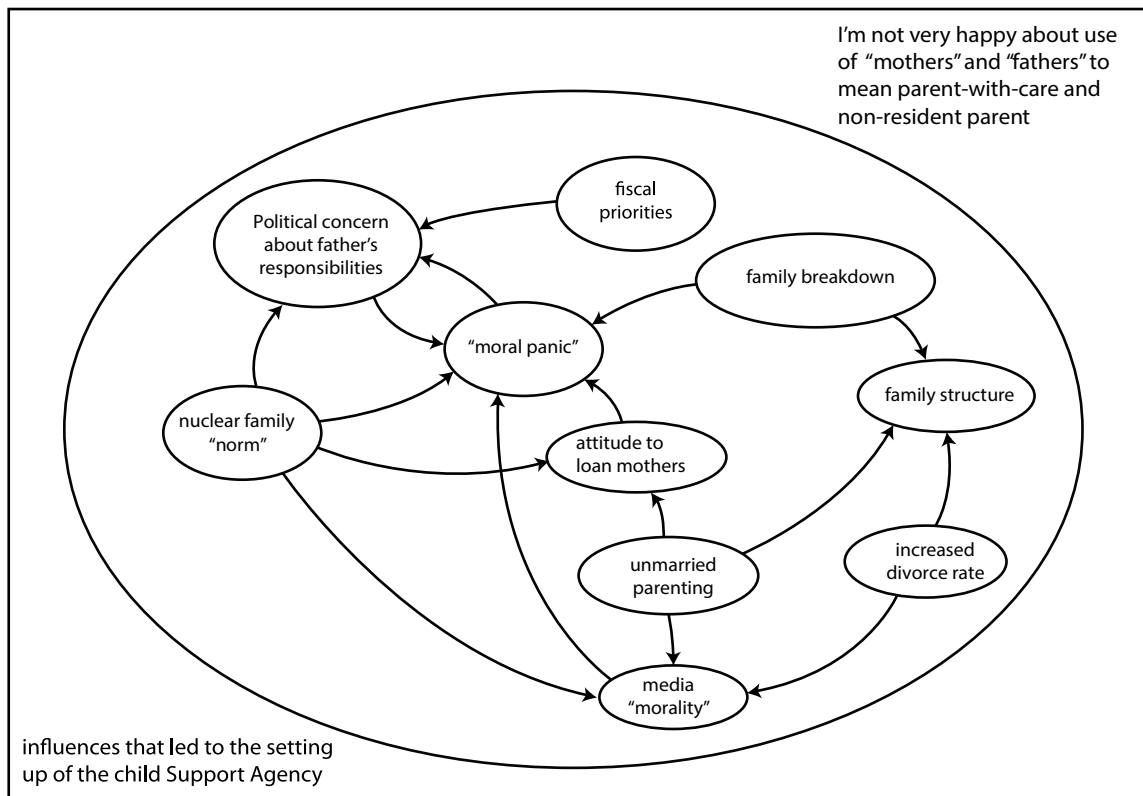## Appendix 1: Answer Validity example

Why did the organization not meet last year's sales targets?

An answer like 'because our sales department/team/employees are not good enough/incompetent/not committed/not interested etc.' is an opinion, and is thus not considered valid and consequently not included and recorded as an answer. Most probably, answers based on observable facts, i.e. that are valid and recordable, will come primarily from individuals of the sales department that are directly related to the issue at hand. If individuals of at least three different hierarchical levels of the respective department/operation/process are not present in the room to provide valid answers, they must be located and asked. Valid answers will include observable facts (e.g. 'because our sales force is not numerous enough', 'because our price is not competitive enough' or 'because our product does not satisfy customers enough') and will be based on observable data (e.g. 'the targets were set based on the conditions and revenue of the previous year but in the meantime the sales department's staff numbers were reduced', 'our competitors have a lower price point for a similar product' or 'a new and better product was launched in the market', respectively).

Appendix 2: Answer Depth example

In the example of appendix 1 where the question "Why did the organization not meet last year's sales targets?" is posed, the first time that this question was posed, within the spectrum of answers there was one indicating 'because our sales force is not numerous enough'. Posing the question for a second time in the reverse form of 'why was our sales force not numerous enough to meet last year's sales targets?' generates an answer one level deeper, that is 'the targets were set based on the conditions and sales of the previous year but in the meantime the sales department's staff numbers were reduced'. The question then needs to be posed again, adjusting it once more to inquire into the cause of the new answer, e.g. 'why was the target not adjusted to reflect the new number of salespeople so that it could have been met?' Once again a spectrum of potential answers will be generated and the valid ones need to be recorded and investigated. For example, 'the accounting department did not make the target adjustment', 'Why did the accounting department not make the adjustment so that the sales target would had been met?' now, according to the answer breadth ground rule, three people from three levels of the accounting department's hierarchy need to be asked. The question needs to be posed again and again to these people until root causes that clearly indicate a necessary practical change/action will be revealed, e.g. a missing/broken information flow process from the HR department to the accounting one that needs to be restored, an assumption on the part of top management regarding the reduced sales force's capacity to meet the targets that needs to be reconsidered, the effectiveness of a performance enhancement training/project employed last year to bridge the gap of the reduced sales force that needs to be re-evaluated, etc.
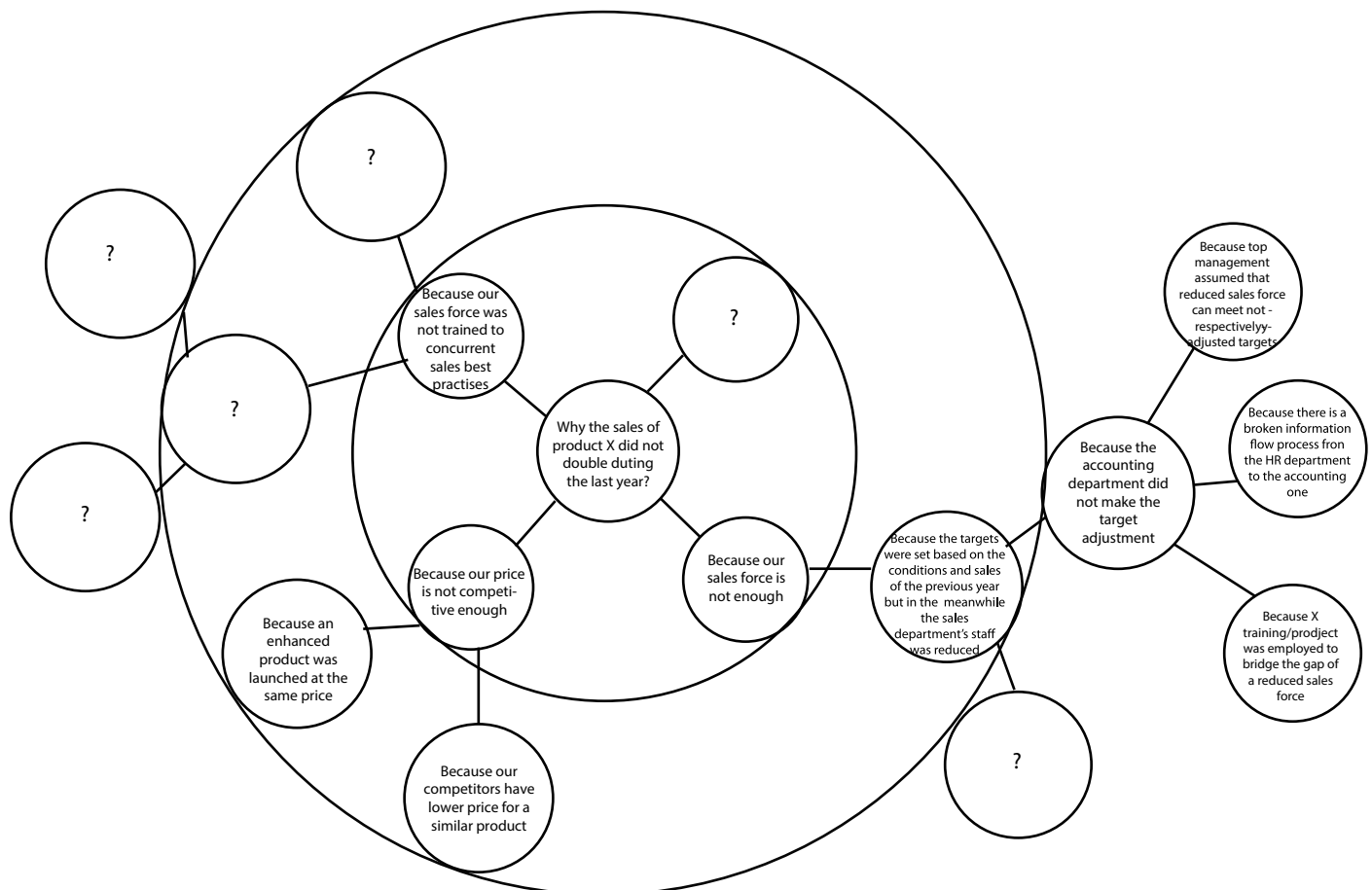
Appendix 3: A multi cause influence diagram example, i.e. Systemic Structure Map, by The Open University's tutorial for managing complexity and creating influence diagrams.


I'm not very happy about use of "mothers" and "fathers" to mean parent-with-care and non-resident parent

fiscal priorities

Political concern about father's responsibilities

family breakdown

"moral panic"

family structure

nuclear family "norm"

attitude to loan mothers

unmarried parenting

increased divorce rate

media "morality"

influences that led to the setting up of the child Support Agency

Source: The Open University
Available from: http://openlearn.open.ac.uk/mod/oucontent/view.php?id=397869&section=9.4

Appendix 4: Example of Systemic Action Map

?

?

?

?

Because our sales force was not trained to concurrent sales best practises

?

Because top management assumed that reduced sales force can meet not - respectivelyy-adjusted targets

Why the sales of product X did not double duting the last year?

Because there is a broken information flow process fron the HR department to the accounting one

Because the accounting department did not make the target adjustment

Because our price is not competi-tive enough

Because our sales force is not enough

Because the targets were set based on the conditions and sales of the previous year but in the meanwhile the sales department's staff was reduced

Because an enhanced product was launched at the same price

Because X training/prodject was employed to bridge the gap of a reduced sales force

Because our competitors have lower price for a similar product

?

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Appendix 5: Schematic representation of OL and strategy integration (Haibo et al, 2007)
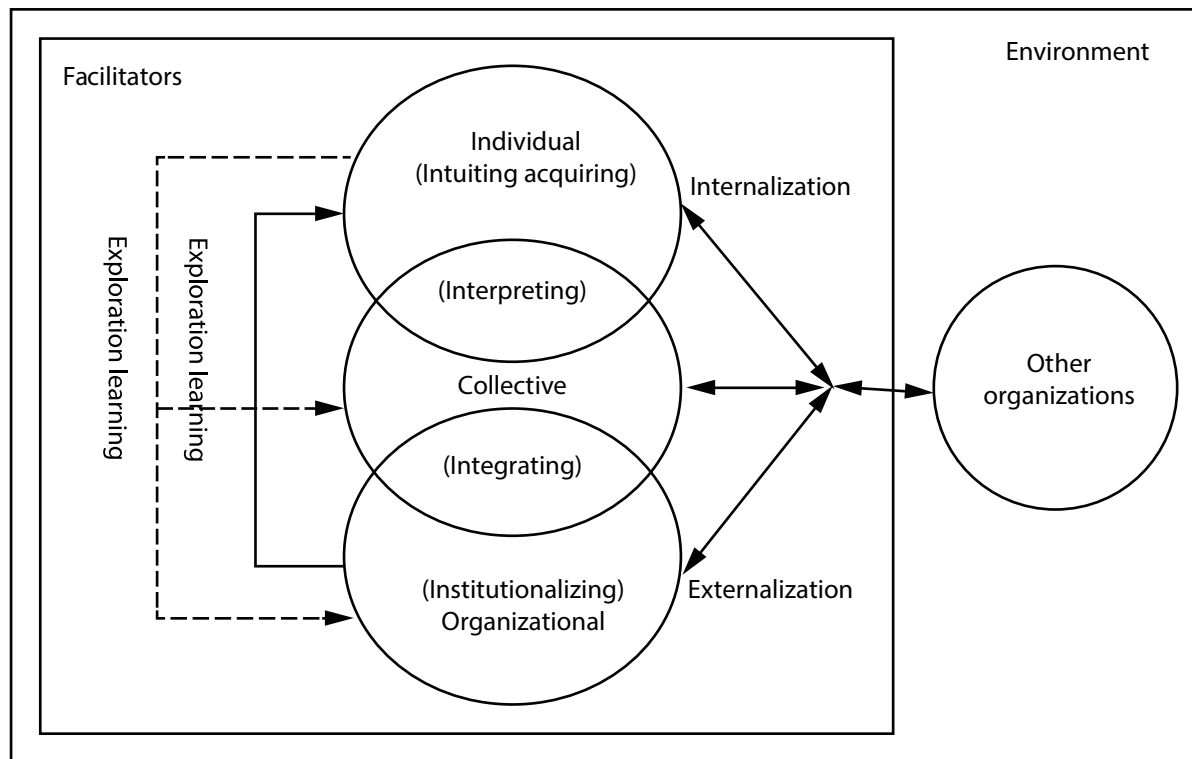
An integrative model of organizational learning (Haibo et al, 2007)

Appendix 6: A comprehensive list of OL factors (adjusted from Jerez-Gomez et al., 2005)

Managerial backing (Stata, 1989)
Shared vision and mental models (Senge, 1990; Child and Heavens, 2003)
Personal efficacy (McGill et al., 1992)
Leadership commitment (Garvin, 1993; McGill and Slocum, 1993; Goh and Richards, 1997) Strategic intent (Slocum et al., 1994; Stopford, 2003)
Involved leadership (Nevis et al., 1995; Child and Heavens, 2003)
Facilitative leadership (Slater and Narver, 1995)
Learning orientation (Hult and Ferrell, 1997)
Systems thinking (Stata, 1989; Senge, 1990; Leonard-Barton, 1992; McGill et al., 1992)
Systems perspective (Nevis et al., 1995; Hult and Ferrell, 1997)
Clarity of purpose and mission (Goh and Richards, 1997)
Openness to new ideas (Stata, 1989) and creativity (McGill et al., 1992)
Independent problem solving, continuous innovation and experimentation and integration of external knowledge (Leonard-Barton, 1992)
Continuous learning and experimentation culture (McGill and Slocum, 1993)
Experimentation and learning from past experience and from others (Garvin, 1993)
Entrepreneurship (Slater and Narver, 1995) and intra-preneurship (Dutta and Crossan, 2005)
Operational variety, multiple advocates, climate of openness and experimental mind-set (Nevis et al., 1995)
Team work (Stata, 1989; Nonaka, 1994; Nonaka and Takeuchi, 1995)
Team learning (Senge, 1990)
Integration of internal knowledge (Leonard-Barton, 1992)
Knowledge transfer (Garvin, 1993)
Teamwork and group problem solving (Goh and Richards, 1997)
Team orientation and memory orientation (Hult and Ferrell, 1997)
National and organizational culture (Stopford, 2003)
Social and cultural context (Child and Heavens, 2003)
Systemic structure (Senge, 1990; Shipton (2006)

Communication and interrelation patterns (Child and Heavens, 2003)
Sense-making processes and information systems (Sturbuck and Hedberg, 2003)
'Communities of Practice' or 'Ba' (Smith, 2003 and 2009; Nonaka et al., 2003)
Retrospection and reflection (Senge, 1990; Headberg and Wolff, 2003; Fetterman, 2002; Minnett, 1999)
Self-organization and empowerment (Senge, 1990; Lee et al., 2000; Child, 2005; Nonaka, 1994; Crossan et al., 1995)

Appendix 7: The two main archetypes of OL, i.e. addressing symptoms or addressing root causes (Kululanga et al, 2001)

Addresses symptoms of performance problems of companies	Addresses root causes of performance problems of companies
Single-loop	Double-loop
Adaptive	Generative
Operational	Conceptual
Superficial	Substantial
Symptomatic	Systemic
Rules	Insights
Lower level	Higher level
Tactical	Strategic

Characteristics of the two main archetypes of organizational learning (Kululanga et al, 2001)

Please note, that this table presents the two identified archetypes of the Organizational Learning process which is different from and not related to the archetypes that the OL field (Senge, 1990) has identified in organizational behavior.

Appendix 8: Places to intervene in a system (Meadows, 1999)

Places to intervene in a System
(in increasing order of effectiveness)

12. Constants, parameters, numbers (such as subsidies, taxes, standards)
11. The sizes of buffers and other stabilizing stocks, relative to their flows.
10. The structure of material stocks and flows (such as transport networks, population age structures)
9. The lengths of delays, relative to the rate of system change
8. The strength of negative feedback loops, relative to the impacts they are trying to correct against
7. The gain around driving positive feedback loops
6. The structure of information flows (who does and does not have access to what kinds of information)
5. The rules of the system (such as incentives, punishments, constraints)
4. The power to add, change, evolve, or self-organize system structure
3. The goals of the system
2. The mindset or paradigm out of which the system - its goals, structures, rules, delays, parameters - arises
1. The power to transcend paradigms