Unit-16: Concept of Learning organisation

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16.0   Learning Outcome

After studying this unit, you should be able to:

- Know the recent trends in management of organisations.

- Understand the meaning and characteristics of learning organisations.

- Explain the difference between traditional organisations and learning organisations.

- Discuss operationalisation of learning organisations.

16.1   Introduction

Today's organisational environment is different from that of the past. Global competition, information technology, the quality service revolution, and diversity and

ethics are forcing management of all types of organisations to rethink their approach to operations and human resources. As a result of this paradigm shift, new organisations are emerging that are more responsive to both their internal and external environments. State-of-the-art information technology, total quality management practices, and organisational learning characterise these emerging organisations. This unit examines the concept of learning organisation.

16.2   Recent trends in Management of Organisations

- **Information Technology**

Over the past two decades there have been dramatic changes in information technology. This has had a dramatic impact on overall organisation structure and has been carried down to the redesign of individuals' jobs. Information technology has led to the flattering and downsizing of today's organisations. For example, electronic mail (E-Mail) allows everyone to communicate directly with everyone else, thus eliminating the need for levels of hierarchy and a long chain of command. In other words, the organisation becomes flatter. Downsizing is an impact on organisation due to effect of information technology. Downsizing is the process of reducing the number of people in the organisation. Besides, the impact on organisation structure, information technology has also had a dramatic effect on the way business is conducted in today's organisations. It has brought paperless revolution in management of an organisation. A good example is electronic data interchange. It is a process by which customers, suppliers and manufacturers can communicate directly on a computer-to-computer basis. As a result, electronic data interchange, has eliminated some jobs, totally

revamped other jobs, reduced operating time, empowered employees, and increased both productivity and profit.

Another information technology breakthrough that is now beginning to change the way people do their jobs is neural networks, which are a combination of computer software and chips that are capable of mimicking brain functions. These "brain" networks are currently regarded as one of the most important forms of emerging information technology, and they are going to have an impact on the way work is down now and in the coming years.

- **Total Quality Management (TQM)**

Total Quality Management (TQM) is a widely publicised approach that focuses on trying to meet or exceed customer expectations. TQM is an organisational strategy with accompanying techniques that deliver quality products and / or services to customers. TQM techniques are employee to deliver quality service to all customers. The TQM techniques that are especially relevant to organisational behaviour are reengineering, benchmarking and empowerment. These techniques are discussed below.

- **Reengineering**

Reengineering, involves a total redesign of operations by analysing jobs and asking, how can this work be done most efficiently, rather than modifying current work procedures. The reengineering process begins with a clean slate and plans the job from beginning to end. Unsaddled with previous work procedures and rules, reengineering allows the organisation to eliminate inefficiencies and increase productivity.

Although there are many different approaches, reengineering can be broken down into several steps. The goal of these steps is to improve efficiency and performance. Under the reengineered process, employees must become part of and must be trained in the new way of carrying out tasks.

- **Benchmarking**

Benchmarking is the process of comparing work and service methods against the best practices and outcomes for the purpose of identifying changes that will result in higher-quality output. Benchmarking incorporates the use of human resources techniques such as goal setting to set targets that are pursued, identified, and then used as a basis for future action. The benchmarking process involves looking both inside and outside the organisation for ways of improving the operation.

Benchmarking offers a number of benefits to organisations. First, this technique helps organisations compare themselves against successful companies for the purpose of identifying improvement strategies. Second, benchmarking enables organisations to learn from others. Third, it helps create a need for change by showing the organisation how procedures and work assignments should be altered and resources reallocated.

- **Empowerment**

Empowerment is even more directly tied to the study and application of organisational behaviour than is reengineering or benchmarking. Empowerment is the authority to make decisions within one's area of operations without having to get approval from anyone else. While this process is similar to that of delegated authority, there are tow characteristics that make empowerment unique. One is that the personnel are encouraged to use their initiative. The second is that employees are given not just

authority but resources as well, so that they are able to make a decision and see that it is implemented. There are several basic conditions necessary for empowerment to become embedded in the organisational culture and become operational: participation, innovation, access to information, and accountability.

16.3   Concept of Learning Organisation

Advanced information technology and total quality have almost become the cost of entry into competition in the global economy. To become successful and gain a competitive advantage, organisations today and tomorrow must become learning organisations.

Many authors have tried to define and describe the learning organisation, as if the idea was homogeneous. However, no one seems to have succeeded with that task. Authors point out that confusion still exists about the concept. The terms 'organisational learning' and 'learning organisation' are used interchangeably. Many authors emphasise the difficulty, or even the impossibility of describing what a complete learning organisation looks like. They argue that learning organisations change continually or that each learning organisation must be different in order to fit the specific organisation. Furthermore many authors present some definitions of 'the learning organisation' and make a synthesis. However, most syntheses and definitions have more differences than similarities. For instance, Watkins and Marsick define 'the learning organisation' as one that learns continuously and transforms itself', while, according to Senge, it is 'an organisation that is continually expanding its capacity to create process can be more easily solved with explicit knowledge, whereas un-analysable problems require a non-routine search process that draws much more on

tacit knowledge. Practitioners in four distinct types – 'organisational learning', learning at work ',' learning climate and learning structure, use in the literature and the term learning organisation.

The organisation portrayed as a learning system is not new. In fact, at the turn of the century Frederick. W. Taylor's learning on scientific management were said to be transferable to workers to make the organisation more efficient. However, the beginning of today's use of the term "learning organisation" is usually attributed to the work of Chris Argyris and his colleagues, who made the distinction between "single-loop", and "double-loop", learning.

- Single-loop learning involves improving the organisation's capacity to achieve known objectives. It is associated with routine and behavioural learning. Under single-loop, the organisation is learning without significant change in its basic assumptions.

- Double-loop learning revaluates the nature of the organisation's objectives and the values and beliefs surrounding them. This type of learning involves changing the organisation's culture. Importantly, double-loop consists of the organisation's learning how to learn.

Peter Senge and his colleagues have characterised the learning organisation from a systems theory perspective and have made the important distinction between adaptive and generative learning. The simpler adaptive learning is only the first stage of the learning organisation, adapting to environmental changes. Generative learning involves creativity and innovation, going beyond just adapting to change to being ahead

of and anticipating change. The generative process leads to a total reframing of an organisation's experiences and learning from that process.

16.4   Organisational Behaviour in the Learning Organisation

The adaptive learning organisation would be associated with employees' reacting to environmental changes with routine, standard responses that often result in only short-run solutions. In contrast, generative learning, with its emphasis on continuous experimentation and feedback, would directly affect the way personnel go about defining and solving problems. Employees in generative learning organisations are taught how to examine the effect of their decisions and to change their behaviours as needed.

Learning organisations have the following human – oriented cultural values and characteristics:

- Everyone can be a source of useful ideas, so personnel should be given access to any information that can be of value to them;

- The people closest to the problem usually have the best ideas regarding how to solve it, so empowerment should promoted throughout the structure;

- Learning flows up and down the hierarchy, so managers as well as employees can benefit from it;

- New ideas are important and should be encouraged and rewarded; and

- Mistakes should be viewed as learning opportunities. Learning from failures is an especially important cultural value for people in the learning organisation.

16.5   Operationalisation of Learning Organisations

There are a number of ways that the learning organisation can be operationalised into the actual practice of management. For example, managers must be receptive to new ideas and overcome the desire to closely control operations. Many organisations tend to do things the way they have done them in the past. Learning organisations break this mould and teach their people to look at things differently. Another way to operationalise the learning process in organisations is to develop systemic thinking among managers. This involves the ability to see connections between issues, events, and data as a whole rather than a series of unconnected parts. Learning organisations teach their people to identify the source of conflict they may have with other personnel, units, and departments and to negotiate and make astute trade-offs both skilfully and quickly. Managers must also learn, especially how to encourage their people to redirect their energies toward the substance of disagreements rather than toward personality clashes or political infighting. Another practice of learning organisations is to develop creativity among the personnel. Creativity is the ability to formulate unique approaches to problem solving and decision-making. Creativity also includes the willingness to accept failure. Learning organisations see failure as feedback that contributes to future creativity, and managers encourage this behaviour by providing a supportive environment.

Another practice is the development of a sense of personal efficacy, as characterised by an awareness of personal and organisational values and a proactive approach to problem solving. In learning organisations, the organisation clearly spells

out its sense of mission and values. Then the personnel are given the opportunity to identify and examine their own values. This helps employees better understand and work into the linkage between the two. In addition, the personnel are taught to evaluate the effects of their behaviour on others, so as to maximise their own effectiveness. In the process, they also learn how to solve problems before critical situations develop. This step-by-step approach helps employees analyse and evaluate situations with a view toward both addressing problems early and preventing their recurrence.

A final practice in learning organisations is to instil a sense of empathy and sensitivity. Personnel are taught to look at interpersonal relations over a long time dimension. When managers or departments have disagreements, this conflict can result in continual problems. Learning organisations teach their personnel to repair these relationships quickly through discussion of the sources of misunderstanding, refusal to assign individual blame, mutual problem solving, and the maintenance of confidence and trust in the other party. This proactive, empathetic approach ensures that the personnel work together in dealing with organisational problem.

Senge summarises the difference between learning organisations and traditional organisations, which is presented in table I. These differences help illustrate why learning organisations are gaining in importance and why an increasing number of enterprises are now working to develop a generative learning environment.

Table I – Traditional Versus Learning Organisations

Function	Traditional Organisations	Learning Organisations
Determination of overall direction	Vision is provided by top management	There is a shared vision that can emerge from many places, but top management is responsible or ensuring that this vision exists and is nurtured.
Formulation and implementation of ideas.	Top management decides what is to be done, and the rest of the organisation acts on these ideas.	Formulation and implementation of ideas take place at all levels of the organisation.
Nature of organisational thinking	Each person is responsible for his or her own job responsibilities, and the focus is on developing individual competence.	Personnel understand their own jobs as well as the way in which their own work interrelates and influences that of other personnel
Conflict resolution	Conflicts are resolved through the use of power and hierarchical influence.	Conflicts are resolved through the use of collaborative learning and the integration of diverse viewpoints of personnel throughout the organisation.
Leadership and motivation	The role o the leader is the establish the organisation's vision, provide rewards and punishments as appropriate, and maintain overall control of employee activities.	The role of the leader is to build a shared vision, empower the personnel, inspire commitment, and encourage effective decision making throughout the enterprise through the use of empowerment and charismatic leadership

Source: Adopted from Peter M.Senge, "Transforming the Practice of Management", Human Resource Development Quarterly, Spring, 1993,p.9.

16.6 Conclusion

Learning organisations go beyond merely adapting to change, instead they strive to anticipate and learn from change. Some of the common operational practices in learning organisations dealing with people are openness, systematic thinking,

creativity, and awareness of personal and organisational values, empathy, and sensitivity. Learning organisations constitute an environment for the study and application of organisational behaviour. The use of information technology and total quality management is important to emerging organisations, but organisational learning takes this process a necessary step further to ensure not only that organisations can compete and be successful in the fast-changing, turbulent environment, but that they can even survive.

16.7   Key Concepts

Benchmarking: Targeting of specific goals based on previous performance levels, standards set by similar organisations, objectives created through a strategic planning process, or any combination of these and other relevant sources.

Managerialism: An entrepreneurial approach to public management hat emphasises management rights and a reinvigorated scientific management.

Postbureaucratic organisation: Constantly changing temporary organisational systems; task forces composed of groups of relative strangers with diverse skills created I response to a special problem rather than to a continuing need.

Reengineering: Radically redesigning work processes and organisational structures to be in line with agency outcomes.

16.8   References and Further Reading

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16.9 Activities

Q.1   Analyse the recent trends in management of organisations.

Q.2   Discuss the meaning and characteristic of learning organisations.

Q.3   Explain the difference between traditional and learning organisations.