

Learning Organizations

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Submitted By

GROUP 04

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Abstract

“Organizations 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 learn together” (**Peter Senge, 1990**)

“Learning organizations are those that have in place systems, mechanisms and processes, that are used to continually enhance their capabilities and those who work with it or for it, to achieve sustainable objectives - for themselves and the communities in which they participate.”

The important point about learning organization are:

- Are adaptive to their external environment
- Continually enhance their capability to change/adapt
- Develop collective as well as individual learning
- Use the results of learning to achieve better results

Moreover Observation and research identifies four types of factor:

Learning Culture - an organizational climate that nurtures learning. There is a strong similarity with those characteristics associated with innovation.

Processes - processes that encourage interaction across boundaries. These are infrastructure, development and management processes, as opposed to business operational processes (the typical focus of many BPR initiatives).

Tools and Techniques - methods that aid individual and group learning, such as creativity and problem solving techniques.

Skills and Motivation - to learn and adapt.

Senge’s model is the most important part of learning organization which include personal mastery, mental models, teams, shared vision and system thinking. And finally case study shows how learning organizations helps different organizations in achieving their goals and vision.

Chapter No. 03: Introduction / Background

Learning Organizations

Background

The importance of learning was first put forward by a Chinese philosopher, **Confucius** (551 - 479 BC). He believed that everyone should benefit from learning.

"Without learning, the wise become foolish; by learning, the foolish become wise."

"Learn as if you could never have enough of learning, as if you might miss something."

The underlying cause for recent emphasis on organizational learning is because of the increased pace of change. Classically, work has been thought of as being conservative and difficult to change. Learning was something divorced from work and innovation was seen as the necessary but disruptive way to change. The corporation which is able to quickly learn and then innovates their work will be able to change their work practices to perform better in the constantly changing environment. Change is now measured in terms of months not years as it was in the past. Business re-engineering used to concentrate on eliminating waste and not on working smarter and learning.

History

Major research into 'the art of learning' did not actually start until the 1900's. In the 1950's, the concept of Systems Thinking was introduced but never implemented. Gould-Kreutzer Associates, Inc. defined Systems thinking as:

"A framework for seeing interrelationships rather than things; to see the forest and the trees."

This means that organizations need to be aware of both the company as a whole as well as the individuals within the company. Up until the introduction of this concept, companies concentrated on their own needs not the needs of their workers. Systems Thinking tries to change the managerial view so that it includes the ambitions of the individual workers, not just the business goals.

One of the systems used was called Decision Support Systems (DSS). This was for the use of corporate executives to help them make decisions for the future. It was in fact the building of the models, which defined the systems that benefited the management rather than the system's operation. This was because the building of the model focused on what the business really was and the alternatives available for the future.

One benefit of DSS was that it made implicit knowledge explicit. This makes extra knowledge available to the organization and will tend to allow the organization to learn

better because explicit knowledge will tend to spread faster through an organization. In this respect DSS can be considered as an additional method of communication in organizations. This systems tool was predicted to be necessary for every executive's desktop. But this did not happen.

In the 1970's, the same idea was renamed to Organizational Learning. One of the early researchers in this field was Chris Argyris from Harvard. He published a book on the subject in 1978. Even with this published information the concept still wasn't physically taken on by any companies.

In the 1980's, companies discovered time as a new source of competitive advantage. This led to '*capabilities-based competition*', which included the capability of learning. Many other people have continued along this line of research, such as Peter Senge - *one of the modern day gurus*. Information on the topic has been passed into various companies. These companies are now trying to become Learning Organizations. If the changeover to a Learning Organization happens overnight, the environment around the workers will be complex and dynamic. There will be agitations and confusion which means learning may not take place because of the chaos caused. So it can only be introduced into a company that is prepared to reach a balance between change and stability, i.e. a balance between the old and the new. Organizations must interact with the environment around them, so the environment must be suitable for that interaction.

Introduction

Peter M. Senge (1947- alive) was named a 'Strategist of the Century' by the *Journal of Business Strategy*, one of 24 men and women who have 'had the greatest impact on the way we conduct business today' (September/October 1999). While he has studied how firms and organizations develop adaptive capabilities for many years at MIT (Massachusetts Institute of Technology), it was Peter Senge's 1990 book *The Fifth Discipline* that brought him firmly into the limelight and popularized the concept of the 'learning organization'. Since its publication, more than a million copies have been sold and in 1997, *Harvard Business Review* identified it as one of the seminal management books of the past 75 years.



Senge has defined a Learning Organization in terms of continuous development of knowledge and capacity. He and other researchers have identified disciplines and processes that seem to be associated with building a Learning Organization.

Definition

According to Peter Senge **learning organizations** are:

“...organizations 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.”

The basic rationale for such organizations is that in situations of rapid change only those that are flexible, adaptive and productive will excel. It can be deduced that for the learning organizations it's important to *“discover how to tap people's commitment and capacity to learn at all levels”*

“To be successful in a knowledge economy firms need to create learning organizations.”
- Don Tapscott

Theories of Learning Organizations

There are two important foundations for thinking about the Learning Organization. They are as follows:

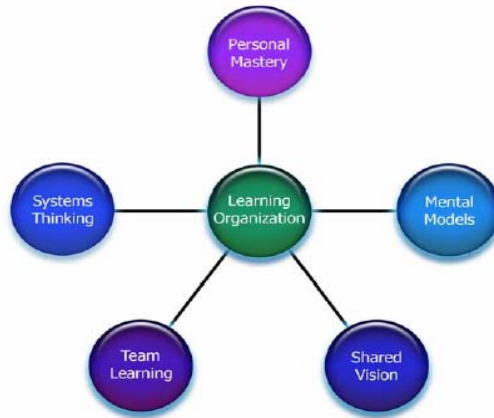
1. Senge Model of Learning Organization
2. Nonaka and Takeuchi Model

Senge Model for Learning Organization

In order understand the basic concept of learning organization its necessary to consider the following terms. In the domain of learning organization the word *Knowledge* means 'Capacity for effective action' and the term *Learning* means 'Increasing knowledge, that is, increasing capacity for effective action'.

In simple terms, we use learning in the sense of learning to do, not in the sense of knowing things. A learning organization harnesses the collective intelligence and commitment at all levels of the organization. Although this may seem like motherhood, we still refer to the senior person in a group as the "head," and it was not so long ago that the majority of the people in an organization might be called "hands." Organizations in general have a long way to go before they can truly be called Learning Organizations.

Fostering a Learning Organization (continued)

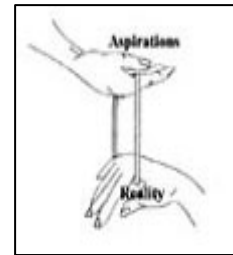


Learning Organization

The concept of a learning organization is beginning to emerge in many organizations today. The following paragraphs describe how some learning organization activities may be developed.

Personal Mastery

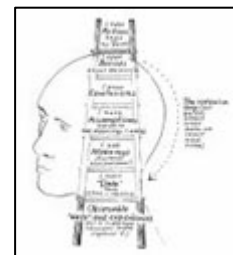
This discipline of aspiration involves formulating a coherent picture of the results people most desire to gain as individuals (their personal vision), alongside a realistic assessment of the current state of their lives today (their current reality). Learning to cultivate the tension between vision and reality (represented in this icon by the rubber band) can expand people's capacity to make better choices, and to achieve more of the results that they have chosen.



“Personal mastery is the discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively”.

Mental Models

This discipline of reflection and inquiry skills is focused around developing awareness of the attitudes and perceptions that influence thought and interaction. By continually reflecting upon, talking about, and reconsidering these internal pictures of the world, people can gain more capability in governing their actions and decisions. The icon here portrays one of the more powerful principles of this discipline, the “ladder of inference” depicting how people leap instantly to counterproductive conclusions and assumptions.



“The discipline of working with mental models starts with turning the mirror inward; learning to unearth our internal pictures of the world, to bring them to the surface and hold them rigorously to scrutiny. It also includes the ability to carry on “learningful” conversations that balance inquiry and advocacy, where people expose their own thinking effectively and make that thinking open to the influence of others.”

Shared Vision

This collective discipline establishes a focus on mutual purpose. People learn to nourish a sense of commitment in a group or organization by developing shared images of the future they seek to create (symbolized by the eye), and the principles and guiding practices by which they hope to get there.



“The practice of shared vision involves the skills of unearthing shared “pictures of the future” that foster genuine commitment and enrollment rather than compliance.”

Team Learning

This is a discipline of group interaction. Through techniques like dialogue and skillful discussion, teams transform their collective thinking, learning to mobilize their energies and ability greater than the sum of individual members’ talents. The icon symbolizes the natural alignment of a learning-oriented team as the flight of a flock of birds.



“The discipline of dialogue also involves learning how to recognize the patterns of interaction in teams that undermine learning. The patterns of defensiveness are often deeply engrained in how a team operates. If unrecognized, they undermine learning. If recognized and surfaced creatively, they can actually accelerate learning.”

What is a Team and Why are they Important?

Organization development (OD) focuses on the human side of organizations. It is believed that individuals who have some control over how their work is done will be more satisfied and perform better. This is called empowerment in OD. Put these empowered individuals together into teams and the results will be extraordinary, we are told. French and Bell put it this way:

“A fundamental belief in organization development is that work teams are the building blocks of organizations. A second fundamental belief is that teams must manage their culture, processes, systems, and relationships, if they are to be effective. Theory, research, and practice attest to the central role teams play in organizational success. Teams and teamwork are part of the foundation of organization development.” - (French and Bell, 1995, p. 87)

Characteristics of Successful Teams

OD interventions are divided into two basic groups: diagnosis and action or process. Team building is one type of process intervention. In fact, French and Bell consider teams and work groups to be the “*fundamental units of organizations*” and the “key leverage points for improving the functioning of the organization.”

Main characteristics are listed below:

1. A clear, elevating goal
2. A results driven structure
3. Competent team members
4. Unified commitment
5. A collaborative climate
6. Standards of excellence
7. External support and recognition
8. Principled leadership (Larson and LaFasto, 1989, in French and Bell, 1995, p. 98)

How does a group become a high performance team? Lippitt maintains that groups operate on four levels:

1. Organizational expectations
2. Group tasks
3. Group maintenance
4. Individual needs.

Maintenance level activities include encouraging by showing regard for others, expressing and exploring group feelings, compromising and admitting error, gate keeping to facilitate the participation of others, and setting standards for evaluating group functioning and production.

Lippitt defines teamwork as the way a group is able to solve its problems. Teamwork is demonstrated in groups by:

1. “...the group’s ability to examine its process to constantly improve itself as a team,”
2. “The requirement for trust and openness in communication and relationships.”

Team Learning and Team Learning

A recent concept in OD is that of the learning organization. Peter Senge considers the team to be a key learning unit in the organization. According to Senge, the definition of team learning is:

“...the process of aligning and developing the capacity of a team to create the results its members truly desire. It builds on the discipline of developing shared vision. It also builds on personal mastery, for talented teams are made up of talented individuals.”

Senge describes a number of components of team learning. The first is dialogue. Drawing on conversations with physicist, David Bohm, he identifies three conditions that are necessary for dialogue to occur: All participants must “*suspend their assumptions;*” all participants must “*regard one another as colleagues;*” and there must be a facilitator (at least until teams develop these skills) “*who holds the context of the dialogue.*” Bohm asserts that “*hierarchy is antithetical to dialogue, and it is difficult to escape hierarchy in organizations.*” Suspending all assumptions is also difficult, but is necessary to reshape thinking about reality.

Before a team can learn, it must become a team. In the 1970s, psychologist B. W. Tuckman identified four stages that teams had to go through to be successful. They are:

Forming

When a group is just learning to deal with one another; a time when minimal work gets accomplished.

Storming

A time of stressful negotiation of the terms under which the team will work together; a trial by fire.

Norming

A time in which roles are accepted, team feeling develops, and information is freely shared.

Performing

When optimal levels are finally realized—in productivity, quality, decision making, allocation of resources, and interpersonal interdependence.

Team learning

It is a team skill that can be learned. Practice is gained through dialogue sessions, learning laboratories, and micro worlds. Micro worlds are computer based microcosms of reality, in which one learns by experimentation. Examples are Logo, in which children learn the principles of geometry, and SimCity, in which one literally builds a city, making all the decisions and learning the consequences of those decisions. Simulation, Senge believes, is a tool for learning “How do things work?” and just as important, “How might they work differently?”

Evaluation

While much anecdotal evidence exists, there remains a lack of a clear understanding of how to really describe and measure team learning. As Senge stated:

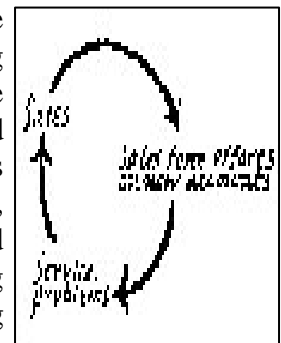
“Until we can describe the phenomenon better, it [team learning] will remain mysterious. Until we have some theory of what happens when teams learn (as opposed to individuals in teams learning), we will be unable to distinguish group intelligence from ‘group think,’ when individuals succumb to group pressures for conformity. Until there are reliable methods for building teams that can learn together, its occurrence will remain a product of happenstance.”

What usually is measured is productivity, because high or low productivity has a direct effect on wages, the cost of products, the consumption of resources to produce goods, the quality of work life, and the survival and competitiveness of industries and of individual firms. However, these studies only evaluate productivity at the individual level.

Goodman et al suggest that "if we want to understand how to design more productive groups, we need to move to finer-grained models that link group design and productivity changes." They suggest that the Hackman model (below) provides a good start.

Systems Thinking

In this discipline, people learn to better understand interdependency and change, and thereby to deal more effectively with the forces that shape the consequences of our actions. System thinking is based upon a growing body of theory about the behavior of feedback and complexity—the innate tendencies of a system that lead to growth or stability over time. Tools and techniques such as systems archetypes and various types of learning labs and simulations help people see how to change systems more effectively, and how to act more in tune with the larger processes of the natural and economic world. The circle in this icon represents the fundamental building block of all systems: the circular “feedback loop” underlying all growing and limiting processes in nature.



Systems thinking are based on system dynamics; it is highly conceptual; it provides ways of understanding practical business issues; it looks at systems in terms of particular types of cycles (archetypes); and it includes explicit system modeling of complex issues.

Systems thinking are a conceptual framework, a body of knowledge and tools that has been developed over the past fifty years, to make the full patterns clearer, and to help us see how to change them effectively.

Also, *the essence of the discipline of systems thinking lies in a shift of mind:*

- *seeing interrelationships rather than linear cause-effect chains, and*
- *seeing processes of change rather than snapshots*

Nonaka and Takeuchi Model for Learning Organizations

Nonaka and Takeuchi complement Senge by focusing on the distinction between Tacit Knowledge and Explicit Knowledge. "Tacit knowledge is personal, context-specific, and therefore hard to formalize and communicate. Explicit knowledge, on the other hand, refers to knowledge that is transmittable in formal, systematic language." In my personal experience, I see the distinction clearly: I have Tacit Knowledge when I know how to do something, but would have trouble describing how to another person. I have Explicit Knowledge when I tell or write down the important how-to information. Clearly, viewing knowledge as the ability to do, then our organizations are rich in Tacit Knowledge. We would like them to be richer in Explicit Knowledge.

Simplistically, knowledge is created as Tacit Knowledge by individuals, then made explicit and shared. But this simplistic a view would be confusing information with knowledge. The acquisition of knowledge (ability to do) involves much more than taking-in information. Knowledge, for Nonaka and Takeuchi, involves action and is not just intellectual, but resides in part in the body. From my Western point of view, I can understand this as knowledge is tentative until practiced.

This is a real change from our usual Western way of thinking, but the difference is confusing, subtle, and difficult to see clearly. In Western culture, we see ourselves as people of action. Knowledge enables action in both cultures, but, there is a difference in our models for where knowledge comes from. We carry consciously or unconsciously DeCartes' insight, "I think, therefore I am!" Our Western model is that thinking gives us the knowledge that enables us to act. We properly see the Eastern tradition as more reflective, more contemplative. But, the Eastern epistemological tradition emphasizes knowledge coming from careful observation of and reflection upon experience. Does knowledge come from thinking? Or from experience? Both seem important.

Nonaka and Takeuchi go on to describe four modes of knowledge conversion which they propose are the processes for knowledge creation: "In our view, however, tacit and explicit knowledge are not totally separate but mutually complementary entities. They interact with and interchange into each other in the creative activities of human beings. Our dynamic model of knowledge creation is anchored to a critical assumption that

human knowledge is created and expanded through social interaction between tacit knowledge and explicit knowledge... This... conversion is a `social' process between individuals and not confined within an individual."

Nonaka and Takeuchi see a spiraling process through these four quadrants which is shown below:

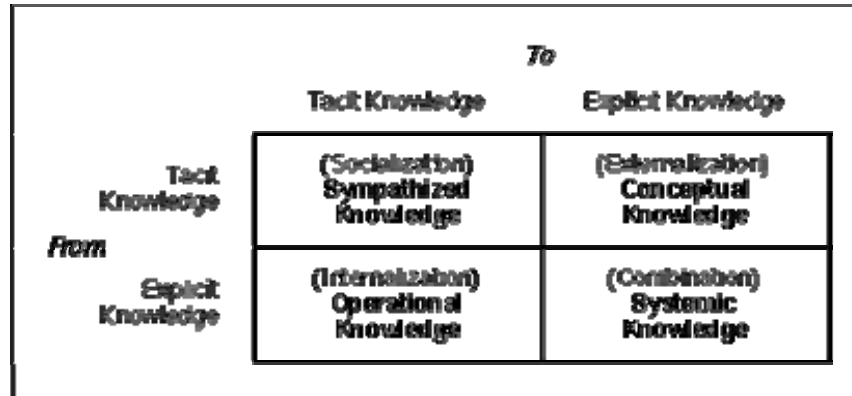


Fig. 3.2: Knowledge is created by human interaction when knowledge is transformed within a type or between types. The process is a spiral through the four quadrants.

How to Create a Learning Organization

The Building Blocks

Before a Learning Organizations can be implemented, a solid foundation can be made by taking into account the following:

1. Awareness
2. Environment
3. Leadership
4. Empowerment
5. Learning

Awareness

Organizations must be aware that learning is necessary before they can develop into a Learning Organization. This may seem to be a strange statement but this learning must take place at all levels; not just the Management level. Once the company has accepted the need for change, it is then responsible for creating the appropriate environment for this change to occur in.

Environment

Centralized, mechanistic structures do not create a good environment. Individuals do not have a comprehensive picture of the whole organization and its goals. This causes political and parochial systems to be set up which stifle the learning process. Therefore a more flexible, organic structure must be formed. By organic, we mean a flatter structure which encourages innovations. The flatter structure also promotes passing of information between workers and so creating a more informed work force.

It is necessary for management to take on a new philosophy; to encourage openness, reflectivity and accept error and uncertainty. Members need to be able to question decisions without the fear of reprimand. This questioning can often highlight problems at an early stage and reduce time consuming errors. One way of over-coming this fear is to introduce anonymity so that questions can be asked or suggestions made but the source is not necessarily known.

Leadership

Leaders should foster the Systems Thinking concept and encourage learning to help both the individual and organization in learning. It is the leader's responsibility to help restructure the individual views of team members. For example, they need to help the teams understand that competition is a form of learning; not a hostile act.

Management must provide commitment for long-term learning in the form of resources. The amount of resources available (money, personnel and time) determines the quantity and quality of learning. This means that the organization must be prepared to support this.

Empowerment

The locus of control shifts from managers to workers. This is where the term Empowerment is introduced. The workers become responsible for their actions; but the managers do not lose their involvement. They still need to encourage, enthuse and coordinate the workers. Equal participation must be allowed at all levels so that members can learn from each other simultaneously. This is unlike traditionally learning that involves a top-down structure (classroom-type example) which is time consuming.

Learning

Companies can learn to achieve these aims in Learning Labs. These are small-scale models of real-life settings where management teams learn how to learn together through simulation games. They need to find out what failure is like so that they can learn from their mistakes in the future. These managers are then responsible for setting up an open, flexible atmosphere in their organizations to encourage their workers to follow their learning example.

Anonymity has already been mentioned and can be achieved through electronic conferencing. This type of conferencing can also encourage different sites to communicate and share knowledge, thus making a company truly a Learning Organization.

Implementation Strategies

Any organization that wants to implement a learning organization philosophy requires an overall strategy with clear, well defined goals. Once these have been established, the tools needed to facilitate the strategy must be identified.

It is clear that everyone has their own interpretation of the "Learning Organization" idea, so to produce an action plan that will transform groups into Learning Organizations might seem impossible. However, it is possible to identify three generic strategies that highlight possible routes to developing Learning Organizations. The specific tools required to implement any of these depends on the strategy adopted, but the initiatives that they represent are generic throughout. These initiatives are ably described using Peter Senge's Five Disciplines of Learning Organizations. The three strategies are:

Accidental

For many companies, adopting a learning organization philosophy is the *second* step to achieving this Holy Grail. They may already be taking steps to achieve their business goals that, in hindsight, fit the framework for implementing a Learning Organization. This is the accidental approach in that it was not initiated through awareness of the Learning Organization concept.

Subversive

Once an organization has discovered the Learning Organization philosophy, they must make a decision as to how they want to proceed. This is a choice between a subversive and a declared strategy. The subversive strategy differs from an accidental one in the level of awareness; but it is not secretive! Thus, while not openly endorsing the Learning Organization ideal, they are able to exploit the ideas and techniques.

Declared

The other option is the declared approach. This is self explanatory. The principles of Learning Organizations are adopted as part of the company ethos, become company "*speak*" and are manifest openly in all company initiatives.

The Golden Rules

Thrive on Change

- Don't be scared
- Learning Organizations feed on change
- Go all the way (no half-way house); committed; focused
- Know objectives; plan

Encourage Experimentation

- Experimentation is a necessary risk
- Individual input rewarded
- Encourage throughout the company

Communicate Success and Failure

- Review
- Assessment (continuous/self)
- Monitor, review, conclude, change

Facilitate Learning from the Surrounding Environment

- Find internal and external sources of information
- Learn from experience of other companies (open your eyes)
- Above all discuss customer needs

Facilitate Learning from Employees

- Encourage participation and experimentation (linked to point 2)
- Invest in training - multiskilling (getting most from employees), morale
- Empowerment / Responsibility
- Remove hierarchy

Reward Learning

1. Everybody's wants their work to be appreciated - boost morale !!
2. Benchmarks for performance appraisal
3. Rewards

A Proper Selfishness

- Clear goals /objectives
- Hints on clarifying objectives

A Sense of Caring

- Care for the individual
- Ways of implementing this

People Behaviour

This is discussed in Senge's model:

1. Team Learning
2. Shared Visions
3. Mental Models
4. Personal Mastery
5. Systems Thinking

Research Undergoing in Specified Area

The Future

In the future the following areas will become increasingly more important:

- Investment in Learning
- Technology
- Information Highway
- Knowledge is the Key
- Unemployment
- Learning Culture
- Customer - Client Relationships

Investment in Learning

There will be more emphasis on learning and hence more investment in improving individuals, teams and the organization. There will be more emphasis on the ability to learn and take on board new ideas and methods. Training will be provided by people within the company who actually do the work. Training will no longer be a separate activity but an integral part of the teams in the company.

Technology

The price per performance ratio of technology will increase greatly. The value of technology compared to labor will improve by an even greater amount. Technology will become more cross functional and transparent.

Information Highway

The increased access to the information highway will make information more available and to a wider audience. Barriers to learning, such as lack of information and the availability of material will be reduced. Learning Organization will harness this form of information and use it to their advantage. Employees regardless of their status will have access to information that previously only their managers had.

Knowledge is the Key

In the future, organization will be based on knowledge and not just physical assets such as land or products. The most important employee will be a '**knowledge worker**' and employees will be judged on their ability to learn.

Unemployment

The increased use of technology and the increased efficiency of individuals will lead to some necessary redundancies; whether this leads to an overall increase in unemployment is more debatable. The true '**knowledge worker**' will be able to adapt his/her skills to re-employment.

Learning Culture

Previous organization cultures which are based on position or hierarchy will disappear. The culture of an organization will be based on learning and the skills of individuals.

Customer - Client Relationships

A learning culture will help customers and clients understand each other's needs better. It will allow a greater degree of co-operation between customer and clients.

Case Studies of the Learning Organization

Motorola University



Motorola continues to grow at a significant rate, with 20000 associates hired each year. With this growth, Motorola has the need to train people for their own hiring. Jeff Oberlin, director of Motorola University's Department of Emerging Technologies and Human Resource Trends explained:

"We can't keep using traditional classroom methods of instruction to spread the message for Motorola. Our reach isn't far enough to get to everybody. We must find creative ways to help new associates, world-wide, become productive members of a team and receive consistent messages about how we do business; the core values of Motorola, and the tools and techniques we use."

Jeff's charter is to closely re-examine MU's methods of spreading information, delivering training, and determining new and better ways of providing Motorolans with the knowledge and skills required to meet the ever-changing demands of the industry. He went on to say, "The use of CD-ROM, Internet applications, wireless data, and a host of other emerging technologies must be fully explored. Our intent is to find those situations where alternative training delivery is the best way to transfer information."

Multimedia training would allow Motorola to:

- Get training to all Motorolans world-wide, including emerging markets
- Reduce training times and costs
- Increase knowledge of the firm
-

The first step is to build a department of technology to research, develop, and eventually teach the how-to aspects of multimedia based learning.

"Once we determine how to use the various technologies available to us, we want to share that knowledge with the business." Motorola is looking for associates with expertise in a number of areas:

- Computer based training
- The Internet
- Satellite and business television
- Wireless communication
- Corporate education departments
- Software Video

The Conception

Motorola University was started in 1981 as the Motorola Training and Education Centre. It was created to provide training needs and established itself as a corporate department.

During the 1980s, Motorola University's original aim was to help its company build a quality culture which would then develop an internal training system. In addition, they set up corporate-wide training plans and training investment policies.

By 1990, Motorola University had expanded its operations in the United States, Eastern Europe, South America and the Asia-Pacific region. The Galvin Centre for Continuing Education was opened in 1986 while the Singapore Training Design Centre was opened in 1989.

Today, many managers, supervisors and employees from all parts of Motorola have attended diversity training. This training helps participants to have more opportunities to develop and achieve their full potential

Apple Japan



Until 1989, Apple Japan, the Japanese arm of the multinational Apple Computing Corporation, held only 1 percent of the country's personal computer market. The appointment of a new company president marked the beginning of an era - he started the drive to increase Apple's presence in the market and accelerated change. The company was to achieve annual sales of \$1 billion by the end of 1995.

To meet this challenge the corporation approached the management consultant firm, Arthur D. Little, who has built up a wealth of experience in information technology and company restructuring. Apple Japan requested a sweeping plan to penetrate the market and increase efficiency within the company. In order to do this, they planned to reposition the brand, expand the range of distributors, improve customer management, and introduce the concept of the Learning Organization into the workplace.

Methods

In order to implement Learning Organization techniques, Apple was advised to tackle the Five Disciplines which are essential to a learning organization: Team Learning, Shared Visions, Mental Models, Personal Mastery and Systems Thinking.

Although group meetings were a regular part of company practice, more time was allowed for group discussions and team education. This kept the work teams well informed and increased every individual's input to their project. With the increased emphasis on team learning, a shared vision was naturally introduced, allowing each member to work towards the same goal irrespective of their position.

Each employee of the company had their own mental model of how the organization, their managers and team colleagues operate. By trying to bring each person's mental model into line with the rest of the team, the learning process was made more efficient and teams acted more coherently. Personal Mastery was also addressed by encouraging managers to set their staff challenging but reasonable goals, and introducing training programs.

The crucial discipline was Systems Thinking, which brought all the other factors together. This enabled each employee to make decisions, taking the whole system into account, instead of focusing specifically on their own problems.

These disciplines were implemented by moderate restructuring and a program of education that was applied to everyone in the organization.

Results

The re-organization resulted in a marked improvement in the company's sales, with growth exceeding the most optimistic projections:

1. Market Share grew to 15% in 1995 from 1% in 1989.
2. Annual sales soared to \$1.3 billion in 1994, with the sale of 520 000 computers

Although not all of the success can be attributed to the introduction of the Learning Organization concept, the results indicate an unprecedented improvement. The learning organization was a major player in instituting this growth.

Yacimientos Petroliferos Fiscales (YPF)

YPF, the largest company in Argentina, is today a focused, highly productive oil and gas company involved in the exploration and production of oil and natural gas. It also refines markets and distributes oil and petroleum products.

In 1989, the company employed 52 000 permanent and temporary staff, and included holdings in fields as far away from its main business as hospitals and cinemas. The challenge facing the company was to transform itself from an inefficient state-owned

bureaucratic centre into an efficient private company that could attract international investment.

In order to facilitate this change, the company went about re-designing its organizational structure and culture. They turned to the American management consultant firm, Arthur D Little.

Methods

From the outset, the Arthur D Little team worked with the YPF management in re-organizing their business. It was felt important that this re-design be only the first step in a long term aim of becoming a dynamic and modern organization. The concept of the Learning Organization was introduced.

The establishment of a measurement system was perhaps the biggest step -- this enabled the employees to evaluate and review what was going on in the company, thus learning about current processes and seeing what worked well. The introduction of working groups also benefited the business, as ideas could be discussed, and perceptions aired. Everyone in the business became more aware of the company's purpose and the collective effort reaped dramatic results.

Results

- Losses of almost \$579 million in 1990 were transformed into profits of \$256 million in 1992 and \$706 million in 1993
- The number of staff was reduced from 52000 to around 6000
- In July 1993, 44% of YPF was offered on the New York and Buenos Aires stock exchanges, raising \$3 billion for the Argentine government. \$1 billion has since been raised with the sale of further 13 %

This entire restructuring was completed in just two years, leaving the company with a strong framework and tools for continuous learning and improvement

Research Paper

Organizational learning (OL) is a crucial component of operational excellence in nuclear power plants. OL relies on performance assessments, change management and continuous improvements. OL has become increasingly important for the nuclear industry with regards to adaptation to changes in the political and economic environment, work force, technology within plants, and organizations of the nuclear utilities. A danger in this adaptation process is that even minor problems may trigger a chain of events where the risk of deteriorated safety and/or diminishing trust in safety standards of the particular nuclear power plant becomes possible. The paper describes a project that considers the demands placed upon the management team of a nuclear power plant in order to create methods and tools to support them. The involvement of nuclear power

plants within the project provides a unique possibility for interactions between research and practice. It is hoped that by utilizing such a method the project will be able to benchmark approaches to safety management in different cultures and within stages of change. To ensure the maximum benefit for the participating nuclear power plants, results are being tested and adapted continuously as part of the project. This is discussed in [1]

“The purpose of learning is growth, and our minds, unlike our bodies, can continue growing as we continue to live.” - Mortimer Adler

Here I also want to include the case study of Silterra Moving towards the learning organization. It's a Malaysian company. This is discussed in [2]

Links and Resources Available

Reference URLs

1. http://www.see.ed.ac.uk/~gerard/MENG/MEAB/lo_index.html
2. <http://home.nycap.rr.com/klarsen/learnorg/index.html>
3. <http://leeds-faculty.colorado.edu/larsenk/learnorg.html>
4. <http://home.nycap.rr.com/klarsen/learnorg/>
5. <http://unpan1.un.org/intradoc/groups/public/documents/unssc/unpan009011.pdf>
6. www.infed.org/biblio/learning-organization.htm
7. <http://www.skyrme.com/insights/3lrnorg.htm>
8. <http://www.brint.com/papers/orglrng.htm>
9. <http://www.humtech.com/opm/grtl/LOO/LOO.cfm>
10. <http://www.emeraldinsight.com/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/1190020403.html>
11. <http://world.std.com/~rkarash/GW-OL/>
12. <http://www.learning-org.com/>
13. <http://www.solonline.org/PublicationsAndResources/>
14. http://www.solonline.org/organizational_overview/
15. <http://www.emeraldinsight.com/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/1190020403.html>
16. <http://staffwww.itn.liu.se/~benle/NySum/StavsjoSep98/LapidesPresentation/sld001.htm>
17. http://www.cio.com/archive/060196_uneasy_5.html

Reference Papers

- [1] *“Learning Organization for Nuclear Safety”* by Bjorn Wahlstrom, Bernhard Wilpert, Sue Cox, Rosarioi, Carl Rollenhagen
- [2] *“Silterra Moving towards Learning Organization”* by Abdullah Lin & S. Murugappan

Conclusion

The perfect Learning Organization is not an attainable goal; it is merely a desirable concept: there is no correct implementation of the Learning Organization. Every company can continuously adapt and adjust and some will be better Learning Organizations than others, but every one of them has something new to learn.

Finally it should be mentioned that the Learning Organization is just a means to a business goal, created to improve productivity and most importantly profit. Quite how long this philosophy will remain fashionable is unknown. What is certain is that for any company in today's global marketplace continuous change and adaptation is the only way to survive.

'Like it or not, the years ahead will be an era of change and competition'.

'The only thing one can predict about the future is change'.

Frequently Asked Questions (FAQs)

What is Learning Organizations?

A "Learning Organization" is one in which people at all levels, individually and collectively, are continually increasing their capacity to produce results they really care about.

Why should organizations care?

The level of performance and improvement needed today requires learning, lots of learning. In most industries, in health care, and in most areas of government, there is no clear path to success, no clear path to follow.

What's in it for the people?

Learning to do is enormously rewarding and personally satisfying. For those of us working in the field, the possibility of a win-win is part of the attraction. That is, the possibility of achieving extraordinary performance together with satisfaction and fulfillment for the individuals involved.

Are there any examples of Learning Organizations?

Yes, but the Learning Organization is an ideal, a vision. Various organizations or parts of organizations achieve this in varying degree.

How it works?

Becoming a successful learning organization requires a collective mind shift at all levels. After all, the argument goes, transforming an organization is possible only after individuals are transformed. People who can see the world as a large system of interrelated parts, who have strong, clear visions of the future and are able to achieve the results they really want (a quality Senge refers to as personal mastery) are characteristic of those in a learning organization. They are impassioned about their work and committed to helping their organization achieve its vision. Such people learn from their mistakes and break the old patterns of behavior that lead to crippling business decisions.

What the learning organization promises?

By looking at problems systematically, organizations avoid the blame game and finger pointing that typically leads to quick-fix solutions. Employees are encouraged to learn and participate, and their contributions are valued. They realize their full potential because they are no longer shackled by functional barriers, historical biases or hierarchical management structures.