

Organizational Learning

Key concepts and terms

- Adaptive learning
- Evaluative enquiry
- Organizational capability
- Resource capability
- Strategic choice
- Double-loop learning
- Generative learning
- Organizational learning
- Single-loop learning

Learning outcomes

On completing this chapter you should be able to define these key concepts. You should also know about:

- The process of organizational learning
- Organizational learning and the learning organization
- Outcomes of organizational learning

Introduction

Organizational learning theory is concerned with how learning takes place in organizations. It focuses on collective learning but takes into account the proposition made by Argyris (1992) that organizations do not perform the actions that produce the learning; it is individual members of the organization who behave in ways that lead to it, although organizations can create conditions that facilitate such learning. The concept of organizational learning recognizes that the way in which this takes place is affected by the context of the organization and its culture. In this chapter organizational learning is defined, consideration is given to the outcomes and process of organizational learning, the principles of organizational learning are summarized and the process of evaluative enquiry as a basis for organizational learning is described. At the end of the chapter the concepts of organizational learning and the learning organization are compared. These are often confused.

Organizational learning defined

Organizational learning is concerned with the development of new knowledge or insights that have the potential to influence behaviour. It has been defined by Marsick (1994) as a process of: 'Coordinated systems change, with mechanisms built in for individuals and groups to access, build and use organizational memory, structure and culture to develop long-term organizational capacity.' Organizational learning takes place within the wide institutional context of inter-organizational relationships and 'refers broadly to an organization's acquisition of understanding, know-how, techniques and practices of any kind and by any means' (Argyris and Schon, 1996). Organizational learning theory examines how in this context individual and team learning can be translated into an organizational resource and is therefore linked closely to knowledge management processes (see Chapter 12).

It is emphasized by Harrison (1997) that organizational learning is not simply the sum of the learning of individuals and groups across the organization. She comments that: 'Many studies (see for example Argyris and Schon, 1996) have confirmed that without effective processes and systems linking individual and organizational learning, the one has no necessary counterpart with the other.'

Principles of organizational learning, Harrison (1997)

1. The need for a powerful and cohering vision of the organization to be communicated and maintained across the workforce in order to promote awareness of the need for strategic thinking at all levels.
2. The need to develop strategy in the context of a vision that is not only powerful but also open-ended and unambiguous. This will encourage a search for a wide rather than a narrow range of strategic options, will promote lateral thinking and will orient the knowledge-creating activities of employees.
3. Within the framework of vision and goals, frequent dialogue, communication and conversations are major facilitators of organizational learning.
4. It is essential continuously to challenge people to re-examine what they take for granted.
5. It is essential to develop a conducive learning and innovation climate.

The process of organizational learning

Organizational learning can be characterized as an intricate three-stage process consisting of knowledge acquisition, dissemination and shared implementation (Dale, 1994). Knowledge may be acquired from direct experience, the experience of others or organizational memory.

Argyris (1992) suggests that organizational learning occurs under two conditions: first when an organization achieves what is intended, and second when a mismatch between intentions and outcomes is identified and corrected. He distinguishes between single-loop and double-loop learning. These two types of learning have been described as adaptive or generative learning.

Single-loop or adaptive learning is incremental learning that does no more than correct deviations from the norm by making small changes and improvements without challenging assumptions, beliefs or decisions. As suggested by Argyris (1992), organizations where single-loop learning is the norm, define the 'governing variables' ie what they expect to achieve in terms of targets and standards, and then monitor and review achievements and take corrective action as necessary, thus completing the loop.

Double-loop or generative learning involves challenging assumptions, beliefs, norms and decisions rather than accepting them. On this basis, learning through the examination of the root causes of problems so that a new learning loop is established goes far deeper than the

traditional learning loop provided by single-loop or instrumental learning. It occurs when the monitoring process initiates action to redefine the 'governing variables' to meet the new situation, which may be imposed by the external environment. The organization has learnt something new about what has to be achieved in the light of changed circumstances and can then decide how this should be done. This learning is converted into action. The process is illustrated in Figure 44.1.

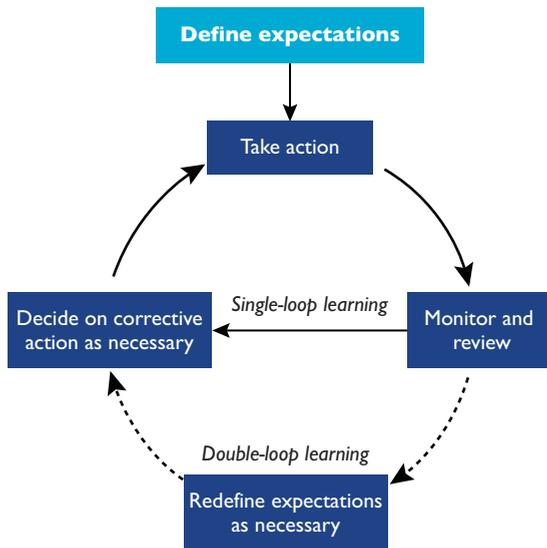


Figure 44.1 Single- and double-loop learning

As Easterby-Smith and Araujo (1999) commented, single-loop learning could be linked to incremental change 'where an organization tries out new methods and tactics and attempts to get rapid feedback on their consequences in order to be able to make continuous adjustments and adaptations'. In contrast, double-loop learning is associated 'with radical change, which might involve a major change in strategic direction, possibly linked to replacement of senior personnel, and wholesale revision of systems'. It is generally assumed that double-loop learning is superior, but there are situations when single-loop learning may be more appropriate.

Strategic choice

The concept of strategic choice in organizational learning was developed by Child (1997). He suggested that in making choices about their priorities, policies, actions and structures, organizations evaluate information from their internal and external environment in order to identify opportunities and problems. This encourages a learning process that proceeds towards action and outcomes through debate, negotiation and the exercise of choice.

Outcomes of organizational learning

Organizational learning outcomes contribute to the development of a firm's resource capability. This is in accordance with one of the basic principles of human resource management, namely that it is necessary to invest in people in order to develop the intellectual capital required by the organization and thus increase its stock of knowledge and skills. As stated by Ehrenberg and Smith (1994), human capital theory indicates that: 'The knowledge and skills a worker has – which comes from education and training, including the training that experience brings – generate productive capital.'

Pettigrew and Whipp (1991) believe that the focus of organizational learning should be on developing 'organizational capability'. This means paying attention to the intricate and often unnoticed or hidden learning that takes place and influences what occurs within the organization. 'Hidden learning' is acquired and developed in the normal course of work by people acting as individuals and, importantly, in groups or 'communities of practice' (Wenger and Snyder, 2000).

Evaluative enquiry

Evaluative enquiry is a method of enhancing organizational learning. It requires organization members to critically consider what they think, say and do in the context of the work environment.

The process of evaluative enquiry

Evaluative enquiry involves:

- asking questions;
- identifying and challenging values, beliefs and assumptions;
- reflection;
- dialogue;
- collecting, analysing and interpreting data;
- action planning;
- implementation.

Organizational learning and the learning organization

The notion of the learning organization as described in Chapter 40 is sometimes confused with the concept of organizational learning. However, as Harrison (2000) points out: ‘Too often... it is assumed that the terms “the learning organization” and “organizational learning” are synonymous. They are not.’

Easterby-Smith and Araujo (1999) explain that the literature on organizational learning focuses on the ‘observation and analysis of the processes of individual and collective learning in organizations’, whereas the learning organization literature is concerned with ‘using specific diagnostic and evaluative tools which can help to identify, promote and evaluate the quality of the learning processes inside organizations’. In other words, organizational learning is about how people learn in organizations and the learning organization concept is about what organizations should do to facilitate the learning of their members.

Organizational learning – key learning points

The process of organizational learning

Organizational learning can be characterized as an intricate three-stage process consisting of knowledge acquisition, dissemination and shared implementation. Argyris (1992) suggests that organizational learning occurs under two conditions: first when an organization achieves what is intended, and second when a mismatch between intentions and outcomes is identified and corrected. He distinguishes between single-loop and double-loop learning.

Outcomes of organizational learning

Organizational learning outcomes contribute to the development of a firm’s resource-

based capability. This is in accordance with one of the basic principles of human resource management, namely that it is necessary to invest in people in order to develop the intellectual capital required by the organization and thus increase its stock of knowledge and skills.

Organizational learning and the learning organization

Organizational learning is about how people learn in organizations; the learning organization concept is about what organizations should do to facilitate the learning of their members.

Questions

1. What, if anything, is the difference between the concepts of organizational learning and the learning organization?
2. What are single- and double-loop learning and what is the significance of these concepts in relation to the design of learning programmes and events?
3. How does the process of knowledge management contribute to organizational learning?

References

- Argyris, C (1992) *On Organizational Learning*, Blackwell, Cambridge, MA
- Argyris, C and Schon, D A (1996) *Organizational Learning: A theory of action perspective*, Addison Wesley, Reading, MA
- Child, D (1997) Strategic choice in the analysis of action, structure, organizations and environment: retrospective and prospective, *Organizational Studies*, **18** (1), pp 43–76
- Dale, M (1994) Learning organizations, in (eds) C Mabey and P Iles, *Managing Learning*, Routledge, London
- Easterby-Smith, M and Araujo, J (1999) Organizational learning: current debates and opportunities, in (eds) M Easterby-Smith, J Burgoyne and L Araujo, *Organizational Learning and the Learning Organization*, Sage, London
- Ehrenberg, R G and Smith, R S (1994) *Modern Labor Economics*, Harper Collins, New York
- Harrison, R (1997) *Employee Development*, IPM, London
- Harrison, R (2000) *Employee Development*, 2nd edn, IPM, London
- Marsick, V J (1994) Trends in managerial invention: creating a learning map, *Management Learning*, **21** (1) pp 11–33
- Pettigrew, A and Whipp, R (1991) *Managing Change for Competitive Success*, Blackwell, Oxford
- Wenger, E and Snyder, W M (2000) Communities of practice: the organizational frontier, *Harvard Business Review*, January–February, pp 33–41