

Building learning organization; theory and practices

بناء المنظمة المتعلمة: النظرية والممارسات

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Received: 29/8/2020

Accepted: 26/10/2020

Published: 15/1/2021

Abstract:

This study aims to clarify the mechanisms that help to build a learning organization to face the changes in the business environment as a result of globalization and the resulting great competition between organizations. We find that human resources management plays an important role in the process of becoming a learning organization, but the building process faces many barriers that should be taken into consideration to become a success learning organization

Keywords: learning; learning organization; HRM ; competition.**Jel Classification Codes:** M10, M13.**ملخص:**

تهدف هذه الدراسة إلى توضيح آليات بناء منظمة متعلمة باعتبارها أحد التوجهات الإدارية الحديثة التي تعتمد على التعلم لمواجهة التغيرات الحاصلة في بيئة الأعمال نتيجة العولمة وما نتج عنها من منافسة كبيرة بين المنظمات.

توصلنا من خلال هذه الدراسة إلى أن إدارة الموارد البشرية تلعب دورا مهما في عملية بناء المنظمة المتعلمة. كما تواجه عملية التحول إلى منظمة متعلمة عديد التحديات، وهو ما يعني ضرورة أن تعمل المنظمات على تجنب هذه العوائق حتى تتمكن من تحقيق تحول ناجح لتكون منظمة متعلمة.

كلمات مفتاحية: تعلم، منظمة متعلمة، إدارة موارد بشرية، منافسة.

تصنيف JEL : M10، M13.

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1.INTRODUCTION:

The Globalization made The business world today to undergo many rapid changes. New technologies, a new generation of employees and new competitors from emerging economies are all factors that contribute to what is often called a Volatile Uncertain Complex-Ambiguous world. Major changes in the management system of organizations have occurred because it has found it's hard to sustain a competitive advantage. This is a result of the collapse of the defensibility of the competitive advantage, which is becoming a transient competitive advantage especially in the knowledge economy era. Today the firms succeed not just on the basis of efficiency, but mainly of innovation, speed, flexibility, collaboration and their ability to learn faster than their competitors.

The employees in an organization are affected by their feelings about the work environment, where they need to be more passionate and have the trust that can push them strongly to care about anything in the organization and engage in their work and hence create a sustainable competitive advantage that can affect positively on company's expected lifespan (Garvin, 1993, p 8). Over the past two decades many, scholars have suggested that building a learning organization is the only source of competitive advantage and organization's learning capability has been seen as a key factor for succeeding in turbulent market environments (Senge, 1990, p 239).

1.1.The main question

As the building a learning organization is a necessity in the current age of globalization and competitiveness, this study tries to answer the following main question; **how to build a learning organization?**

1.2. The aims of the study

This study aims to present how the mechanisms that are very important in the process of building a learning organization, and the different challenges that should be taken into consideration according to the theory and the practices that are concluded from past experiences.

1.3. Methodology of the study

This study based on an analytical approach to clarify how the literature have discussed the learning organization theory, and citing of organizations experiences that were succeeded in the building process of learning organization.

1.4. study sections

In section two we present the origins of the learning organization concept. Section three contains the analyze of what we mean by learning organization by

presenting the different approaches of its definitions. In section four, we show Why companies need a learning organization, then in section five we clarify how HRM can contribute in the building process, then in section six we describe which are the successful experiences about creating a learning organization, and in section seven we present the barriers and challenges that face the development of the learning organization, and finally we conclude with the main findings from the success experiences.

2. The origins of the learning organization concept

2.1. influences and circumstances

The learning organization concept is the outcome of many studies and researches that focused on the development and change process in the company or in the organization, and especially on the learning concept as the main tool of this process. As a result of the engaging in the change processes in the commercial firms especially in relation to human resource management, the management literature was dominated by the learning company concept rather than the learning organization concept.

In the late 1980s and early 1990s, the management literature has marked an important step which was a crucial factor in the development of the human resources management. This step was the move towards making a clearer link between human resource management on the one hand, and company performance and competitiveness on the other. Companies and managers have been forced to consider how they should train employees to equip them with the skills to manage more effectively and to cope with a range of new production and marketing objectives. In addition, advanced technology, which is also a driving force in creating rapid change, is impacting on many organizations resulting in an appraisal as to exactly how people should organize their work. The way in which information flows, and how it is collected, stored and accessed is a further catalyst for change which is producing new work practice methods.

The company learning approach took its development also from the 'Total Quality Management' (TQM) concept that linked to the view of organizations as it has to focus on superior products and services and adopt different managerial approaches and establish better means of organizational communication. The People process of learning came as they do their work and this experiential learning seems to be a key issue in understanding how firms can more readily utilize on-the-job learning (Alan,M,J. 1994, p 35)

In the late 1980s Shell began to question its own systems of internal communication and employment structures. There began an internal questioning about the techniques and processes of strategic planning (Alan, M, J, 1994, p 38). Shell came to the realization that managers had to work together in more collaborative ways. Team-work, and a greater sharing of information, were seen to be crucial factors in creating a more coherent and cohesive organization. Shell spent twelve months, using workshops and discussion groups, researching the implications of the learning company idea. In so doing, they helped spearhead the concept into the more general public and commercial domains.

Shell concluded that strategic planning consists of learning about the environment and people having a total view of the business they are engaged in. If more could be understood about how this learning process occurred, particularly with respect to learning in teams, ways might be found of speeding it up. The firm further concluded that a company which can accelerate its learning so that it gained a year or so on its competition, ought thereby to gain valuable commercial advantage.

Shell has not been alone in seeking new ways and means of creating commercial advantage. Rover, Cadbury Schweppes Plc, Cable and Wireless Plc, Sun Alliance Group Plc, Digital, and a number of health authorities, are just a few organizations which have begun to put in place new training and organizational techniques which focus on individual and group learning - or at least education and development. In addition, some of these, together with a variety of other organizations, have begun to question prevailing organizational structures and practices and have funded national projects which have, as their main generic theme, that of re-thinking what organizations are going to be like in the future.

2.2. The development of the concept

The learning organization concept has been developed further by Mike Pedler, Tom Boydell, and John Burgoyne in a report they wrote in 1988 for the Training Agency/the Department of Employment. The resulting report offers a short definition of what a learning company is: "an organization which facilitates the learning of all of its members and continuously transforms itself".

The notion of the learning organization came to prominence in the USA, where it was coined by Hayes, Wheelwright, and Clark (1988), at roughly the same time as it did in the United Kingdom. Each group of writers present different perspectives which provide a framework for developing the learning organization concept. In many studies and researches, the term 'learning organization' rather

than 'learning company' has been used. Some researchers concentrated on the idea of the learning company' but this term has too many associations with industry and commerce - that is, manufacturing and service industries which, in the main, exist to make money for profit.

Many organizations in the public and private sectors exist primarily as service orientated activities - for example, local authorities, schools, and hospitals. They are not essentially in the market to generate profits for shareholders or stakeholders, yet seek to address issues of major changes linked to learning. Therefore, by using the term 'learning organization' this review seeks to evaluate and comment on any type of organization which purports to base its activities around learning (Alan,M,J.(1994, p 45).

3. What is a learning organization?

The richness of the multidimensional aspects of the concept of the learning enterprise explains that there is not yet a universal definition, the concept has given rise to many definitions. According to (Baiyin, Y., Karen, Watkins, K., and Marsick, V.2004, p 12), a number of approaches to define the learning organization have emerged as follows;

3.1. Systems Thinking:

Senge (1990) defines the learning organization as an organization that possesses not only an adaptive capacity but also “generativity”—that is, the ability to create alternative futures. Senge identifies the five disciplines that a learning organization should possess: team learning—emphasis on the learning activities of the group rather than on the development of team process; shared visions—ability to unearth shared “pictures of the future” that foster genuine commitment and enrollment rather than compliance; mental models—deeply held internal images of how the world works; personal mastery—continually clarifying and deepening personal vision, focusing energies, developing patience, and seeing reality objectively; and system thinking—ability to see interrelationships rather than linear cause-effect chains. In sum, Senge’s approach is to identify a set of principles of learning organizations. It is believed that these identified conditions are necessary to build a learning organization. Although these principles can be used as valuable guidelines in working toward learning organization status, the observable characteristics of such organizations have not yet been clearly identified.

3.2. Learning perspective

Pedler, Burgoyne, and Boydell (1991) define the learning organization as “an organization that facilitates the learning of all of its members and continuously transforms itself in order to meet its strategic goals” (p. 1). They identified eleven areas through which this occurs: a learning approach to strategy, participative policymaking, informing, formative accounting and control, internal exchange, reward flexibility, enabling structures, boundary workers as environmental scanners, intercompany learning, learning climate, and self-development for everyone. This learning perspective provides comprehensive aspects of learning at all organizational levels. The traditional elements of management are incorporated to support learning. Although this approach has the merit of comprehensiveness, it fails to provide a parsimonious framework of the construct. Furthermore, the eleven identified areas are conceptually overlapping, and thus the non distinctive components of the concept make it less useful in guiding instrument development.

3.3. Strategic Perspective:

According to the strategic approach of the learning organization, a learning organization requires an understanding of the strategic internal drivers necessary for building learning capability. Garvin (1993) defines a learning organization as “an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights”.

Learning organizations have five core strategic building blocks: clarity and support for mission and vision, shared leadership and involvement, a culture that encourages experimentation, the ability to transfer knowledge across organizational boundaries, and teamwork and cooperation. Further, the strategic building blocks require two main supporting foundations. The first is an effective organization design that is aligned with and supports these building blocks. The other consists of the appropriate employee skills and competencies needed for the tasks and roles described in these strategic building blocks.

3.4. Integrative Perspective

Watkins and Marsick (1993) provide an integrative model of a learning organization. They originally defined the concept of the learning organization as “one that learns continuously and transforms itself. . . . Learning is a continuous, strategically used process—integrated with and running parallel to work”.

4. Why companies need a learning organization

The best skill that young people can acquire today is the ability to learn new things. Indeed, in an age where technology and the global economy are changing

the entire career landscape, workers can no longer hope to stay in the same position, or even the company for decades. Continued sustained learning is a key driver for success. For this reason, organizations must set up a culture wherein learning is encouraged and promoted, and where employees feel not only safe to communicate their opinions, but driven to challenge themselves and bring new ideas to the table (Anders, O.2004, p 135).

One of the main advantages of becoming a learning organization is the competitive advantage. To create a competitive advantage, companies need to learn faster than their competitors and develop a customer-responsive culture. Organizations need to maintain knowledge about new products and processes, understand what is happening in the external environment and produce innovative solutions using everyone's knowledge and skills within the organization. This requires cooperation between individuals and groups, free and reliable communication, and the need for a culture of trust.

From another side, learning organization lead to another important aspect which is innovation that is closely and strongly related to learning. While encouraging people to learn and develop, a more innovative environment is commonly generated, and as a result innovative ideas coming from and contribute to make a competitive advantage for the organization.

Other benefits of a learning organization are:

- Maintaining levels of innovation and remaining competitive
- Happier and more fulfilled employees
- Improved efficiency
- Improving quality of outputs at all levels
- Increasing the pace of change within the organization
- Strengthening sense of community in the organization through the improve of collaboration
- Improving long term decision making
- Improving knowledge sharing and renovation.

5. HRD in the learning organization; what's the role needed?

The HRD department need to focus on the important challenges that it faces in the new era that is characterized by the big changes in the organization environment . This means that the role of HRD is not sufficient to create learning organizations if it still traditional without a strong vision of sharing and dependent relation with other function in the organization. HRD as a combination of training,

career development, and organization development offers the theoretical integration needed to envision a learning organization, but it must also be positioned to act strategically throughout the organization (Watkins and Marsick, 1992, p 10).

5.1. Training and education

Training is a tool for learning through its positive effects on performance. Organization try to improve learning level of their workers through training sessions and then achieve the goal of facilitating learning on the whole organization. training leads to learning and learning leads to improved job performance. Moreover, they go on to state there are three domains of learning ; skills, knowledge, and attitude. These three domains, Nadler and Nadler believe, are the result of training and education which ultimately lead to enhanced performance.

5.2. Rewards and recognition

According to (Nelson, 1996, p 12), employees have indicated that their performance is determinate by an important factor which is their feeling about appreciation for work done. The recognition boosts employees performance and that compensation is a right, whereas recognition is a gift. Bennett and O'Brien (1994) insist rewards and recognition are essential aspects of building a learning organization. This can take many forms, from honoring individual employees who take risks to offering a profit-sharing plan that benefits everyone when the organization learns and grows.

5.3. Information flow

The information flow has an important role in the learning development in any organization. This flow of information is critical to organizational learning and success. Optimized information flow has impacts on productivity, quality, and learning within organizations which, in turn, leads to organizational competitiveness.

5.4. Vision and strategy

Both Senge (1990) and Pedler et al. (1991) make the case for development of a vision in learning organizations. A vision provides members of an organization a direction by which they can navigate. As Marquardt (1996) states ``when there is a truly shared, genuine vision, people tend to excel and learn". Garavan (1997) indicates that vision is the catalyst that enables a learning organization culture to be created.

6. Success experiences of building learning organizations

According to (Pedler, M. and Aspinwall, K, 1998, P 17), There are success experiences of building learning organizations in business world, which become a motivation for many organizations around the world to make the challenge to achieve the transformation process and gain the benefits of being a learning organization.

6.1. Rover group experience:

As a smaller company in a global market dominated by giants, Rover company realized that it would soon disappear if it did not change and face the rising competition. They achieve a collaboration with Honda cars company of Japan and it was a radical forward step to survive. Then, it established “the Rover Learning Business” to provide learning and development opportunities for all employees to keep them developing. It aims also to help developing managers development programs for employees. So, Learning has become an important part of company image, and the activities of the Rover Learning Business are widely published both inside and outside the company. This transformation was fuelled by a major shock to

The system and paved the way for Rover's later merger with BMW of Germany. This latest merger suggests that either Rover thought it could learn more from BMW than Honda.

6.2. Electrical engineer ABB experience:

ABB company of electrical engineering had decentralized its working system as a result of the globalized business of the modern era. In this regard, the company based in its strategy on the promotion of the continuous exchange, where each member company is expected both to learn from elsewhere in the group and to make contributions to the learning of other units around the world. It is the job of both business area leaders and country CEOs to facilitate these processes of learning between the companies.

6.3. Keatings company experience:

Mike Keating Having previously been the Managing Director of a much larger printing company. As a result he was determined not to make the mistakes he saw in action there when he take the direction of the “Keatings company” that is a specialist printer producing high-quality packaging. Because of his experiences, he was determined not to have managers, trade unions and wage differentials, or to let any plant get much bigger than 50.

This strategy was the first step for its company to become a learning company. Then, He pointed his main pillars of company strategy to success: All people to have a picture in their minds of how our business should work even when it doesn't; The necessity of knowing what others are doing in the industry worldwide; Learning is part of what everyone is paid for; the responsibility of everyone for his own business; the talk to the customers when necessary; the 'Mutual adjustment meetings' are a normal part of working through conflicts and the more humility and less arrogance between departments.

7. Barriers to Create learning organizations

The process of creating learning organization faces many barriers that must be taken into consideration because its important role in the success of the transformation process. In this regard, (Watkins and Marsick, 1994, p 18) suggest that the path of any organization to become a learning organization is challenged by these factors:

7.1. The inability to recognize and change existing mental models

Mental models are deep cognitive frameworks based on values and a sense of pressure that people use to explain the situations they face. People may or may not be familiar with the models they use, let alone learn to test them. But the old mental models are not enough today.

7.2. Learned helplessness

The continues learning process of people over time can led them to lack control over the consequences of their actions. The learning organization demands a proactive, curious, self-directed learner. Training programs often deliver the skills needed for organizations to change without addressing the deep-seated mental models and attitudes or the organizational structures and norms that perpetuate them.

7.3 Truncated learning

One of the factors that the organization needs to avoid in its strategy is the focus on the past failures or mistakes, and to not let the people feel that they make negative things for their organization and then lost the desire to learn and take more steps for the future to make their organization better and better through learning. The leaders of the organization must build a culture that encourage employees to learn even if they make mistakes.

7.4 The entrenched bureaucracy

The success transformation to a learning organization need a an entrenched culture that believe in change and characterized by flexibility and the acceptance

of inside and outside ideas that can help organization to develop and achieve the ability to face the new era developments.

8. What the success experiences told us?

According to (D,A Garvin, 1993, pp 6-14) , there are five main activities or Distinctive policies and practices which are responsible for the success of many organizations like: Honda, Corning, and General Electric.....etc. He also suggested that these activities are the building blocks of learning organizations, and that the creation of systems and processes that support these activities and integrate them into the fabric of daily operations, companies can manage the learning process more effectively.

8.1. Systematic problem solving

This first activity rests heavily on the philosophy and methods of the quality movement. Its underlying ideas widely accepted, include:

- Relying on the scientific method, rather than guesswork, for diagnosing problems (what Deming calls the “Plan, Do, Check, Act” cycle, and others refer to as “hypothesis-generating, hypothesis-testing” techniques).
- Insisting on data, rather than assumptions, as background for decision making (what quality practitioners call “fact-based management”).
- Using simple statistical tools (histograms, Pareto charts, correlations, cause-and-effect diagrams) to organize data and draw inferences.

The effectiveness of the learning process in organization require that the employees must therefore become more disciplined in their thinking and more attentive to details in order to became the learning process more accurate and precise. They must continually ask, “How do we know that’s true?”, recognizing that close enough is not good enough if real learning is to take place. They must push beyond obvious symptoms to assess underlying causes, often collecting evidence when conventional wisdom says it is unnecessary. Otherwise, the organization will remain a prisoner of “gut facts” and sloppy reasoning, and learning will be stifled.

The experience of Xerox company was a success story with this approach. In 1983, senior managers launched the company’s Leadership Through Quality initiative; since then, all employees have been trained in small-group activities and problem-solving techniques. a six-step process is used for decisions making concerning problems solving: step 1; Identify and select the problem, step 2; Analyze problem, step 3; Generate potential solutions, step 4; Select and Plan the solution, step 5; Implement the solution, step 6; Evaluate the solution.

Employees are provided with tools in four areas: generating ideas and collecting information (brainstorming, interviewing, surveying); reaching consensus (list reduction, rating forms, weighted voting); analyzing and displaying data (cause-and-effect diagrams, force-field analysis); and planning actions (flow charts, Gantt charts). These tools are practiced during training sessions for many days, and in order to be effective it should be presented in the form of “family groups” or in groups that contained the same department or business-unit members. The tools are applied to real problems facing the group and the result of this process present a valuable and a consistent companywide approach to problem solving

8.2. Experimentation

This activity by using the scientific method is very important because it involves the systematic searching for and testing of new knowledge that can help organizations to wide its horizons. It’s an activity that is motivated by the future opportunities not by the current difficulties. It takes two main forms:

8.2.1. Ongoing programs: normally involve a continuing series of small experiments, designed to produce incremental gains in knowledge. They are the mainstay of most continuous improvement programs. Successful ongoing programs share several characteristics. First, The necessity of new ideas steady flow neither internal or external. Second, an incentive system that favors risk taking and push employees to more participating. Third, the need of managers and employees who are trained in the skills required to perform and evaluate experiments like: statistical methods, graphical techniques and creativity techniques.

8.2.2. Demonstration projects: involve holistic system wide changes introduced at a single site, and are often undertaken with the goal of developing new organizational capabilities that can help organization to be ready for the future that is uncertain and to create competitive advantages. these projects represent a forward vision that make a break with the past and take into account the future developments and possible opportunities.

Demonstration projects share a number of distinctive characteristics: First, They are usually the first projects to embody principles and approaches that the organization hopes to adopt later on a larger scale. Second, They implicitly establish policy guidelines and decision rules for later projects. Third, They often encounter severe tests of commitment from employees who wish to see whether the rules have, in fact, changed. Four, They are normally developed by strong

multi-functional teams reporting directly to senior management. Five, They tend to have only limited impact on the rest of the organization if they are not accompanied by explicit strategies for transferring learning.

8.3. Learning from past experience

These activity is a crucial tool that can create a successful change in the organization management. For this reason, it must always take into account its past experiences and review their successes and failures for its employees. Unfortunately, many organizations failed because its managers were too indifferent to the past in their thinking and then failing to learn and create new ideas than can take their organizations to high levels.

8.4. Learning from others

One of the most powerful insights for organizations come from looking outside one's immediate environment to gain a new perspective or new ideas that can make advantage. Enlightened managers know that even companies in completely different businesses can be fertile sources of ideas and catalysts for creative thinking. Learning from others allows organizations to shorten time and costs and help them create new ideas and not necessarily imitate others' ideas.

This process of stealing ideas shamelessly is called "benchmarking". It is an ongoing investigation and learning experience that ensures that best industry practices are uncovered, analyzed, adopted, and implemented. The greatest benefits come from studying practices is the way that work gets done rather than results. For example, Xerox company which is the concept's creator, has applied it to billing, warehousing, and automated manufacturing. Milliken company also has been even more creative: in an inspired moment, it benchmarked Xerox's approach to benchmarking.

8.5. Transferring knowledge

For learning to be more than a local affair, knowledge must spread quickly and efficiently throughout the organization. Ideas carry maximum impact when they are shared broadly rather than held in a few hands. A variety of mechanisms spur this process, including written, oral, and visual reports, site visits and tours, personnel rotation programs, education and training programs, and standardization programs. Each has distinctive strengths and weaknesses.

9. CONCLUSION:

The globalization made The business world today to undergo many rapid changes. One of the major change in the management system of organizations has

occurred because it has found it increasingly difficult to sustain a competitive advantage. For this reason, The learning organization concept is the outcome of many studies and researches that was focus on the development and change process in the company or in the organization. Even if there is no a unique concept of the learning organization, but there is a unique idea that make a deal between all researchers and academics which is the “focus on learning” as the main tool of the learning organization to develop and to face the competition.

The HRD department plays an important role in the process of becoming a learning organization through its focus on the main pillars that affect the transformation process and achieve the learning objectives which are; training and education, rewards and recognition, information flow and vision and strategy. The process of creating learning organization faces many barriers that must be taken into consideration because its important role in the success of the transformation process. The inability to recognize and change existing mental models, Learned helplessness, truncated learning and the entrenched bureaucracy are the more important barriers that any organization need to face it and ensure that it has the capability to avoid its negative effects on the process to become a learning organization.

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