



IJMRBS

ISSN 2319-345X
Vol. 5, No. 4, October 2016

International Journal of Management Research and Business Strategy

www.ijmrbs.com



MEGHANA PUBLICATIONS

www.meghanapublications.com

ORGANIZATIONAL LEARNING CAPABILITIES: A STUDY TO UNDERSTAND ITS MODALITIES AND CONCEPTS

Ranjit Kumar Mukherji^{1*} and H S Grewal²

*Corresponding Author: Ranjit Kumar Mukherji, ✉ rkm_mukh@rediffamil.com

The study explores the various aspects related to the Organizational Learning and the associated capabilities of the organizations. There are various dimensions to which Learning of an organization is related and we try to understand those dimensions in order to decipher the mysticism associated with Organizational Learning Capabilities. Organizations develop because of their proactive capabilities, which enable them to cope up with the external competition and strengthen them self by learning through their experiences over a period of time. This study shall make us understand the essential elements of OLC and also the associated mechanism that works for the organization which can transform it into a self-reliant and progressive Organization.

Keywords: Organizational learning, Learning capabilities, Existence, Innovative capabilities, Effectiveness, World economy

INTRODUCTION

Knowledge is power and if it can be elicited for a longer period of time the more its benefits are for the Organizations or for the individuals. But to sustain the knowledge for longer period, it requires vision and proper planning on part of the Organization. One needs to understand the concept of Learning than only it can relate to whether to call it Learning Organization or Organizational Learning (Oliver Serrat, 2010).

We could argue that organizational learning is the '*activity* and the *process* by which

organizations eventually reach the ideal of a learning organization' (Finger and Brand, 1999).

Learning Organization

In 1990 Peter Senge wrote the Book 'The art and practice of the Learning Organization' and it became one of the most popular Book that exposed the concept of 'Learning Organization'. However, it has been claimed by many authors that to arrive at a clear definition of 'Learning Organization' has been difficult to obtain, as the multifarious issues involved in Learning Organization can be hard to define and elaborate.

¹ Assistant Profesor , IMS Unison University, Dehradun.

² Profesor, OMIT-Rishikesh.

Exhibit 1: Three Definitions of Learning Organization

“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” (Senge, 1990: 3).

“The Learning Company is a vision of what might be possible. It is not brought about simply by training individuals; it can only happen as a result of learning at the whole organization level. A Learning Company is an organization that facilitates the learning of all its members and continuously transforms itself” (Pedler *et al.*, 1991: 1).

“Learning organizations are characterized by total employee involvement in a process of collaboratively conducted, collectively accountable change directed towards shared values or principles” (Watkins and Marsick, 1992: 118).

However authors have defined it from their understanding and perspective of Knowledge gained on the topics, following definitions are arrived at by few authors like Senge (the proponent himself), Pedler and Watkins.

Of all the definitions discussed above it can be concluded that Organizational Learning Capabilities means capabilities of our employees in an organization to adapt to the fast changing knowledge and business processes by learning these changes and incorporating them in their work behavior and system as a whole.

Why Organizational Learning is Required? (Back Ground of Study)

As the global economy is expanding and moving ahead, there are many challenges been faced by the companies and enterprises to maintain their profitability and operational viability. In this scenario, if some enterprise is able to get ahead a little in terms of customer satisfaction and delight than it shall have the advantage over its rivals. It has been recommended by the researchers than if the learning capabilities of the enterprise are better than the others than it definitely can boost the functioning of the Organization.

Now when this Organizational Learning is absorbed and it becomes the part and partial of its existence, as it develops self-renewing capabilities and is able to keep moving ahead in a synchronized and effective manner. This materializes because the knowledge gained is applied to transform into operational success (Arshad, 2007).

The adaptation of the organization in this fast changing economic and techno environment constantly poses challenges, whereby the organizational members are pushed to adopt new ways of doing things.

The level of individual employee learning has a direct influence over the learning of the organization i.e. learning of the organization can only take place if the individual employees are changing themselves to suit the requirement of the business environment and the ensuing changes in it.

Focus on Both Individual and Organizational Learning

In Organization people may come and go and the leadership also keeps on changing but the learning of the Organization is retained in the behavior, mental maps and the ingrained values of the Organization. Both the organizational and individual learning should take place in order to make an enterprise a learning organization. Learning at individual level takes place when the individual gets knowledge, experience and experiment with it. Similarly, organization learns when they retain the knowledge as part of their system and culture of work (Hedberg, 1981).

Organizations are not living things but it comprises of the individual who are living and alive. So whatever is learnt by the individuals it develops into their personalities, beliefs and

values and becomes part of the everyday functioning of routine work life, and that is how the Organization behaves and looks like.

Global Operational Environment

There has been a lot of changes brought about by the way the Organizations produced and served its customers. Since the operation has been global so the whole range and modalities of operations has also changed in this current global environment.

Castel has argued that operational activities of an Organization has become global, all the production capabilities and the ensuing competitiveness have all evolved out of knowledge generation and processing of information. The production, control and distribution of the goods and services are all controlled through a network in real time operations worldwide (Castel, 2001: 52).

Therefore a failure to attend to the organizational and individual learning in this context would be disastrous for its success and operational viability in the global scenario.

The concept of knowledge generation, knowledge appropriation and putting it to use appropriately should be executed in an organization and the flow of information and know-how shall only sustain the operational success for the organization. And to further add to it that technology alone cannot do this only human effort and collaboration shall lead to success for an Organization (Leadbeater, 2000: 70).

Organizations to Detect and Take Corrective Action

Organization should be good at Learning as better they are at it, the more adaptive it shall be to changes which needs to be brought about for

its development. Being more adaptive would also mean that they shall be able to take corrective actions as needed and be able to detect it at the right time so that there are no delays to implement the changes needed to be brought about.

Effective learning would ensure that they are more innovative and they know the extent of their innovative capabilities so as to match with the environmental requirement, Argyris and Chris (1997), *On Organizational Learning* (2nd Edition), Blackwell Business, Malden, Mass.

For Gaining Competitive Advantage

To stay competitive in the changing environment capability to learn is an important premise on which the success of the Organization depends. As argued by Stata (1996) that the only way the Organizations can have competitive advantage carried over a period of time is dictated by the rate an organizations and the individuals learn and adapt.

Garvin (1993) indicates that if the Organizations are not learning new things and the way of doing it then they keep on repeating the old practices and remain uncompetitive. Therefore there is an increasing interest for learning and the Learning theories that are coming up in today's time.

Organizational Survival

Ortanblad (2002) has indicated that the theory of survival of the fittest also holds good for the Organizations, therefore to survive is also a part of the Learning, as organization needs to survive first and then grow.

This aspect of survival is very basic to human nature and so in order to survive in the business the organizations have to sustain their learning continuously over a longer period of time in order to stay put.

As cited by Neilson and Pasternak (2005) that survival anxiety it seen in case of Caterpillar's change from a heavily managed bureaucratic Organization to a strong and competitive organization on 1980s, when its survival was seriously challenged by Komatsu, and learning from its first time losses, Caterpillar shed the bureaucratic norms and excessive control to give way to a more adaptive Organization.

Adaptation of New Learning

Weber and Berthion Antal (2003) have explained that as an individual learns from observing things, experiencing it and applying it to some other situations, similarly the Organizations also imbibe the learning into their culture and manifested behavior. Organization's success depends on how fast the Organizations adapts these learning cycles

Organizational life cycle is also an important factor that dictates whether the organization will adapt to the changes being brought about or not, because many times it becomes difficult for the Organization which are older to make the changes to adapt itself in the new environment and make it suitable to sustain its business effectively.

Therefore, organizational life cycle is also an important aspect to be considered while we talk about adapting new learning by it. As an older organization has to struggle to change set cultural norm established over a longer period of time so that new practices could be ushered in the organization.

General Factors Affecting Organizational Learning

The factors that affect the Learning Organizations are many from within the Organization. But some of the important one that affect the organizational

learning are like Context, History and survival. (Lane, 2001). Learning it is assumed that it is socially construed, therefore how the learning took place and what has been learnt are all important.

Prahalad and Hamel (1994) highlighted another important aspect of Organizational Learning, that the Organization should not deteriorate on account of people leaving the Organization. They emphasized the importance of Organizational Memory which say that learning should not only effect the current members but also the future members to come, this way the Organizational Learning is carried forward without losing on its learning. Further out lined is the fact that it is also important for the Organization to unlearn the some of the past in order to refresh the present with new ideas and thinking for its development.

To develop a work culture that caters to Innovation and creativity in the organization and puts forward new ideas and quest for new learning and developing new products (Kiely, 1993; Prather, 2000; Sternberg, 2003; and Thompson, 2003).

Shallcross (1973) in earlier times has emphasized the importance of leader in creating the right atmosphere where the people are non-judgmental and help the individual and each other to realize their potential and retain their uniqueness at work. Suh (2002) also concurred that in order to plan, learn and create, encouragement from the Management is essentially required and also for promoting innovative thinking amongst workers.

It has been postulated by Amabile (1998) that in order to create a learning culture six management practices are present: 1) Giving challenging work to employees; 2) Innovative freedom; 3) Resource availability for developing

new ideas and products; 4) Giving diversity in terms of perspective and background within the work groups; 5) Providing encouragement to supervisors; 6) Support from the Organization for the efforts made by the employees.

Second aspect is the history or the past happening of the organization, for knowing the past attempts and ventures and to what extent they were fruitful in achieving the desired results. Lane (2001) emphasized the need to know as to what extent in the past the learning has been successful. Mental models are created to learn and retain the learning and carry it forward to the other members of the organization. For an organization in order to develop itself into a Learning Organization over a longer period of time, it has to infuse and diffuse both the new and earlier data and information

To survive is the basic foundation of an Organization to Learn. Most of the proponent of Organizational Learning has always emphasized the importance of Survival an important object for learning. Darwinian theory of survival of the fittest holds good for an organization as well Further learning should not be sporadic or intermittent, rather it should be consistent over a period of time in order to reap success (Ortenblad, 2002).

Neilson and Pasternack (2005) have given a believable example of Caterpillar to change from a bureaucratically managed organization, that was struggling to survive against a stiff competition from Komatsu, into a robust and functionally successful organization.

Human Resource Factors Influencing Organizational Learning Capabilities

To understand the factors that influence the Organizational Learning is very important from

Organizational point of view .An understanding of the factors that influence the organizational learning is immensely valuable for the individuals working for the organization as they can leverage these factors to their advantage and achieve better results for their organization.

The collective learning and sharing of knowledge amongst the organizational participants creates an atmosphere where everybody contributes to the synergy working for the organization.

Lohman (2005) found the factors of initiative, positive personality traits, commitment to professional development, and interest in the profession, self-efficacy and love of learning enhanced the motivation for informal organizational learning. On the other hand if the Organization is not very supportive for the learning initiatives and learning culture then it has an adverse effect on the learning for then Organization. Similarly if the participants are unwilling, time shortage and lack of motivation for learning are all contributing to a negative atmosphere, where organizational development and progress suffers?

Shipton *et al.* (2002) found out in their research on manufacturing sector that only two factors were predominant i.e. How the Human Resource were managed?, and the Quality control, other factors were not that significant in their research. Albert (2005) found that when the Management takes initiatives to make the organization a learning one then only learning takes place, and also the hiring of external consultants/experts also paved the way towards making it a learning organization.

Time Factors Influencing Organizational Learning

As explained by Weber and Berthoin Antal (2003)

that there are six variables relating to time, time outlook, pressure relating to time, harmonization and providing opening for opportunity, learning cycles and life cycles, and history.

Importance of Time Outlook

It has been contended that the various people in the organization, the group within it and the various functional departments may have a different outlook as to what importance the time has to be given? and importantly with respect to the learning taking place within the organization. Hence, it becomes very important that the top management take cognizance of this fact that there should be a unified organization wide time perspective being developed for its proper decision making and learning which is more reliable from organization point of view for its effectiveness

Time Pressure

Time pressure effect the learning both from outside and also from inside the organization. From inside the pressure can from senior level from above or from bottom to up or at the same level i.e. peer level. From the external sources it can be from the customers, suppliers and competitors and also from society.

Similarly, at times the organization may remain inactive because of fear of failure or the thinking that it may lead to undesirable outcomes, so such a situation may result in slow down of learning.

Synchronization and Opening Windows of Opportunity

Learning can take place at its best when the opportunity to learn is just right for it, in a situation like this where opportunity meets the right timing to initiate learning, synergy may happen and the organization can get benefitted in a big way.

For the effectiveness of learning it is therefore very much required to grasp and grab the opportunity and work upon it to gain maximum benefit out of it. There are times when it is a question of survival for the organization at that moment it has nothing else to do than learn ways to come out of a difficult situation and revive itself.

Learning Cycles and Life Cycles for Organization

Organization during its life cycle keeps on learning from its experiences and transfers those learning to other situations in times to come. Learning cycle-how fast it is taking place has a major bearing upon the development of an organization, because organizations cannot afford to lose opportunity to learn and progress. The learning continuum has to go on because it is intrinsically linked to its survival and growth.

The age of an organization that how old or new it is? Also is an important aspect when learning is concerned because for example; if the organization is old then it has old habits and norms of functioning and until those are done away with it, it cannot imbibe new learning and practices, which are very much essential for its growth and progress. Organization also needs to breaks its established norms and come out of its mold which is often marred by resistance to change, as the old ways and norms enshrined in its cultural ethos are hard to break until something attractive enough that motivates the workers to change is visualized by them.

History (Learning Perspective)

Weber and Berthoin Antal (2003) have contended that history play an important role in identifying the fact that how successfully the organization in the past has been able to put to use the learning

it had, which has a future bearing when it tries to put the learning perspective again in its life cycle. The collective learning of the people working in an organization is reflective of its history and its uniqueness. Over a period of time this learning is reflective and embedded in its functioning and culture as a whole.

The influence of the past history can be functional as well as detrimental also depending upon an organizations application of the knowledge acquired in the past. This knowledge and learning acquired if put to use to resolve current issues can be very useful in situations, whereas if it stick to it old norms and ways of doing things without applying the learning in their current context, then it shall lead to obsolesce as it shall be devoid of newer aspects of learning and its application.

Starbuck and Hedberg People individually are capable of effecting change in comparison to teams and groups; lack of bringing change in an effective and timely manner hinders the growth of the organization.

It has been suggested by (Maurer, 2004) that Kaizen the Japanese concept of continuous improvement by taking small steps is very useful for Organizational Learning. It has further been advocated by Starbuck and Hedberg (1978) that daily incremental change is more effective for an organization, so the concept of evolutionary learning is always better the revolutionary learning.

DISCUSSION

Organizational Learning is one of the most important aspects of our Organization functioning in today's time, where new things are evolving on an everyday basis, and the organizations have to continuously upgrade them and have to keep pace with the environmental changes ushered in.

Learning Organizations are those which are continuously upgrading themselves in terms of technology, functions, process and exposing the human resources to absorb this knowledge in a manner that they are able to meet the challenges of the business world and maintain their competitiveness.

Learning organizations are seen as where there is total employee involvement with shared values and and vision and marked by active collaboration to gain and sustain new knowledge and innovation.

With the advent of global economy the challenged faced by the organizations are many. So, retaining customers by delighting them seems to be an edge rather than doing it with mere satisfaction. This can only happen when Learning becomes part and partial of their existence, and when organizational Learning is applied to transform it into operational success.

Organizational members may come and go but the learning is retained in the behavior, thinking and ingrained vales of the organization. In fact in today's global business environment the way to do business has drastically changed. All production and developmental capabilities have evolved out of knowledge generation and processing of information.

Therefore, failure to give importance to the organizational and individual learning in this context would be disastrous for its success and operational viability in the global arena. Organizations need to be active to catch up and correct their errors quickly, lest they lose upon to their competitors, so herelays the importance of Organizational Learning.

CONCLUSION

A lot has been talked about the factors influencing organizational learning capabilities in this paper and all of them contribute in making an organization progressive, innovative and competitive in this global scenario of excellence. A review of literature has given enough scope to make theoretical model for Organizational Learning Capabilities, which shall be the scope for further studies. The factors of Organizational Learning shall become the variable to study and to measure the impact of these variables on Organizational Learning shall be the findings. So, we can say that Organization needs to be forward looking, keep on learning new things, keep on experimenting with new ideas and thinking, value people for their contribution and spread the learning organization wide so that it moves and thinks in Unison for its success.

REFERENCES

1. Amabile T M (1998), *How to Kill Creativity*, Vol. 87, Harvard Business School Publishing, Boston, MA.
2. Argyris C (1997), "Learning and Teaching: A Theory of Action Perspective", *Journal of Management Education*, Vol. 21, No. 1, pp. 9-26.
3. Finger M and Brand S B (1999), "The Concept of the Learning Organization Applied to the Transformation of the Public Sector: Conceptual Contributions for Theory Development", *Organizational Learning and the Learning Organization: Developments in Theory and Practice*, pp. 130-156.
4. Garvin D A (1993), "Manufacturing Strategic Planning", *California Management Review*, Vol. 35, No. 4, pp. 85-106.
5. Hamel G and Prahalad C K (1994), "Competition for the Future", Harvard Business School Press Boston, Massachusetts.
6. Hasebrook J and Maurer H A (2004), *Learning Support Systems for Organizational Learning*, Vol. 8, World Scientific.
7. Hedberg B (1981), "How Organizations Learn and Unlearn", in P C Nystrom and W H Starbuck (Eds.), *Handbook of Organizational Design*, pp. 3-27, New York.
8. Kiely T (1993), "The Idea Makers", *Technology Review*, Vol. 96, pp. 32-40.
9. Lane P J, Salk J E and Lyles M A (2001), "Absorptive Capacity, Learning, and Performance in International Joint Ventures", *Strategic Management Journal*, Vol. 22, No. 12, pp. 1139-1161.
10. Leadbeater C (2000), "Living on Thin Air", *The New Economy*, Penguin, London.
11. Lohman M C (2005), "A Survey of Factors Influencing the Engagement of Two Professional Groups in Informal Workplace Learning Activities", *Human Resource Development Quarterly*, Vol. 16, No. 4, pp. 501-527.
12. Neilson G and Pasternak B (2005), "Results: Keep What's Good", *Fix - What's Wrong, and Unlock Great Performance*, Crown Business.
13. Neilson G L, Pasternack B A and Van Nuys K E (2005), "The Passive-Aggressive Organization", *Harvard Business Review*, Vol. 83, No. 10, p. 82.
14. Örtenblad A (2002), "A Typology of the Idea of Learning Organization", *Management Learning*, Vol. 33, No. 2, pp. 213-230.

15. Prather C W (2000), "Keeping Innovation Alive After the Consultants Leave", *Research-Technology Management*, Vol. 43, No. 5, pp. 17-22.
16. Senge Peter (1990), "The Fifth Discipline: The Art and Science of the Learning Organization", Currency Doubleday, New York.
17. Shallcross D J (1973), "Creativity: Everybody's Business", *The Personnel and Guidance Journal*, Vol. 51, No. 9, pp. 623-628.
18. Shipton H, Dawson J, West M and Patterson M (2002), "Learning in Manufacturing Organizations: What Factors Predict Effectiveness?", *Human Resource Development International*, Vol. 5, No. 1, pp. 55-72.
19. Soon Y K, Arshad M A, Haq A and Lupwayi N (2007), "The Influence of 12 Years of Tillage and Crop Rotation on Total and Labile Organic Carbon in a Sandy Loam Soil", *Soil and Tillage Research*, Vol. 95, No. 1, pp. 38-46.
20. Starbuck W H, Greve A and Hedberg B (1978), "Responding to Crises", *Journal of Business Administration*, Vol. 9, No. 2, pp. 111-137.
21. Sternberg R J (2003), *Wisdom, Intelligence, and Creativity Synthesized*, Cambridge University Press.
22. Thompson L (2003), "Improving the Creativity of Organizational Work Groups", *The Academy of Management Executive*, Vol. 17, No. 1, pp. 96-109.
23. Watkins K E and Marsick V J (1992), "Building the Learning Organisation: A New Role for Human Resource Developers", *Studies in Continuing Education*, Vol. 14, No. 2, pp. 115-129.
24. Weber C and Antal A B (2003), "15 The Role of Time in Organizational Learning", *Handbook of Organizational Learning and Knowledge*, p. 351.



International Journal of Management Research and Business Strategy

Hyderabad, INDIA. Ph: +91-09441351700, 09059645577

E-mail: editorijmrbs@gmail.com or editor@ijmrbs.com

Website: www.ijmrbs.com

