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An Introduction to *Learning Organisations*

This introduction to learning organisations is intended as support to Forté’s programme of organisational development and the realignment of Kiwi management practises. It particularly targets personal and professional development aimed at addressing issues of feedback reluctance and personal confidence.

According to Peter Senge¹ (1990:3) learning organisations 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 goes on to say (1990:4) “While all people have the capacity to learn, the structures in which they have to function are often not conducive to reflection and engagement. Furthermore, people may lack the tools and guiding ideas to make sense of the situations they face.”

For a learning organisation, survival is not enough. Survival learning or what is often referred to as “adaptive learning” (a Kiwi strength) is necessary but it is more connected to coping with change rather than creating a new future. Generative learning enhances the individual and organisational capacity to create new futures. According to Senge there are five disciplines that contribute to the success of the learning organisation and all are relevant to redirecting New Zealand’s innovation effort:

¹ Senge, PM (1990) *The Fifth Discipline. The art and practice of the learning organisation*, Random House, London.

Systems thinking: Systems thinking does not come naturally or easily to Kiwis. Even though we are quite capable of dealing with complexity, we prefer to apply rather simplistic frameworks to what are complex systems. The approach of systems thinking is fundamentally different from that of our traditional reductionist approach that focuses on separating what is being studied into constituent parts. Systems thinking focuses on the components of the system and how they interact to produce behaviour and outputs. This means that instead of isolating smaller and smaller parts of the system being studied, systems thinking works by expanding its view to take into account larger and larger numbers of components and interactions. This can result in strikingly different conclusions than those generated by the reductionist approach, especially in a dynamically complex subject like the national innovation system where there are a vast number of interconnections and feedback loops from other sources, internal and external involved. Systems thinking by necessity has a longer term horizon and for that reason alone is valuable. Work published as early as 1977² gave strong support to the idea that success in innovation has to do with long-term relationships and close external interaction.

² Rothwell, R. (1977), *The characteristics of successful innovators and technically progressive firms*, R&D Management, No3, Vol.7 pp.191-206.

Personal mastery: The discipline of continually clarifying and deepening personal vision, of focusing energies, developing patience and of seeing reality “objectively” (Senge’s term. A typical American approach since what is “objective reality” will vary from culture to culture.) More importantly, personal mastery will enable the recognition that individuals and people in different cultures will apply different mental models (software of the mind). It will bring the confidence to understand that it is quite possible to be “different” without being “wrong” – a very important recognition for Kiwis. People with a high level of personal mastery are acutely aware that they “do not know what they do not know” (bluntly – they understand their own “ignorance”), that they have areas of competence and incompetence and they understand the areas in which they need to develop new skills or compensatory strategies. They are supremely self-confident.

Mental Models: This comes to the heart of this work. It is our Kiwi mental model that causes us to behave in ways that result in sub-optimal economic outcomes. Again according to Senge (1990:9) “The discipline of mental models starts with turning the mirror inwards. Learning to unearth our internal pictures of the world, to bring them to the surface and hold them rigorously to scrutiny.” The Kiwi take on this is we need to stop looking in the mirror where we only see ourselves. We need to engage in a degree of introspection that we are not normally comfortable with.

Building shared vision: Most business owners and managers have a vision for the future. But how tangible that is and how well shared it is across businesses varies greatly. According to Jim Collins, aligning vision and values with action is one of the essential elements of business success. Meanwhile Schwartz³ (1999:43) states: “... the goals chosen by managers to motivate workers will be more effective if they are compatible with prevailing cultural emphases.” This is an area where a lot of management teaching, books etc need to be interpreted into Kiwi. Kiwi workers will be most motivated when organisational and national cultures align.

Team Learning: According to Senge (1990:236) team learning is “the process of aligning and developing the capacities of a team to create the results its members truly desire.”

The Learning Organisation principles and concepts are becoming an increasingly widespread philosophy in modern companies and national innovation systems. Management theory and practice

³ Schwartz, S.H. (1999) ‘A Theory of Cultural Values and Some Implications for Work’, *Applied Psychology: An International Review*, 48(1).

demonstrates the role of *learning organisations* in achieving responsiveness to changing environments. Learning organisations are highly adaptable and able to not just cope with change and chaos but also gain competitive advantage in the highly turbulent contemporary environment.

Shell CEO Arie de Gues described learning as the only sustainable competitive advantage.⁴:

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

Why a Learning Culture provides a template for realigning Kiwi management practises

Future, external orientation: these organisations develop understanding of their environment; senior teams take time out to think about the future, widespread use is made of external sources and specialists e.g. customers on planning teams.

Free exchange and flow of information: systems are in place to ensure that expertise is available where it is needed; individuals network extensively (including providing and being receptive to feedback) within the organisations and crossing organisational boundaries to develop their knowledge and expertise, ie cross-fertilisation. Feedback is expected and welcomed.

Commitment to learning, personal development: with support from top management, people at all levels are encouraged to learn regularly. Learning is rewarded. Time to think and learn and make mistakes (understanding, exploring, reflecting, developing) is provided. Learning encourages free knowledge exchange.

Valuing people: ideas, creativity and “imaginative capabilities” are stimulated, made use of and developed. Diversity is recognised as a strength. Views can be challenged, feedback provided, received and accepted.

Climate of openness and trust: individuals are encouraged to develop ideas, to speak out, to challenge actions. Social capital is deliberately accumulated.

Learning from experience (mistakes included): learning from mistakes is often more powerful than learning from success. Failure

⁴ www.skyrme.com/insights/3lrmorg.htm 21/12/06

is tolerated, provided lessons are learnt ("learning from fast failure"⁵).

Types of Learning

A learning organisation is not about 'more training'. While training does help develop certain types of skill, a learning organisation involves the development of higher levels of knowledge and skill.

There are 4-levels of learning:

Level 1. Learning facts, knowledge, processes and procedures.

Applies to known situations where changes are minor.

Level 2. Learning new job skills that are transferable to other situations. Applies to new situations where existing responses need to be changed. Bringing in outside expertise is a useful tool here.

Level 3. Learning to adapt. Applies to more dynamic situations where the solutions need developing. Experimentation, and deriving lessons from success and failure is the mode of learning here. Requires acceptance of mistakes and failure.

Level 4. Learning to learn is about innovation and creativity, designing the future rather than merely adapting to it. This is where assumptions are challenged and knowledge is reframed.

Most New Zealand firms are probably at upper level one or early level two.

The learning organisation model (or adaptation of it) can be applied in three contexts - to the learning of individuals, of teams and of organisations (and a case can be made for regional or national application). Organisations that achieve learning to Level 4 will "*reinvent not just their organization but their industry*"⁶

Recommended Reading:

Senge, PM (1990) *The Fifth Discipline. The art and practice of the learning organisation*, Random House, London.

Senge, PM et al (1994) *The Fifth Discipline Fieldbook: Strategies and Tools for Building A Learning Organization*, Doubleday/Currency.

⁵ Peters, T. (1987) *Thriving on Chaos: Handbook for a Management Revolution*, The Free Press.

⁶ Hamel, G & Prahalad, CK. (1994) *Competing for the Future*, Harvard Business School Press.

Senge, PM (1999) *The Dance of Change: The Challenges of Sustaining Momentum in Learning Organizations*, Doubleday/Currency.