

## CHAPTER 2

# ORGANIZATIONAL LEARNING

### ESSENTIAL OUTCOME

After completing the lesson on this chapter, if nothing else, students should comprehend the central ideas behind a “learning organization,” and appreciate the role organizational learning plays in helping organizations achieve their objectives. They should also be able to describe the various types of knowledge and the ways in which knowledge can be managed in an organizational context.

### CHAPTER LEARNING OUTCOMES

By the end of this chapter, students should be able to:

1. Define organizational learning and describe a learning organization.
2. Explain the five disciplines of a learning organization.
3. Discuss the principles of a learning organization and the four key dimensions that are critical for creating and sustaining a learning organization, and define a learning culture.
4. Define knowledge and give examples of explicit and tacit knowledge.
5. Describe the meaning and types of intellectual capital.
6. Define knowledge management and explain how knowledge is acquired, interpreted, disseminated, and retained in organizations.
7. Define communities of practice and describe what organizations can do to create them.
8. Define workplace learning, informal learning, and formal learning, and describe what organizations can do to facilitate informal learning.
9. Describe the multilevel systems model of organizational learning.

### KEY CONCEPTS: HOW DOES THIS CHAPTER CONNECT TO THE WORLD OF TRAINING AND DEVELOPMENT?

1. This chapter describes the processes involved in organizational learning, and introduces and explains the concept of a learning organization (described on page 37 and in Table 2.1 on page 39). Not merely another management fad, organizational learning is critical to organizational success. The rate and pace of change all organizations face, regardless of their industry or core business function, requires ongoing learning across and throughout the organization. Accordingly, striving to become a learning organization is a strategic decision aimed at sustaining organizational and business relevance and viability.

2. Knowledge is both explicit and tacit. To be a learning organization, knowledge in all its forms must be consciously and deliberately managed in the manner of how it is acquired, interpreted, disseminated, and retained.
3. Organizational learning depends on three inter-connected levels: organizational-level learning, group-level learning, and individual-level learning. Together, these levels form a multilevel systems approach to organizational learning (as described on page 51 and illustrated in Figure 2.1 on page 52).

## **STUDENT MOTIVATION: WHY SHOULD STUDENTS CARE?**

Students by their very nature have an inherent interest in learning and can readily identify with its importance and value, so they will easily associate themselves with the central concept of learning. However, they may find it more challenging to directly relate to the ideas of organizational learning because many of them will not necessarily feel they have had direct experience with it. In reality, though, most students will have more experience than they believe, so they need to be encouraged to reflect on their past workplace learning. The multilevel systems approach is a useful tool here, because almost all students will relate to individual- and group-level learning, and, upon reflection, be able to see how their learning may have contributed to organizational-level learning.

## **BARRIERS TO LEARNING: WHAT ARE SOME COMMON STUDENT MISCONCEPTIONS AND STUMBLING BLOCKS?**

Some students, especially younger ones, are so used to change as a constant in their lives (especially technological change) that they may be somewhat de-sensitized to it. As a result, they may not fully appreciate how crucial ongoing learning is in response to significant societal and workplace changes that they may take for granted (for example, many students in your class will have never known life without computers or cell phones). To reinforce how significant a factor change is for organizations, and to impress how ongoing learning is critical in the face of rapid and continuous change, consider using and asking students to provide examples of social and technological change that have shifted paradigms of how we work, communicate, learn, and go about living our modern lives.

## **ENGAGEMENT STRATEGIES: WHAT CAN I DO IN CLASS?**

1. During the first 10 minutes of the class, ask students to find a partner and take turns interviewing each other for two minutes, asking the question “in terms of your typical day, what kind of things do you take for granted now, that 3/5/10 years ago either did not exist, or were not available to you?” When time is up, ask for and record a few of the responses. Use the list to make the point that change is a constant and comes at a rapid pace, and the reality that organizations—and the people in them—must be in a continuous learning mode

in order to keep up and remain viable. Use this to augment the first activity in the suggested lecture outline that follows.

2. For In-Class Exercise 2, on page 55: Ask each student to list formal training programs they have been part of within the last six months or one year. Ask students to reflect and list new things they have learnt about their jobs while on the job within a similar timeframe. Based on these lists, draw out the differences and value of both types of learning for the students
3. For In-Class Exercise 5, on page 55: Divide the class into two groups (with subgroups if a large class). One group represents formal learning, and the other, informal. Have the two groups debate the questions in the exercise. If there are HR practitioners in class, or a guest speaker, they may be asked to adjudicate the winning group of the debate.
4. For In-Class Exercise 6, on page 56: Have students work on this exercise alone, in order to give opportunities for individual learning. Once the presentations are complete, students can share with another student or volunteer to share within small groups, or the larger class for review and evaluation.
5. The Great Training Debate: For this and subsequent classes, consider using one of the “Great Training Debate” questions as an end-of-class exercise. To increase student attention and engagement, consider using a “lottery” approach to select the debaters. This can be accomplished by putting students’ names in a hat (or on a deck of index cards), and just before the debate draw two names, and assign each a side. Engagement and focus will increase because students will need to pay attention to the class in case they are “called” to debate that day (although to be fair, once students have been called to debate, you may want to not put their names back in the lottery). After the debate, if time allows, invite comments and opinions from the “audience.” If the class is about 30 students, with 2 debaters x 15 chapters, each student will have an opportunity to debate over the duration of the course. If the class is very large, consider having two students per side (4 debaters); if the class is small, consider only having debates less frequently based on selected chapters.

### **Suggestions for Large Class Exercise**

The topic of communities of practice is a newly introduced topic in this edition and will be explored later in Chapter 8 in relation to web-based learning, in particular Web 2.0 tools such as blogs and wikis. To illustrate the concept as it relates to this class, ask a volunteer to set up a community of practice on LinkedIn (Facebook, Google+, etc.) for the class before the following class, and take responsibility for initiating the group discussion by posting the following questions on the group site.

Students are to log on to the group and share their experiences with using “learning groups” in academic environments, such as study groups.

- a) What similarities do these groups have to business groups that are communities of practice?
- b) What differences are there?
- c) How can communities of practices assist students while at school, and as they make the transition to the work world?

### **Suggestions for Technology-Enhanced Classrooms**

- a) Use the Internet to locate a community of practice and show students how they work.
- b) Use the Internet to select an organization from those suggested by students as possible learning organizations. Check the organization's website (mission statements, etc.) for any evidence that it is a learning organization.

### **Suggestions for Internet Classes**

- a) Ask students to locate a community of practice and determine how they work.
- b) Have students suggest examples of possible learning organizations. Have students select one and check the organization's website (mission statements, etc.) for any evidence that it is a learning organization.
- c) On the course discussion board, discuss how the concepts of community of practice are evident in the design of this course.

### **ASSESSMENT TOOLS**

You may wish to make use of the Test Bank, PowerPoint slides, or at the end of a class, ask a student to summarize the key points from the lesson.

### **REFLECTIONS ON TEACHING: HOW CAN I ASSESS MY OWN "PERFORMANCE"?**

Good teaching requires the practice of ongoing self-assessment and reflection. At the completion of this lesson, you may find it helpful to reflect on the following, and consider whether or not you want or need to make any adjustments for subsequent lessons.

1. What worked in this lesson? What didn't?
2. Were students engaged? Were they focused or did they go off on tangents?
3. Did I take steps to adequately assess student learning?
4. Did my assessments suggest that they understood the key concepts?
5. What (if anything) should I do differently next time?
6. How can I gather student feedback?
7. How can I use this feedback for continuous improvement of my teaching?

## ADDITIONAL RESOURCES

### Chapter Summary

In this chapter, we described the meaning and importance of learning in organizations and the management of knowledge. The five disciplines and the principles of a learning organization are described as well as four dimensions that are critical for creating and sustaining a learning organization. We also discussed different types of knowledge in organizations as well as four types of intellectual capital. Knowledge management was then defined, followed by a discussion of knowledge management practices that organizations use to acquire, interpret, disseminate, and retain knowledge. We then described how communities of practice and informal learning contribute to individual and organizational learning. The chapter concluded with a description of a multilevel systems approach to organizational learning that connects learning at the organizational, group, and individual level. In the next chapter, we will take a closer look at how individuals learn in organizations.

### Lecture Outline

#### COMMENTS

##### A. Introduction

Consider the challenges facing organizations today—keeping up with their competitors, changes in technology, the needs and wants of their customers, etc. In today’s turbulent environment, organizations realize they must do more than just train employees for the current state of affairs.

##### B. The Learning Organization

Senge’s book *The Fifth Discipline* introduced a new approach to how organizations view learning, which is perhaps even more important now than when it was introduced in 1990.

##### C. Principles of a Learning Organization

Senge’s key principles of a learning organization.

#### ACTIVITY

Ask students to consider either the organization they work for, or one that they are very familiar with (maybe as a customer), and have them list some of the factors that might be a challenge for that organization right now. List the factors on board or flip chart.

Show definition slide, and describe the five disciplines, providing examples to illustrate each one.

Ask students to comment on their own organization (work, volunteer). Do they feel these principles are embodied in their organization? Why? Why not?

D. Key Dimension of a Learning Organization

Conference Board of Canada's study findings on the key dimension of a learning organization.

Discuss that these are findings from research done in Canada. Discuss the link between these findings and Senge's principles.

Discuss the link between this and SHRM.

E. The Meaning and Types of Knowledge

What is the difference between information and knowledge?

Provide definitions of tacit and explicit knowledge. Ask for practical examples of each. Given changing demographics and retirement and hiring forecasts, why is managing tacit knowledge so important?

F. Intellectual Capital

More than just knowledge, intellectual capital is really intelligence—and it is critical to organizational effectiveness.

Show overhead/slide of the four types of intellectual capital. Ask for actual examples for each.

Show slide of Tying It All Together to sum up concept.

G. Knowledge Management Practices

Can organizations afford to leave learning and the resulting knowledge to chance? Of course not—it must be managed.

Put up four (or groups of four) flipchart pages (or four sections of the board). Label them *acquisition*, *interpretation*, *dissemination*, and *retention*. Invite students to move about and record/discuss examples for each. Debrief and elaborate.

H. Informal Learning

What is informal learning? How does it differ from formal learning? What are the benefits for organizations in facilitating informal learning?

Display a slide of Table 2.2. Ask students to describe their own experiences with both informal and formal learning. Conclude by discussing the increasing value of informal learning for organizations.

I. Communities of Practice

Learning in groups centred on topics of interest has become a common and effective learning tool.

Highlight Training Today 2.2 example of a community of practice in class.

Reinforce *Communities of Practice* as a key concept related to technology-based

learning that will be discussed later in the course.

#### J. Multilevel Systems Approach

In order for learning to be used effectively it must be understood in terms of the linkages between the organization, groups, and individuals.

Display a slide or overhead of Figure 2.1. Explain and provide examples.

#### K. Organizational Learning and Training

Where does training and development fit within the context of the learning organization?

Introduce the topic of individual learning, addressed in the next chapter.

### Web Links

- Society for Organizational Learning (founded by Peter Senge):  
<http://www.solonline.org>
- An excellent and balanced overview of the topic of organizational learning:  
<http://www.infed.org/biblio/organizational-learning.htm>

### Suggestions for End-of-Chapter Exercises

1. For In-Class Exercise 1, on page 55: Individually or in groups, have students develop their checklist. Use as a stand-alone exercise to reinforce the characteristics of a learning organization, or assign the questions in the exercise as a homework assignment.
2. For In-Class Exercise 4, on page 55: Divide the class into groups of 4–5. In each group, one student should role play the role of the president, and another the director of training. Have them interview each other using the suggested questions. The rest of the group should evaluate the presentations by the two students, and one of the remaining students in the group should make a presentation of the evaluation to the class. Alternatively, if you have HR practitioners in your class, ask them if they would be comfortable addressing these questions. Or, arrange for an HR practitioner to come into your class as a guest speaker.

### New Case Incident 1

The Gallery Association, a not-for-profit organization representing independent art galleries in the province employs five staff members in addition to a CEO. It is located in a major Canadian city.

The team is small, has been together for over seven years, and generally gets along. However, for some time now, they have found that they are having challenges with managing special events projects that they offer to the galleries they represent.

Upon closer review it seems that each staff member has some role in designing, planning, and coordinating the event, even though there is a staff member responsible for special events. The CEO has recently discovered that there is little communication between the various staff members on the events, as each takes the responsibility of managing their “part” of the process, but is not up to date on what the others are doing. It has also been discovered that much of the information and records for the previous years’ events are not stored in a central “location,” but in a binder kept in the special events manager’s office. Other staff members rarely access it for future events as it seems “private property” of the special events manager.

- a) Identify the main causes of the challenges this organization is facing.
- b) What degree of organizational learning is taking place in the association as related to the special events?
- c) Discuss how the concept of knowledge management can assist this organization.

## **Answers**

- a) This organization is being affected by lack of organizational learning, particularly in the areas of systems thinking, knowledge dissemination, and knowledge retention.
- b) There is little focus on organizational learning as the organization does not view the special events as part of a system. Instead, each staff member is managing his/her respective part (silo thinking), and hence sharing little of the pertinent information affecting timely delivery of this service to their members.
- c) A focus on knowledge management—in particular, knowledge dissemination (of both explicit and tacit knowledge related to the special events) and knowledge retention—would be beneficial for this organization. Moving away from the “private property” binder in one staff member’s office to a shared “file” (preferably on an intranet) that stores information from previous years’ events would be beneficial. This would make access to the information easier, and create a sense of a shared responsibility. This would address both “dissemination and retention.” In addition, more team communication on the planning of the events as they occur would enhance current information levels and provide immediate opportunities for knowledge dissemination.

## **New Case Incident 2**

Marshall Phillip is the HR Director for an electronic components distributor in the Vancouver. The company is not meeting their sales targets and there is more talk by the president of needing to bring in some “top notch” sales trainers to work with the sales



staff. Marshall is concerned that this is not really a “training” problem; as the sales staff attended a “top notch” sales training program just the year before and know how to sell. He believes it is more related to the lack of employee engagement on the part of the sales staff. They have had four different sales directors over the past three years and seem to be in a state of change all the time, with each sales director bringing his/her own vision for the department and making changes to the way processes are managed to reflect his/her own vision. When Marshall tries to discuss this with the president, he is told that it’s a sales problem, not HR, and he wouldn’t understand.

a) Assuming that Marshall Phillip is correct, identify the reasons the sales staff may have low employee engagement and why it is affecting their sales performance.

b) What mistakes is the president making in this situation?

c) How could Marshall Phillip influence the president’s thinking in this situation?

## **Answers**

a) Given the repeated change in leadership in the sales department, and the constant changing “vision,” it is likely that the members of the sales team are overwhelmed with the amount of change and are reluctant to buy into any “vision,” as they anticipate it won’t last long. Although each sales director is trying to implement his/her vision, none are able to create a “shared vision” (one of the five disciplines) within the department. All of this is impacting the employee engagement of the sales staff, their motivation, and their performance. Additionally, repeated changes in the sales processes make it difficult and time-consuming for them to stay on top of the administrative side of their job. Marshall is correct that they know how to sell and don’t need sales training.

b) The president is making a classic business mistake in viewing the sales issue as only relevant to sales. The president is guilty of lack of systems thinking, fails to see the strategic role of HR, and is jumping to faulty conclusions about the performance issues of the sales staff without looking at the real barriers to their performance.

c) This is an opportunity for Marshall to demonstrate the importance and value of strategic HRM, and its link to systems thinking, as well as introduce concepts related to needs assessment for identifying training needs. Each of these can influence the president to see that training is not needed (other barriers need to be addressed), that HR can assess issues in other departments and influence strategy using appropriate tools (needs assessment), and that the decision made in this situation will have an impact on the organization as a whole (systems thinking), because if sales continue to decrease, one can assume the bottom line will be affected, and likely the viability of the company.

## Flashback Answers

1. At AlliedBarton:
  - Performance management is viewed as a process that occurs over time, and that is customized and individualized. Their approach to training and development mirrors and supports this view.
  - “Leaders’ EDGE,” “Managers’ EDGE,” “and Knowledge Knuggets” are all examples of how AlliedBarton views training and development as an integral aspect of their performance management process.
2. Training and development benefits at AlliedBarton include:
  - Benefits to the organization: affects organization’s strategy (continuous transformation) and effectiveness (views training and development as vital for employees to be able to perform their jobs with skill and confidence).
  - Benefits to the employee: both intrinsic in terms of increased morale, confidence, and pride; and extrinsic in terms of opportunities for growth and advancement.
  - Benefits to society: in terms of contributing to an educated and skilled population, and to the overall economy through job creation.
3. Training and development as an investment:
  - Training and development permeates the culture throughout (from hiring through promotion, and employee retention), and throughout all levels of the organization.
  - The “EDGE” (educate, develop, grow, and engage) credo illustrates that AlliedBarton views training and development as a strategic investment.
4. The context of training and development at AlliedBarton:
  - Environment: Adapting to changes in laws, technology, the labour market, and economy all compel AlliedBarton to be in a continuous learning mode. AlliedBarton embraces its diverse, multi-generational workforce and its flexible training approaches reflect its demographic reality. While it is the largest American-owned company of its kind, AlliedBarton uses training and development as part of its strategy to remain competitive.
  - Organization: training and development is embedded in the goals, values, and culture of the organization, and is an integral part of the strategy of continual growth and evolution. This is modelled by the leadership through their direct participation in and support of training and development.
  - Human resources system (HRMS): Training and development and the focus on organizational learning factors into most aspects of AlliedBarton’s human resources system, including recruitment and selection, performance appraisal, and (one can assume) health and safety and labour relations (as aspects of training).