

The Learning Organization

An Introduction



Berlin, Eaton
& Associates
Management Consultants

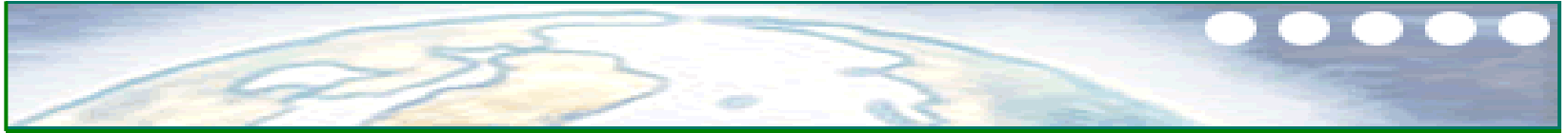




Agenda

1. Background to the Learning Organization
2. Learning Organization Thought Leaders
3. Examples of Learning Organizations
4. How to Become a Learning Organization
5. Roles and Responsibilities
6. A Learning Organization Characteristics Checklist





Background to the Learning Organization



The Learning Organization

Learning Organizations are people-focused. They promote process, progress and sustainability through:

- Increased job satisfaction
- Team-based environments
- Autonomy, and
- Learning at all levels

The Learning Organization

- LOs have the following characteristics:
They...
 - Provide learning opportunities & use learning to reach their goals
 - Link individual with organizational performance
 - Make it safe for people to share openly and take risks
 - Embrace creative tension as a source of energy and renewal
 - Are continuously aware of and interact with their environment

Calvert et al. 1994; Watkins and Marsick 1993

A Learning Organization is...

- *... "An organization that facilitates the learning of all its members and continually transforms itself"*

M. Pedler

- *... "Characterized by continual improvement through new ideas, knowledge and insights..."*

Public Service of Canada

The Learning Organization

- The Learning Organization concept emerged in the late 90s to address the impacts of accelerated change

The Learning Organization

- These changes were driven by a variety of factors including:
 - a shift from the **Industrial Age** to the **Information Age**
 - Impacts of **Productivity Improvements**, and
 - **Generational factors** influencing the workplace

The Learning Organization

“The world is in the midst of an unprecedented transformation from an industrial-based economy and society to a knowledge-based economy and society.”

*A Policy for Continuous Learning in
the Public Service of Canada*

The Learning Organization

As a result....

"Organizations must develop a capacity for fast-paced innovation.. learn to love change"

Tom Peters

Jobs

Industrial Age:

- Low-discretion
- Required little decision making
- Analyzed and broken into simple tasks requiring very little thinking on the part of workers.

Information Age:

- **High-discretion**
- Requires considerable **thinking & decision making**
- Emphasizes **giving employees authority** to make decisions

Roger B. Hill, PhD

Employees

Industrial Age:

- Ability to “fit in”
- Follow orders, chain of command
- Think inside the box
- Perform as directed
- Tasks/assignments do not vary much in one job description

Information Age:

- Ability to **network**, people focus
- Use **initiative**, flexible
- Think **outside the box**
- Ability to **multi-task**, shift gears, meet shifting demands of the workplace
- People with “**vision and attitude.**”

Excerpted and adapted from *21st Century Discipline*,
by Jane Bluestein, Ph.D. © 1999

The Learning Organization

The information age has
resulted in significant
productivity
improvements

The Learning Organization

“The US Dept of Commerce estimated that Quality Systems and processes (TQM) implemented in American companies during the 1970's and 1980's contributed to **half of the productivity gain of that period.**”

Dr. Jose Llanes

The Learning Organization

However, one by product
of increased
productivity is
high job-stress levels

The Learning Organization

- Increased Stress

- One in 10 adults worldwide suffer **stress, depression and burnout**
- The ILO predicts a **dramatic increase in stress** as even faster technologies are introduced and globalisation accelerates
- In the UK, three in 10 employees suffer **mental problems** each year from stress-related behaviour
- Stress-related illness and absenteeism costs the [UK] economy the equivalent of **10% of its GDP**

Jeremy Rifkin, The End of Work

The Learning Organization

- Serious Mental Health Issues
 - Depression rates that have ***doubled*** and anger rates that have increased by **900 %** in the past three years in gov't workplaces
 - The pressure on managers to manage change, and on workers to cope effectively with it, is intense

Warren Shepell Research Group, July 12th 2004

<http://www.warrenshepell.com/aboutwscc.asp>

The Learning Organization

- Karoshi: Death from Overwork
 - Japanese managers often work for 10-12 hours a day 6 -7 days a week, year after year leading to a phenomenon known as **KAROSHI – Death from Overwork**
 - It was estimated in 1990 that over **10,000 people** were dying each year from KAROSHI in Japan

Asia Pacific Management Forum
<http://www.apmforum.com/columns/boye51.htm>

The Learning Organization

Generational factors are
also impacting
information age
workplaces

The Learning Organization

- Generation Gap

- Public sector workplaces will continue to be challenged to **attract, recruit and retain** employees...

... especially the “Nexus” generation of 18- to 35-year-olds, who value non-wage factors such as **career growth and work-life** balance when choosing an employer

Warren Shepell Research Group, July 12th 2004

<http://www.warrenshepell.com/aboutwscc.asp>

The Learning Organization

"The challenge for leaders in the twenty-first century will be how to release the brainpower of their organizations"

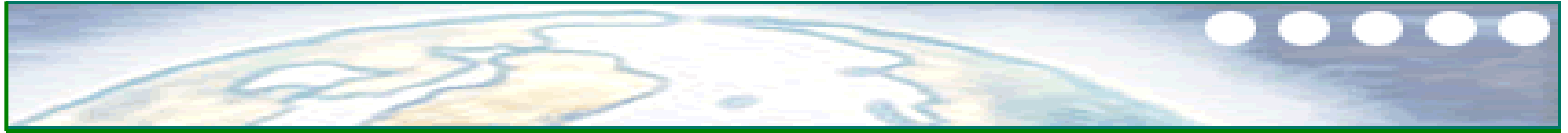
(Bennis, 1997)



Learning Organization Thought Leaders

David Garvin
Peter Senge





David Garvin

*"Continuous improvement requires
a commitment to learning"*





David Garvin

- Professor of Business Administration at the Harvard Business School:
 - Taught in executive education programs and consulted for over fifty organizations
 - He is the author or co-author of nine books and more than twenty-five articles
 - Three-time winner of the McKinsey Award, and a winner of the Beckhard Prize and the Smith-Weld Prize



David Garvin

Garvin believes that a Learning Organization....

- Achieves continuous improvement through organizational learning
- Transfers knowledge and modifies its behaviour to reflect it, and
- **As a whole** must learn in order to manage change and ensure sustainability

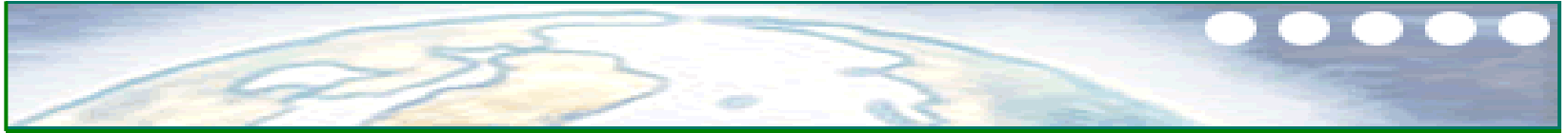
Notable Publications

- *Learning in Action: A Guide to Putting the Learning Organization to Work (2003)*
- *Building a Learning Organization (2004)*

David Garvin

According to Garvin, Learning Organizations are skilled at 5 main learning activities:

1. Systematic problem solving
2. Experimentation with new approaches
3. Learning from past experience
4. Learning from the best practices of others
5. Transferring knowledge quickly and efficiently throughout the organization



Peter Senge

"People don't resist change, they resist being changed!"





Peter Senge

- Senior Lecturer at the Massachusetts Institute of Technology
 - Best known for his book, *The Fifth Discipline: The Art and Practice of The Learning Organization* (1990)
 - Named a ‘Strategist of the Century’ by the *Journal of Business Strategy*, one of 24 men and women who have ‘had the greatest impact on the way we conduct business today’ (1999)






Peter Senge

Senge believes that a Learning Organization...

- Decentralizes the role of leadership
- Places human values at the cornerstone of the workplace
- Recognizes **vision, purpose, reflectiveness** and **systems thinking** as essential

Notable Publications

- *The Fifth Discipline: The Art and Practice of The Learning Organization* (1990)
 - *The Dance of Change: The Challenges to Sustaining Momentum in Learning Organizations* (1999)
- 

Peter Senge

According to Senge a Learning Organization...

- **Decentralizes the role of leadership** to increase the contribution of all employees
- **Employs a holistic approach** and gets everyone on the same page
- **Employs systems and structures** for sustainability
- Puts a strong emphasis on **informal and social networks**
- Is skilled in the area of five key disciplines described in his book, **The Fifth Discipline...**

Five Disciplines

- #1 Personal Mastery
 - Personal mastery is the discipline of 'continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively' (Senge 1990: 139)

Five Disciplines

- #2 Mental Models
 - The deeply ingrained assumptions, generalizations, and even pictures or images that influence how we understand the world

Five Disciplines

- #3 Shared Vision
 - The "picture of the future."
 - Intuitive and instinctive
 - Not something that's learned by rote
 - A collective experience--it's the cumulative total of each participant's personal vision

Five Disciplines

- #4 Team Learning
 - Any group's collective IQ will always be much higher than an individual's IQ
 - The only way to begin building group IQ is to open the channels of communication within the group and start talking to one another

Five Disciplines

- #5 Systems Thinking
 - We must look at the patterns that connect the larger system
 - Systems thinkers cure headaches by removing the cause, rather than simply ingesting aspirin
 - Systems thinkers believe that by examining these patterns of interplay, we can better pinpoint the important issues.

Five Disciplines

- Benefits of Adopting the 5 Disciplines:
 - Less use of defensive routines in work and more proactivity
 - Greater trust, faster change, more effective communication flows
 - Group self-awareness, collective learning & greater cohesiveness & creativity



Examples of Learning Organizations



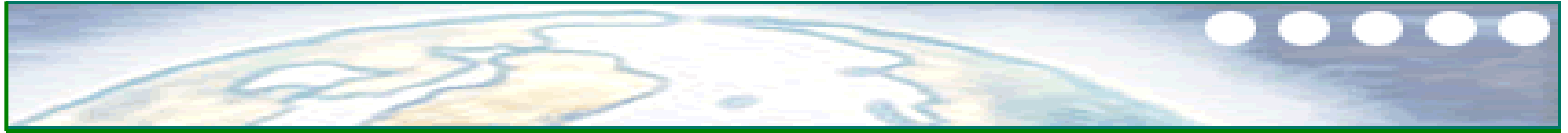
Examples of Learning Organizations

Public Sector

- Public Service of Canada
- Alberta Public Service

Private Sector

- General Electric (GE)
- Johnsonville Foods
- AT & T
- McDonnell Douglas
- The Burton Group



Public Service of Canada



Examples of Learning Organizations

The Public service of Canada introduced a Continuous Learning Policy in 2002

- **Objective:** to guide and promote the development of the Public Service as a learning organization committed to the lifelong learning of its people

Examples of Learning Organizations

8 Policy Commitments:

1. Foster a learning culture
2. Invest in the lifelong learning of employees
3. Integrate organization-specific training, development and learning policies
4. Create personal learning plans
5. Provide management with appropriate T&D tools
6. Enhance professional qualifications via formal education
7. Establish measurable targets
8. Ensure annual progress reporting

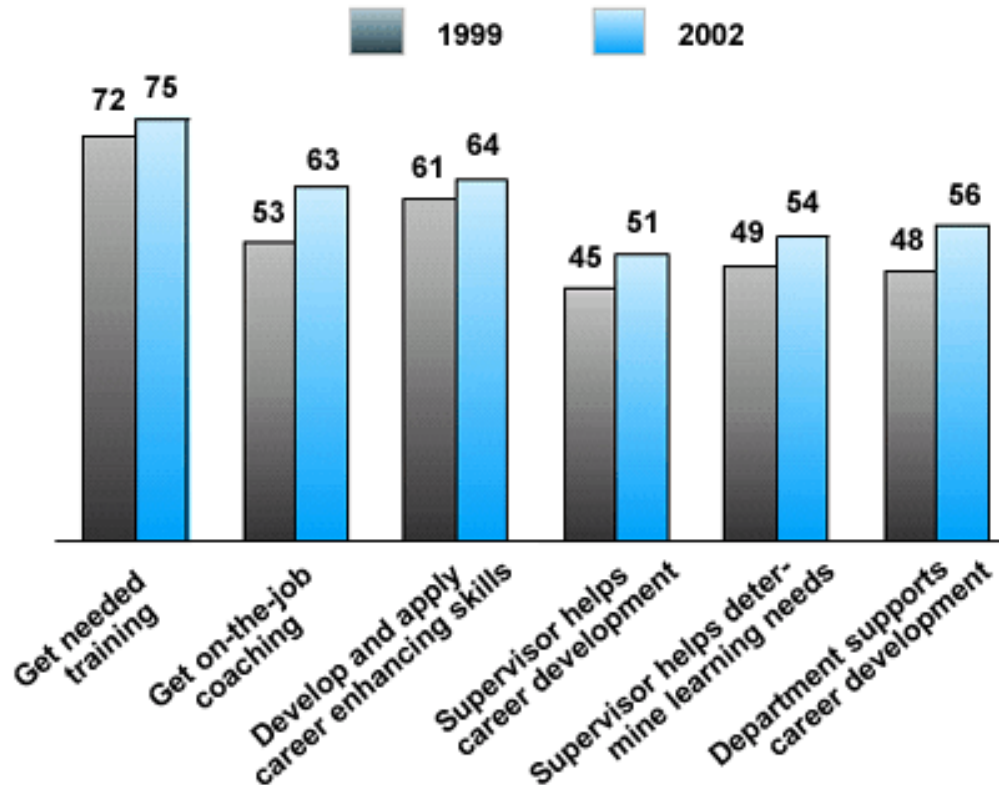
Examples of Learning Organizations

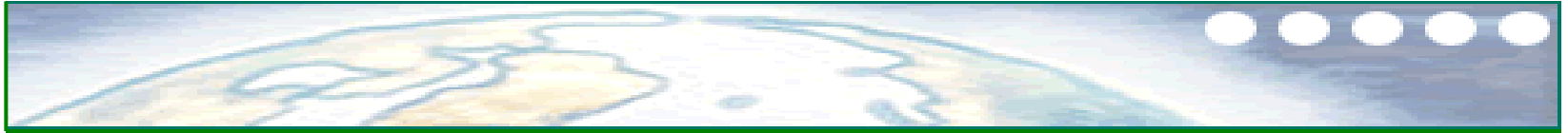
- A survey was administered to over 7,000 staff in 2003 to measure progress. Results included:
 - **75%** say that they receive the training they need
 - **64%** strongly agree that they have the opportunity to develop and apply career-enhancing skills
 - **81%** strongly agree that their unit works strongly as a team
 - **76%** strongly agree that their supervisor can clearly explain the organization's direction (+ 12% since 1999)

Examples of Learning Organizations

3.1 CHANGE IN TRAINING & DEVELOPMENT

Percentage point change in the proportion of respondents who answered 'mostly agree' or 'strongly agree'.





Alberta Public Service



Examples of Learning Organizations

- Introduced a Corporate Human Resource Development Strategy. Its strategic priorities are:
 - Building Capacity
 - Attracting and Retaining Employees
 - Promoting Workplace Health
 - Leading the Organization

Examples of Learning Organizations

- Learning, Leadership and Career Development Resources that support the strategy include:
 - A leadership Development Toolkit
 - A Learning and Development Planning Guide
 - A Succession Management Strategy

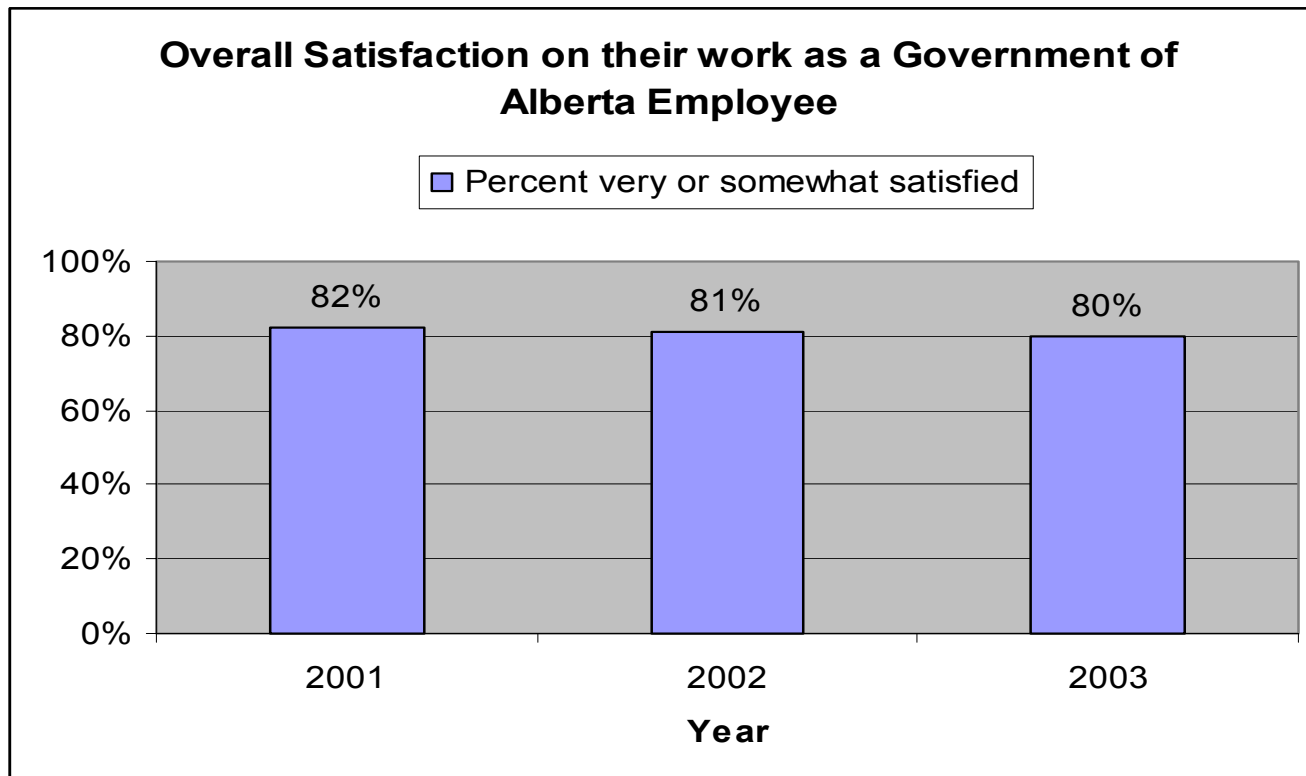
Examples of Learning Organizations

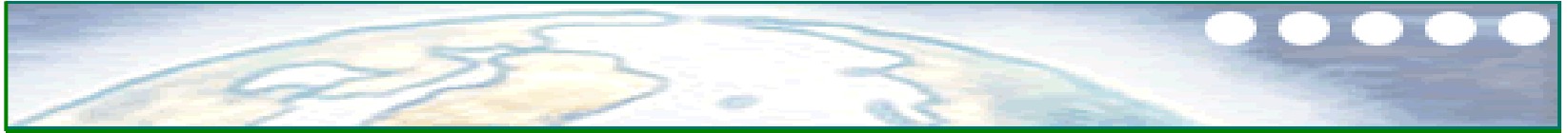
- The 2003 Employee Survey indicated that:
 - **80%** satisfied with their jobs
 - **88%** satisfied with the quality of working relationships with co-workers
 - **90%** felt that they had independence to make decisions that affected their work
 - **84%** reported they were aware of how to find information on learning and development opportunities

Alberta Public Service Employee Survey,
2003

Examples of Learning Organizations

Survey Results





General Electric



Examples of Learning Organizations

Real productivity...comes from
challenged, empowered, excited,
rewarded teams of people...

Jack Welch, Chairman and
CEO of General Electric

Examples of Learning Organizations

General Electric's 'Work Out'TM:

- Goal: To reduce 'red tape' and speed change
 - Teams of staff supported by expert facilitators comprehensively redesigned key business processes and implemented sweeping changes
 - Strong balance between the 'structural' and 'people' aspects of change
- Results:
 - GE Plastics Japan: 1994-95 turned around business performance resulting in a net income of \$18 million in '95
 - Set the stage for Six Sigma...

Examples of Learning Organizations

- Six Sigma training and development initiative, 1996
 - \$500 million invested
 - Every employee 3 weeks training and participation in at least one Six Sigma Project
 - Personal leadership by Welch (teacher and speaker at GE's corporate University)

Examples of Learning Organizations

“Work-Out®, the start of our journey...

- opened our culture to ideas from everyone, everywhere
- decimated the bureaucracy and made boundaryless behavior a reflexive, natural part of our culture, thereby
- creating the learning environment that led to Six Sigma.

Work-Out® in the 1980s defined how we behave. Today, Six Sigma is defining how we work ...”

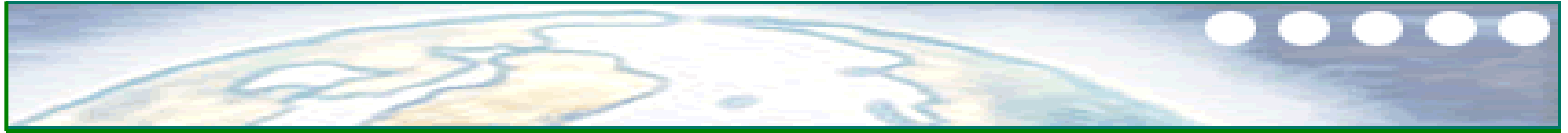
GE Website:

<http://www.ge.com/sixsigma/geevolution.html>

Examples of Learning Organizations

“GE's \$500 million investment in training its workforce in Six Sigma produced more than \$750 million in savings in 1998, with a projected \$1 billion in savings by the end of 2000.”

Training and Development
June 2000



Johnsonville Foods



Examples of Learning Organizations

- Johnsonville Foods is a sausage manufacturer based in Sheboygan, Wisconsin
- In the early 1980s, the company implemented several programs based on the notion of ...

“using the business to build great people;
that way, the organization cannot help but succeed”

Examples of Learning Organizations

- These programs included
 - \$100 per year for any learning activity
 - Job shadowing
 - Staff resource center
 - Personal Responsibility in Developing Excellence (PRIDE) teams
 - Profit sharing

Examples of Learning Organizations

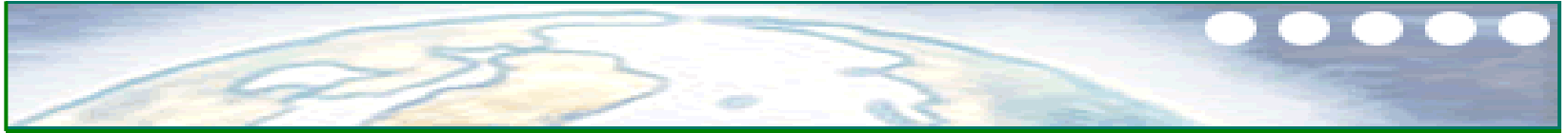
Results of these programs indicate that:

- Productivity [at Johnsonville Foods] has risen by at least 50% since 1986.

Smith, 2004

- Though the results are private, some estimate that the firm has grown almost 20-fold, to more than \$100 million, since adopting its new approach to the work force a half dozen years ago.

Tom Peters, 1988



AT&T

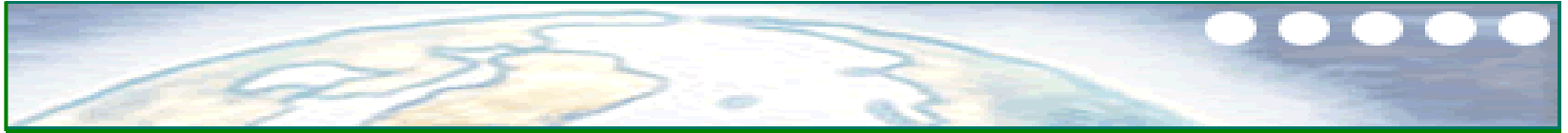


Examples of Learning Organizations

AT&T's

Innovative Training Program:

- Goal: To improve the productivity of software engineers
 - Identified 'star performers' and their best practises then delivered hands on training and coaching support
- Results:
 - Engineers reported an immediate 10% productivity improvement, increasing to 25% one year later
 - Significant improvement in managers' perception of engineers' productivity



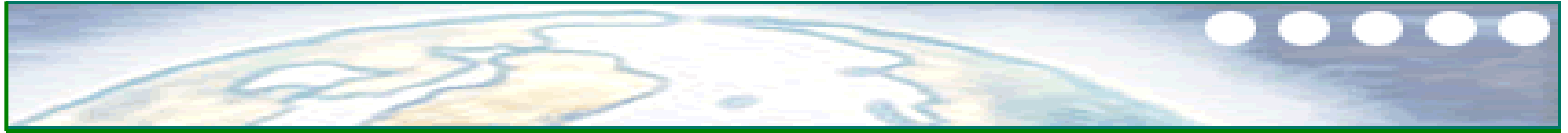
McDonnell Douglas



Examples of Learning Organizations

McDonnell Douglas' Customer Service Improvement Initiative

- Goal: To enhance the company's relationships with all customers, suppliers & employees
 - Implemented a broad based CL policy and a variety of initiatives including centres of excellence, knowledge sharing processes and a high performance work team initiative
- Results:
 - Stock value soared from \$18.48 to over \$70 per share until merger with Boeing in 1997



The Burton Group

(UK Based Retailer)



Examples of Learning Organizations

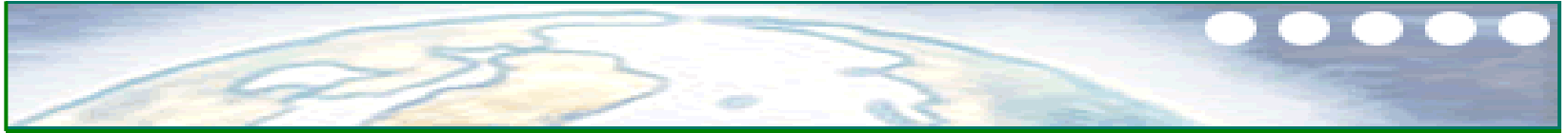
"We want all our people to realize they can develop talents beyond what they may have thought possible."

Kim Morton, Personnel Director, Burton Group

Examples of Learning Organizations

The Burton Group's Staff Development Initiative

- Goal: To develop the talents of all managers and staff
 - Delivered training in innovation techniques and Continuous Improvement to all staff and managers (6,000 people) to increase quantity of good ideas
- Results:
 - Raised full-year profits by 54% to \$246 million by 1996



How to Become a Learning Organization: A Step by Step Approach

Moya K. Mason



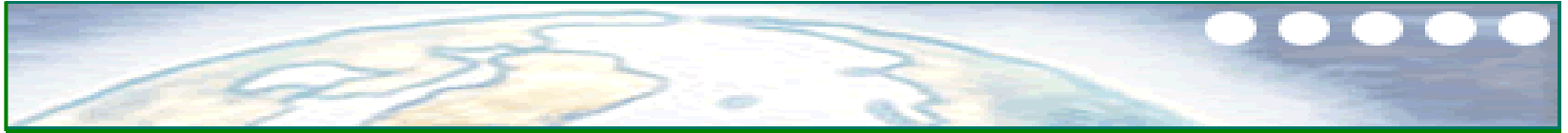
A Step-by-Step Approach

- Create a communications system
- Assess readiness and capacity
- Commit to an atmosphere that promotes learning.
- With all employees, create a common vision & mission
- Develop processes, skills and attitudes needed to support the mission
- Communicate about changes
- Initiate the new practices through teams
- Question and continuously improve ...

A Step-by-Step Approach

"Remember that becoming a learning organization is a long process and that small setbacks should be expected."

Adapted from: 'How to Achieve the Principles of a Learning Organization', Mason



How to Become a Learning Organization: Roles & Responsibilities


The Learning Edge





All Employees

Every employee
in the organization
needs to
***think and act
like a leader***



Leadership



“It is inspired leadership- not just at the top, but throughout the organization – that will help us find our way...”

Tom Peters



Line Leaders

1. Local line leaders:

- who can
 - undertake meaningful organizational experiments to test whether new learning capabilities lead to improved business results

From 'The Bold, the Powerful, and the Invisible'
by Peter M. Senge

Executive Leaders

2. Executive Leaders:

- who provide
 - support for line leaders
 - develop learning infrastructures, and
 - lead by example in the gradual process of evolving the norms and behaviors of a learning culture

Internal Networkers

3. Internal net workers, or community builders:

- the “seed carriers” of the new culture, who
 - can move freely about the organization to find those who are predisposed to bringing about change,
 - help out in organizational experiments, and
 - aid in the diffusion of new learnings

Success Factors

- Sharing experiences
- More interaction between supervisory levels
- Emphasis on feedback
- Balance of work/non-work life
- Flexibility/adaptability
- Top-down and bottom-up communication
- Emphasis on cooperation
- Consensus building
- Creative thinking

Adapted from the work of Senge (1990), Argyris and Schon (1996), Argyris (1991), and Schon (1983)



How to Become a Learning Organization: Steps for the Public Sector

Eton Lawrence

Research Directorate

Policy Research and Communications Branch

Public Service Commission





How to...

- **Step One:**
 - Get the support of relevant senior staff, especially for changes related to the wider issues of organizational management.





How to...

- **Step Two:**

- Introduce systems of work that bring action, review, and application of learning so closely together that their boundaries become hard to distinguish.





How to...

- **Step Three:**

- Introduce working practices that enable staff to network freely, move between jobs, as required, and have ready access to senior staff.





How to...

- **Step Four:**

- Get senior staff to network outside of the organization and report back on a regular basis.





How to...

- **Step Five:**

- Support as much learning as possible so that staff develop the learning habit and learn to question the existing systems.

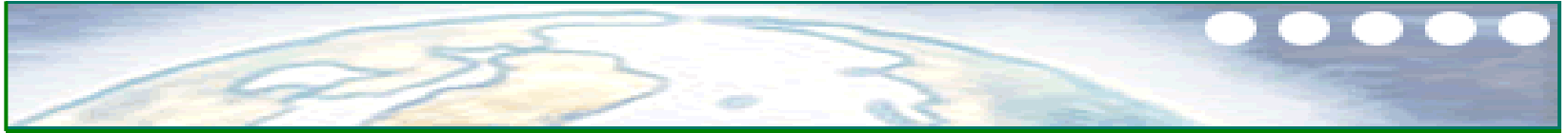




How to...

- **Step Six:**
 - Introduce new ways of learning so that a wide range of learning opportunities and options are available to meet individual needs and preferences.





Learning Organization Characteristics



Characteristics of a Learning Organization

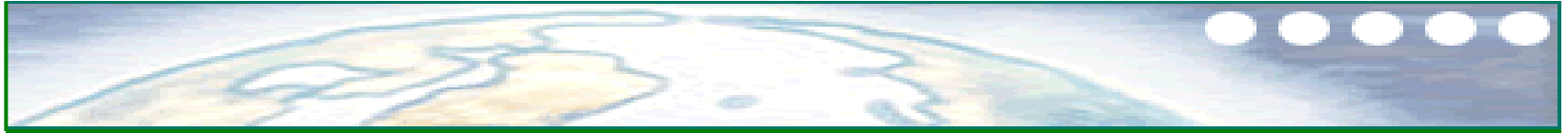
Learning Org. Characteristics Checklist

- ✓ A: Adaptive to external environment
- ✓ B: Develop collective and individual learning
- ✓ C: Individual and organizational performance linked
- ✓ D: Continuous investment in learning
- ✓ E: Learning is a part of the business
- ✓ F: Managers play role of “learning coach”

Characteristics of a Learning Organization

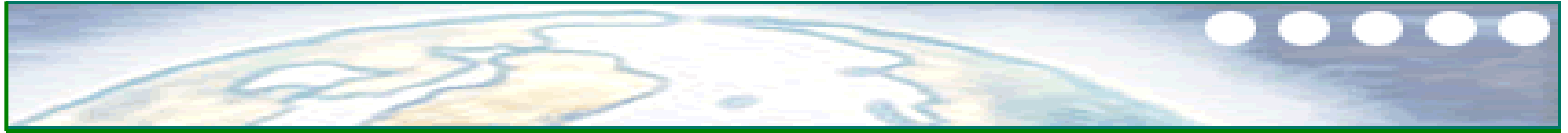
Learning Org. Characteristics Checklist

- ✓ G: The organization promotes creativity
- ✓ H: Accountability at all levels
- ✓ I: Promoting a learning culture
- ✓ J: Key management processes in place
- ✓ K: Tools & techniques in place to aid group learning
- ✓ L: Demonstration of skills and motivation



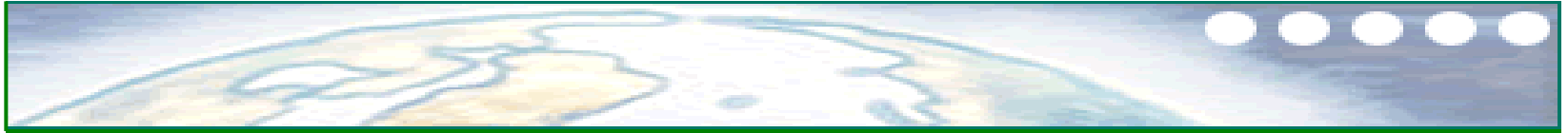
Facilitated self- assessment activity





Action Plan





Acknowledgements



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