

## 4. Learning Organization, Organizational learning and Organizational development

The overall research question in the CILO-project is: What support does an SME need in becoming a Learning Organization? This question is (of course) closely connected to the theoretical framework of learning organization, organizational learning and organizational development. The underlying research question in this thesis is (as mentioned before): What are the effects (benefits and drawbacks) of using visualization/modeling techniques as a supporting tool in action oriented research with an influence of interpretative research in organizational development activities? The indicators mentioned in chap 4.3 are relevant to research question in order to measure successfulness and relevance.

The departure point of this chapter is the fact that organizations must change in order to survive (Argyris and Schön 1996; Christensen 1997; Aldrich 1999; Davenport and Beck 2001; Huber 2004). This fact is known to both practice and research and is studied in a wide range of research disciplines. Learning organization researchers (LOR), organizational learning researchers (OLR) and organizational development researchers (ODR) are all concerned with change in an organizational context. So this chapter aims to clarify the relations, similarities and differences between LOR, OLR and ODR by starting with the major characteristics of the three concepts. The concept of open dialogue, reflection and of course learning will also be highlighted.

The concept of Organizational development research (ODR) is closely connected to LOR and OLR. ODR uses the same references as LOR and OLR, for instance Senge, Argyris, Argyris and Schön and many more. Organization development is the process through which an organization develops the internal capacity to be the most effective it can be in its mission work and to sustain itself over the long term (“Organizational Development”, Wikipedia).

### 4.1 Organizational Learning

One of the most widely used definitions of organizational learning is the view of organizational learning as the process of "detection and correction of errors" (Argyris and Schön 1978). In this view organizations learn through individuals acting as agents for them. Another definition of organizational Learning is as the ability of an organization to gain insight and understanding from experience through experimentation, observation, analysis, and a willingness to examine both successes and failures (Smith 2001). Individual and collective learning are key concepts in organizational learning. The most genuine component of organizational learning is learning from experience, this component is common for all approaches of organizational learning.

Learning organization and organizational learning has much in common and it is widely recognized that organizational learning is the process of becoming a learning organization (Structure and outcome). To quote Finger and Brand (P.136) “organizational learning is the activity and the process by which organizations eventually reach the ideal of a learning organization” (Finger and Brand 1999). In

this sense the learning organization is an ideal, ‘towards which organizations have to evolve in order to be able to respond to the various pressures [they face]’ (Ibid P136). Theorists of learning organizations have often drawn on ideas from organizational learning but there has been little traffic in the reverse direction.

One of the main ideas in organizational learning is the idea of single-loop and double-loop learning (Argyris and Schön 1978; Argyris and Schön 1996). In single-loop learning, individuals, groups, or organizations modify their actions according to the difference between expected and obtained outcomes. In double-loop learning, the entities (individuals, groups or organization) question the values, assumptions and policies that led to the actions in the first place; if they are able to view and modify those, then second-order or double-loop learning has taken place. Double loop learning is the learning about single-loop learning.

## 4.2 Learning Organization

The learning organization is an ideal organization and in order to achieve this sort of organization Peter Senge (1990) identify five key disciplines that’s need to be considered: **personal mastery; mental models; shared vision; team learning and systems thinking.**

**Systemic thinking** is the conceptual cornerstone of the learning organization; it is the discipline that integrates the others and fusing them into a coherent body of theory and practice (Senge 1994). Systems theory’s ability to comprehend and address the whole and to examine the interrelationship between the parts provides solid framework. The concept of relations, control, feedback and delays are often mentioned in order to “see the whole picture”.

**Personal mastery.** ‘Organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning. But without it no organizational learning occurs’ (Senge 1990: 139).

**Mental models.** These are ‘deeply ingrained assumptions, generalizations, or even pictures and images that influence how we understand the world and how we take action’ (Senge 1990: 8).

**Team learning.** Such learning is viewed as ‘the process of aligning and developing the capacities of a team to create the results its members truly desire’ (Senge 1990: 236).

**Building shared vision.** Peter Senge starts from the position that if any one idea about leadership has inspired organizations for thousands of years, ‘it’s the capacity to hold a share picture of the future we seek to create’ (1990: 9). Such a vision has the power to be uplifting – and to encourage experimentation and innovation.

In the book “The fifth discipline” there is several concepts presented that relates to the five key disciplines: reflection; transformation; learning; expand capacity; sustainability, employee involvement, shared values and open dialogue. **Reflection** has its basis in the work of Donald Schön, which has in turn been expanded on by Pete Senge (Schön 1983; Senge 1994). The practitioner’s ability to reflect in and on action by turning the mirror inwards in order to bring the internal pictures of the

world to the surface is an important issue. People are viewed as agents able to act upon the structures and systems of which they are a part.

The learning organization is presented as an organization that continuously **transforms**; continually **expand its capacity** by **continually learning** activities in order to reach **sustainability** in an ever changing market. Team learning and building shared vision activities are related to **employee involvement**, understanding of **shared values** and a free flow **dialogue**.