Organizational Learning

Case duration (Min): **45-60**

Organizational Behaviour (OB)

Organizational Learning

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Worldwide

Case summary:

This case study explores organizational learning and learning within organizations through four short film clips. The film clips discuss the need to let people make mistakes and learn from these errors and the need to have a culture that permits mistakes, especially when the organization seeks to empower employees. Employees who take necessary risks are bound to make mistakes sometimes - what is important is that they do not make the same mistake again. Learning is the process of acquiring knowledge through experience which leads to an enduring change in behaviour. Ultimately, that behaviour should manifest in better organizational decision making, improved productivity, better performance etc. An organisation which encourages and facilitates the learning and development of people at all levels of the organisation, values the learning and simultaneously transforms itself, is deemed a learning organization.

Learning objectives:

Outline the concept of a learning organisation.
Understand the implications of different theories of learning and how individuals learn at work.
Discuss social theories of learning.

Case problem:

In a changing environment the organization must constantly seek out new knowledge if it is to stay ahead of competition and perform value adding activities in an efficient and effective manner. How does the organization and its employees meet this challenge – how do employees learn by trial and error (experience) – internal learning - and by imitation – external learning?

First, if you are taking a taught management course then consult with your tutor and ensure that the case has not been scheduled into a teaching class or tutorial. If it has not:

1. Play/ read the media associated with the case. You may need to access the Internet and enter a URL to locate any video clips.
2. Attempt the Case study questions.
Consider attempting the case study as a group exercise; you could form a study group with fellow students.
3. Check the suggested answers - remember these are suggestions only and there are often many possible answers.
Discuss questions and answers with other students.
4. If you feel your answer(s) were weak then consider reading the relevant suggested readings again (also see the case study suggested references).

Title/ Media type	URL/ Media description
Steve Leveen States Good Leaders Have To Let Employees Make Mistakes : **Film**	http://eclips.cornell.edu/themes.do?id=558&clipID=8825&tab=TabClipPage One of the dangers of high-performing entrepreneurs is that they are high-performing entrepreneurs. As leaders, when their organizations grow, they must learn when to step back and not give the answers. If they are always the one with the answers, the organization will come to them and expect those answers, and that will be a tremendous barrier to organisational growth because there is only so much any one person can do. If an organisation is created with a single hero then that person will be the one who has going to come in and make the tough - well, you always have to make the tough decisions as a CEO. But if you're the one who solves the problems, bad situation. And it's tough because sometimes you have to let people make mistakes when you know they're going to be mistakes. Worse than that, you know it could cost the business money. And you have to keep your mouth shut in some cases and let them go ahead and make the mistakes, let them cost the company a little bit of money, let them learn the lessons, let them grow. And that's the difficult art of being a leader. I imagine that's what a coach has to do sometimes when he has to put players out there. And you may lose a ball game or two.
Donald Gulbrandsen States Great Leadership Moments Come When You Can Openly Discuss Failures. **Film**	http://eclips.cornell.edu/themes.do?id=558&clipID=9007&tab=TabClipPage Well I have a lot of failures and I think it's valuable to talk about them. I think I try to share them, you know, when they happen. I think it's a great leadership moment when you have a failure and you can share it. I think it gives permission for other people to be honest about it and you know, ... if you can be comfortable making a mistake once, you know, you learn, that's how you learn, you move on. Repeated mistakes are you know, something for a discipline action but having the license to make a mistake is important and I think if leaders can share their own mistakes, it gives permission.
Kevin Warner States Strong Leaders Make Mistakes : **Film**	http://eclips.cornell.edu/themes.do?id=558&clipID=10330&tab=TabClipPage I think that sometimes people might think that the leaders are invaluable, maybe if they make a stumble or a mistake, that oh my gosh how could that have happened. Well you know what, everybody is human and again we're reinforced with this, it's like if you're not making mistakes you're probably not taking enough risks. So, if you find a leader who just doesn't make a mistake, as long as they recover and learn from that mistake, don't make the same mistake twice, three times, and four times over, but take the risks and do that, I think that makes someone successful.

http://eclips.cornell.edu/themes.do?id=621&clipID=2918&tab=TabClipPage

You always learn as you go along and I always feel like I'm sort of, about ten years behind, I just know that I knew now ten years ago, and this will be 9-years-old at the end of this year and I think about, you know, we started the company and we had a set of values and we published those, and we haven't changed those, and we'll talk about those, I'm sure, a little later. But, do you learn how to better do those? Do you learn how to make and better communicate those? Absolutely. And do you say, "Gee, when I look back if I'd only done this, this, and this", I look back at the company I had before and the culture was totally different, it was wrong. You know, once you get started down that road you can't create it, you know hierarchical directive company and it's very difficult to go from that. That's a company that's the problem that a number of the large companies in the United States are having, they are trying to say, "Gee, we want to empower the employees", and the first thing you do is if somebody makes a mistake and they shoot them.

NOTES:

Case study questions...

	Action	Pre/During/After class
1	**KEY CONCEPTS :** What is meant by the term LEARNING when used in an organisational setting? Discuss the various ways in which employees may LEARN at work.	During
2	**HOW ADULTS LEARN :** From a general perspective, discuss HOW adults learn - you should make reference to the Kolb learning cycle in your discussion. Discuss the film clips, why is it important to let employees make mistakes? How does reflection and other activities within the Kolb learning cycle help prevent mistakes being repeated?	During
3	**THE IMPORTANCE OF LEARNING :** WHY is it important for employees and organisations to learn continuously?	During
4	**THE IMPACT OF CULTURE ON LEARNING :** The social environment (or culture) within which learning takes place has a major influence on the process. External forces may facilitate, encourage or discourage the process. The culture of an organisation impacts upon the learning process. With reference to the two film clips, critically evaluate the importance of organisational culture on learning.	During
5	**ORGANISATION LEARNING AND AT THE LEARNING ORGANISATION** Learning is typically associated with individuals but may also be associated with groups of individuals and the organization itself. In your groups, discuss how organisations may learn and identify what is meant by organisation learning and the learning organisation.	During

Answers...

Question/ Answer

1 KEY CONCEPTS :

What is meant by the term LEARNING when used in an organisational setting? Discuss the various ways in which employees may LEARN at work.

Students may present a variety of viable answers along the lines of-to acquire knowledge or skill through study, experience or being taught; a change in behaviour acquired through experience.

2 HOW ADULTS LEARN :

From a general perspective, discuss HOW adults learn - you should make reference to the Kolb learning cycle in your discussion. Discuss the film clips, why is it important to let employees make mistakes? How does reflection and other activities within the Kolb learning cycle help prevent mistakes being repeated?

Students may discuss any of several approaches to learning, drawing upon behaviourist (conditioning), cognitive and social learning theory.
Social learning theory and Kolb's Learning Cycle (Kolb, 1976)-an experiential learning approach. Knowledge comes from learning. The way we learn from our experiences and develop our knowledge is conceptualised in the famous learning cycle model presented by Kolb. We may start with a concrete experience which is then reviewed (reflection). At this stage we may ponder and analyse the experience. We may think things through and assimilate disparate facts into coherent theories. We may use explicit knowledge sources to make sense of our experiences or to identify alternative theories to be tested in new situations.
Responsibility for learning lies with the individual employee who must establish links between behaviour and experience through evaluation. The model implies continuous improvement. Employees may learn in many different ways-through education, training and development, imitating others (see the work of Bandura cited in Nelson and Quick (2008 p86)) and trial and error (experience).
Organizations may learn through two major mechanisms: the first is trial-and-error experimentation (Learning by doing/ experiential learning); the second mechanism is organizational search. An organization draws from a pool of alternative routines, adopting better ones when they are discovered. Inferences drawn from experience are recorded in documents, accounts, files, standard operating procedures, and rule books; in organizational structures and relationships; in standards of good professional practice; in the culture of organizational stories; and in shared perceptions of "the way things are done around here." Not everything, however, is recorded.

3 THE IMPORTANCE OF LEARNING :

WHY is it important for employees and organisations to learn continuously?

Adaptation-Employees must learn constantly as their organisation and associated environment is constantly changing; this requires new skills, knowledge and the ability to cope with new problems. Learning should enable the employee to undertake a range of tasks more efficiently (improved productivity/performance). Employees must be exposed to learning opportunities if they are to develop and become competent.
Learning is also associated with employee satisfaction, personal and career development.

4 THE IMPACT OF CULTURE ON LEARNING :

The social environment (or culture) within which learning takes place has a major influence on the process. External forces may facilitate, encourage or discourage the process. The culture of an organisation impacts upon the learning process. With reference to the two film clips, critically evaluate the importance of organisational culture on learning.

Many argue that organisational culture is shaped by the behaviours and decisions of leaders. It is important for employees to feel safe when experimenting, taking risks and acting autonomously. In a turbulent environment, organisations may gain competitive advantage by being more responsive; such organisations must trust employees to act in the best interests of the organisation. Punishing employees for mistakes is likely to encourage risk averse and bureaucratic behaviour and inaction. However, whilst experimentation may result in learning and therefore improvements to performance, in some cases employees may not learn from their experience and therefore repeat mistakes.

5 ORGANISATION LEARNING AND AT THE LEARNING ORGANISATION

Learning is typically associated with individuals but may also be associated with groups of individuals and the organization itself. In your groups, discuss how organisations may learn and identify what is meant by organisation learning and the learning organisation.

The organization represents a large group of individuals and is comprised of various sub-groups such as teams and departments. Peter Senge, who popularized learning organizations in his book The Fifth Discipline, described them as places 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 how to learn together. The concept of the learning organization is that the successful organization must continually adapt and learn in order to respond to changes in environment. But what Is a Learning Organization? Surprisingly, a clear definition of learning has proved to be elusive over the years. According to Garvin (1993:80), a learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights. He suggests learning organizations are skilled at five main activities: systematic problem solving, experimentation with new approaches, learning from their own experience and past history, learning from the experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organization. Systematic problem solving, the first activity, rests heavily on the philosophy and methods of the quality movement,

Unless the implications of experience can be transferred from those who experienced it to those who did not, the lessons of history are likely to be lost through turnover of personnel. Learning from the experience of others has been a persistent theme in the organizational learning literature; "others" include competitors and suppliers; training and development; external benchmarking; consultants, customers and suppliers; factory visits, trade shows, online data-bases, magazines and journals; mergers, acquisitions, strategic alliances, licensing and franchises. Organizations capture the experience of other organizations (see imitation) through the transfer of encoded experience in the form of technologies, codes, procedures, or similar routines.

Fiol and Lyles (1985:803) attempted to define, develop, and differentiate organizational learning and its components. Learning is the development of insights, knowledge, and associations between past actions, the effectiveness of those actions, and future actions. Learning concerns the ability to acquire and integrate knowledge, (Beeby and Booth 2000). Learning, most fundamentally, is the process of acquiring knowledge or skill, (Locke and Jain 1995). Learning may be confused with adaptation but the concepts are different. Adaptation is the ability to make incremental adjustments as a result of environmental changes, goal structure changes, or other changes. A distinction is often made between content and process - The process of learning rather than what is learned, meaning that the capacity to develop organizational capability [in knowledge management] may be more important in creating competitive advantage than the specific knowledge gained, (Beeby and Booth 2000). Rahim (1995) argued that "there is a greater need to improve our knowledge about organizational learning than ever before so that organizations can effectively respond to rapidly changing environments"; this encapsulates the contingency theory of organizational learning which views organizations as systems which adapt continuously to their environments.

Fiol and Lyles also make distinctions between individual and organizational learning (1985:804). Organizational learning is the process of improving actions through better knowledge and understanding. Four contextual factors affect the probability that learning will occur: corporate culture conducive to learning, strategy that allows flexibility, an organizational structure that allows both innovativeness and new insights, and the environment. These have a circular relationship with learning in that they create and reinforce learning and are created by learning. Thus strategy influences learning by providing a boundary to decision making and a context for the perception and interpretation of the environment. A centralized, mechanistic structure tends to reinforce past behaviours, whereas an organic, more decentralized structure tends to allow shifts of beliefs and actions. Functional organizations may be efficient but are less likely to adapt; questions of adaptability emerge around issues of differentiation. Hence organizations can be designed to encourage learning and reflective action-taking, but this generally means moving away from mechanistic structures. Organizations learn by encoding inferences from history into routines that guide behaviour, (Levitt and March 1988). The generic term "routines" includes the forms, rules, procedures, conventions, strategies, and technologies around which organizations are constructed and through which they operate. It also includes the structure of beliefs, frameworks, paradigms, codes, cultures, and knowledge that buttress, elaborate, and contradict the formal routines. Routines are transmitted through socialization, education, imitation, professionalization, personnel movement, mergers, and acquisitions.

Case study references

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