

Learning Organizations-Companies that have Made It to a Reality

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Abstract—*Learning is considered to be the heart of the productive activity. For organization to learn the new beliefs, they must unlearn the old assumptions. What is related to an individual is the organizational learning. Learning at the tops or centers of the system is in regard to the performance management. What plays a major role in the success is the continuous learning ability and that too faster than the competitors. Being market oriented is the major key factor in success. Findings indicate that top management behavior and leadership styles affect the learning orientation which leads to a positive effect on business performance.*

1. INTRODUCTION

“Try to learn something about everything and everything about something.”

—Thomas Huxley

Learning is defined as the act of acquiring new, or modifying and reinforcing, existing knowledge, behaviors, skills, values, or preferences and may involve synthesizing different types of information. Progress over time tends to follow learning curves. Learning is not compulsory; it is contextual. It is a slow process, and it builds upon and is shaped by previous knowledge. To that end, learning can be described as a process, rather than a collection of factual and procedural knowledge. Learning leads to changes in an organism and the changes produced are relatively permanent.

Learning and development are like two faces of the same coin. Learning helps in developing sound work practices aligned to organizational goals. The company pulls in the same direction.

Learning fosters understand and appreciation of other perspectives, by challenging rigid opinions and behaviors, thus helping avoid destructive silo mentalities.

Learning helps in increasing productive capacity.

If a company's Board of Directors don't have a learning culture they become irrelevant; stale; rotten.

Learning and change are inextricably linked. A 'learning culture' helps:

- Identify problems with products / services and resolve them quickly.
- 'Out-innovate' and out maneuver competitors.
- Focus in on service quality.
- Increases the corporate growth rapidly and assists the leap frogging of others.

2. LITERATURE REVIEW

Shoshana Zuboff (1996) said that the behaviors' that define learning and that define being productive are one and the same. Learning is the heart of productive activity and to say it simply, it is the new form of labor.

For a change to occur, organizations must unlearn the previous beliefs and be open to new ideas. They must relearn the new assumption and behaviors according to Schein.¹

Mets & Torokoff (2007) discussed that what is related to individual behavior in an organization is organization learning. Learning organizations are the ones which possess learning capabilities and not just the reactive behavior. Organization learning is not a goal in itself but individual behavior as a result of which organization effectively respond to changes in the external environment.

From the point of view of a management advisor, of all the management and the organizational theories, "learning organizations" focuses more on quality development than any other. The organization as a system changes in a proactive way and uses new information to improve the performance. They have a strong sense of direction and crucially pay attention to the development of the individuals within them. A system capable of learning at both the central and operating levels is needed. If the tops or Centers of systems were to adopt the maxims of the learning organization in the way that they operate performance management, keeping focus on positive incentives for change rather than punitive, and considering the system as whole rather than fragmented components, then organizations may see progress. To become a learning organization takes time, perhaps especially in an

organization such as an acute hospital with long established traditions and practice. New forms of organization, for example primary care trusts in the English NHS, have the opportunity to embed the necessary characteristics. With the right design and leadership, the right things will be encouraged to happen to improve the quality of care offered to patients from the viewpoint of Garside (1999).

Quality improvement requires change, however change is a learning process and learning is a change process.ⁱⁱ

Lam & Lundvall (2007) focused on how resource based theory can be developed into learning based theory of the firm. In the long run, success and growth depends on firms capabilities to build new competencies. Knowledge and learning have become more important because we have entered in a specific phase of economic development. Firms, individuals will get wealth in proportion of their capability to learn. The learning capability of Japanese firms is rooted in strong organizational integration and employee commitment based on stable employment relationships in the organization. Societies with different institutional arrangements have usually different styles of learning. Learning taking in low tech sector creates a major impact than learning taking in high tech sector. The authors finally said that all kinds of labor whether skilled or unskilled have a potential to learn.

If an organization is to move from a learning mode to one where innovation and even risk are rewarded, and where problems are approached in an integrated way, then a culture of learning, supported by communication and training, needs to be developed.ⁱⁱⁱ

Schianetz et al(2007)globalization, the increasing complexities along with it and the need to have sustainable use of resources have seen the proliferation of Learning Organizations. Learning organizations by definition are the one which have the capacity to anticipate environmental changes and economic conditions and thus adapt accordingly. Such organizations use system dynamics modeling for strategic planning and also for promotion of organizational learning. Results indicate that system dynamics modeling SDM is capable of promoting communication between stakeholders and stimulating organizational learning.

Senge, probably the best known proponent of the learning organization, suggests that understanding of the “system” can only be reached by contemplating the whole, but that people within the system tend to focus on snapshots of isolated parts of it, and so rarely solve their deepest problems.^{iv}

Farrell (2000) said that being market oriented is the major key factor in success. Findings indicate that top management behavior and leadership styles affect the learning orientation which leads to a positive effect on business performance. Organizational learning and learning faster than the competitors plays a major role in success of any organization. Not the land, labor and capital but the resource based theory of

a firm is a key ingredient for success of firm. Author discussed about three styles of leaderships – transformative, transactional and laissez-faire on their impact on the learning of the organizations. Further author discussed that transformative leadership style creates a much more learning impact than the other two.

There is now a prior, prime business, which is to become an effective learning organization. Not that profit and product are no longer important, but without continual learning profits and products will no longer be possible. Hence: the business of business is learning – and all else will follow. Or as Reg Revans has noted: “Learning inside an organization must be equal to or greater than change outside the organization.” Marquardt in the book *Building The Learning Organization* highlighted some of the critical issues faced by today’s corporations which are global competition from the world’s most powerful companies and spiraling need for organizations to adapt to change.

3. COMPANIES WHICH HAVE INITIATED

Infosys Ltd (formerly Infosys Technologies Limited) is headquartered in Bangalore, Karnataka. It is an Indian multinational corporation which provides business consulting, information technology, software engineering and outsourcing services.

Initiative - Infosys leadership development model includes three dimensions, transformational, instrumental, and transactional leadership with its values at the core.

It focuses on

- Enabling the current performance of the leaders along with developing them for future positions.
- Also to identify, develop and retain high potential leaders in the leadership pool.
- Encouraging senior leaders to coach and mentor other potential leaders.
- Providing high value learning opportunities through best-in class and evidence-based programs.

Toyota is a Japanese automotive manufacturer. The company was founded by Kiichiro Toyoda in 1937 as a spinoff from his father's company Toyota Industries to create automobiles. Three years earlier, in 1934, while still a department of Toyota Industries, it created its first product, the Type A engine, and, in 1936, its first passenger car, the Toyota AA.

Initiative– Toyota ensures that only the highest level of automotive professionals work and for this it has partnered with industrial and technical training institutes all across India to create the Toyota Technical Education Program (T-TEP). With the help of T-TEP, it will be able to develop a highly skilled technical workforce, with greater career prospects in the automotive service industry. T-TEP aims to correct this

imbalance by partnering with local training institutes and industry bodies.

4. RESULT AND CONCLUSION

A learning organization is a term given to a company which enables its members/employees to learn and continuously transform themselves. It helps the organizations to develop and remain competitive in a business environment. In today's world a learning organization is a must as it gives an edge in the competitive market, avoids decline, improves the quality of the work and supports the innovation of the employees. Many companies like Infosys and Toyota have taken a step forward towards building a learning organization. Infosys has built a model which mainly focuses on developing and retaining high potential leaders in the leadership pool and providing high value learning opportunities through best-in-class and evidence-based programs. Toyota ensures that only the highest level of automotive professionals work and for this it has partnered with industrial and technical training institutes all across India to create the Toyota Technical Education Program (T-TEP).

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