

A Software Supported Approach for Analysing Learning Organisation Practices

By
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A - Learning as key to Corporate Longevity

Globalisation, higher customer expectations, greater competitive pressures, shorter life cycle - each signals a need to work differently. In a time of drastic change, it is the learners who inherit the future. Those who have stopped learning find themselves equipped to live in a world that no longer exists. Ulrich (1993) states that among the mix of GE businesses, a business that had taken 30 or more years to build could be lost in 2 years if it did not adapt. Many organisations have not survived the new challenges. One third of the Fortune 500 companies listed in 1970 had vanished by 1983. In 1982, Peters and Waterman identified 43 'excellent' companies, which had demonstrated superiority on six critical financial yardsticks over a period of 20 years. Just 5 years latter, only 14 were still excellent on the basis of those same measures. Some had disappeared entirely; many were in trouble" Dixon (1993).

1. Differences in Business Performance

After studying companies that would inspire¹, Royal Dutch/Shell concluded that an important key to corporate longevity lay in an *organisation's ability to adapt to its changing environment*. A common characteristic among many "elder" organisations was their active experimentation at the fringes of their knowing. They had in effect, institutionalised a process for *constantly pushing the boundaries of their learning edge*. The planners at Shell realised that the plans resulting from their scenario planning process were not nearly as important as the process itself. They realised that *learning was an essential factor in corporate longevity* and that their planning process was, in fact, a learning process. What Shell has stumbled on was that their planning process was, in effect, the beginnings of a learning infrastructure that would help them to continually enhance their capacity to adapt to their changing environment. Kim (1995) states that for most organisations, however, such learning infrastructures do not exist. Yet they can be the single most important factor for sustained competitive advantage. Unfortunately, too many organisations are unable to learn from their mistakes; they fail to adapt to customer needs and do not improve their processes to mere rising competitive standards. As a result, they eventually lose market share and drop out of the race. Even if and when they learn, it is often by accident rather than as a result of a deliberate attempt to deepen understanding, and too frequently the learning remains confined to small pockets of the organisation. The main reason most organisations are inefficient learners is their lack of systematic processes to facilitate learning and build sustainable learning environments.

¹ Companies that were older, important in their industries, had experienced some fundamental changes and had yet survived with their corporate identity intact.

In the 21st century as before, learning makes the critical difference. Through learning, organisations adapt, change and retain critical knowledge that would otherwise be lost. The ability to adapt quickly stems from the ability to assimilate new ideas and to transfer those ideas into action faster than a competitor. In the information society in which we are living in knowledge workers constitute the primary means by which firms compete and learning becomes a part of the task itself. Rather than learn in preparation for work *"learning and work have become synonymous terms, employees must learn their way out of the work problems they address"*. Ulrich (1993)

Organisational learning incorporates individual learning and improvement capacity, but goes beyond individual growth to ensure team and organisation - wide dialogues and decisions that result in a smarter, more competitive *system* - a system that can respond to the expanding requirements of globalization, empowerment, and technology. Developing organisational learning capacity involves looking at where an organisation is right now in terms of organisational learning principles and practices. Only by identifying the current reality can the organisation identify the changes that need to be made and the direction in which it will travel.

2. The Learning Company Practices Profile

The *Learning Company Practices Profile* is a diagnostic questionnaire that allows managers and human resource professionals to examine twelve subsystems that affect organisational learning (O'Brien & Kremer Bennett, 1994). The profile examines the learning capacity of an organisation from the perspective of these twelve subsystems:

1. Vision and Strategy
2. Executive Practices
3. Managerial Practices
4. Climate
5. Organisational and Job Structure
6. Information Flow
7. Individual and Team Practices
8. Work Processes
9. Performance Goals and Feedback
10. Training and Education
11. Rewards and Recognition
12. Individual and Team Development

The function of the *Learning Company Practices Profile* is to facilitate a diagnostic process by which an organisation can measure its capacity as a learning organisation. The purpose of the LCPP is to promote discussion and to help people begin to purposefully explore the issue of organisational learning and development. Once the profile results are compiled, the organisation will have an excellent picture of how well its subsystems support continuous learning and which ones provide the best opportunities for improvement.

3. A Systems Approach

It is critical to remember that the phenomenon of the learning organisation is based on the principle that the organisation is a system - an interconnected whole that "moves and breathes" as one organism. In a system, everything is connected to everything else. Examining the

parts of a system allows us to better see the whole. Working on the parts of the system from a systemic perspective synergistically expands each part's influence on the whole organisation. Because of the interconnections between the organisation's subsystems, any changes to any part of the overall system have a ripple effect on the other parts. That is, what happens in one part of the organisation affects the other parts, or subsystems, of the organisation. Therefore, to improve an organisation's ability to learn and change, timely adjustments usually need to be made in many of the subsystems, and the commitment and vision from the organisation's leaders must be for the whole system in order for any part of it to work effectively.

4. Organisational Subsystems

The *Learning Company Practices Profile* divides the organisational system into subsystems for three reasons:

- It helps an organisation's leaders and managers understand the many systemic factors that impact the organisation's ability to compete successfully in the new world marketplace.
- It provides an easy tool with which to identify the organisation's most critical areas for development.
- It offers the organisation's leadership a vehicle for easily prioritising goals and steps for action plans.
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The following paragraphs describe the twelve subsystems that affect an organisation's learning capacity.

4.1. Vision and Strategy

An organisation must have a clear vision of its goals to ensure that its members - managers and employees - know the direction in which their learning efforts need to be focused. The organisation then must develop specific strategies for achieving its vision - strategies that include learning as well as doing. Without a vision and a commitment to achieving it, as expressed in the strategies, an organisation has no goals for any of its other subsystems. Vision and strategy provide the force that drives individuals' motivation for continuous learning and change. An effective vision in a learning organisation is a compelling one that inspires people to act. It includes a commitment to learning and changing as a way of life.

4.2. Executive Practices

According to Beckhard and Pritchard (1992), "The most important single instrument for ensuring that learning and change take place is the set of positive and negative rewards that are demonstrated by management behaviour. If the stated values and priorities are not consistent with the behaviour of the leadership, the change will not stick." As with any system - wide initiative in an organisation, if the leaders do not adhere to the principles and adopt the practices of a learning organisation, those whom they lead will not sustain the initiative. In a learning organisation, the behaviour of executives models that which they desire of their employees. Executives engage in professional development. They speak often about the connection between continuous learning and organisational results.

They visibly lead and facilitate problem - solving efforts and special projects.

4.3. Managerial Practices

The practices adopted by managers in a learning organisation are a critical component for ensuring the success of that organisation. Without managerial practices that support the vision and strategy of a learning organisation, the efforts of the rest of the organisation will fail

Managers provide a key link between executives and employees. They must encourage their staffs' learning and development and share the resulting insights, innovations, and new models with the executives, who can learn from that information and change to reflect their new learning. In addition, because managers are the day - to - day interpreters of the organisation's vision and strategy, they can directly influence the ways in which the vision, strategy, and resulting business goals are implemented. In a learning organisation, managers support learning by doing. They communicate effectively about their employees' developmental needs and encourage ideas for improvements. They focus on supporting and assisting and they admit their own mistakes.

4.4. Climate

An organisation's climate, atmosphere, or culture is another component that plays a critical role in supporting organisational learning. To truly achieve the goals of a learning organisation, the climate must allow and reward the kinds of behaviours that promote learning. In learning organisations, people are not afraid to share ideas and speak their minds; the barriers between management and mismanagement are eliminated; people feel that they are listened to; and individuals support their own and one another's well - being. One of the key components of a successful learning organisation is a climate of openness, in which mistakes are regarded as learning opportunities and people are not afraid of being blamed or punished. In one organisation, a department that had a climate of blaming people for problems and mistakes turned the situation around. To help people understand the futility of blaming, the department turned blaming into a game in which a different person was assigned each week to be the scapegoat for every problem, failure, or mistake that occurred that week. Within a short while, people saw how ridiculous and unproductive the blaming was. With this new insight, their willingness to assume responsibility and take risks increased, and more learning and improvement occurred.

4.5. Organisational and Job Structure

The learning organisation views itself as an interconnected system. The structure and organisation of jobs within the organisation must support this systemic view. As a result, in learning organisations, job structures are fluid and evolving. Assignments are frequently rotated; self - directed, cross functional work teams direct the work processes. Bureaucracy and rules are kept to a minimum.

4.6. Information Flow

Availability of information is critical to the overall success of the learning organisation. Without information, people cannot identify what needs to change and, therefore, what

they need to learn and do differently. In learning organisations, information systems support the continuous flow of information to all employees. This includes feedback and debriefing to all in the systems. Advanced organisations use advanced technology, as well as more traditional communications, to improve the flow of information. They allow easy access to organisational and customer information, including financial data.

4.7. Individual and Team Practices

Individuals and the teams in which they operate must be in alignment with the principles and practices of continuous learning in order to ensure success. As a result, learning organisations encourage individuals to continually examine their motives and behaviours with the intention of discovering and remedying their shortcomings. Individuals and teams minimize blame and fear and, in conflict situations, openly and honestly discuss the issues and work toward solutions.

4.8. Work Processes

People and systems can learn, but if the actual work processes themselves do not support the implementation of new learning, organisational learning breaks down. Therefore, learning organisations design work processes that accomplish the following:

- Incorporate systematic problem-solving techniques;
- allow for experimentation and new approaches;
- encourage learning from and sharing with others;
- and promote a systemic view of the organisation.

4.9. Performance Goals and Feedback

A learning organisation focuses on setting goals that meet the needs of its customers. All learning and changing are done in the context of customers' needs so that the organisation is learning the things that matter.

4.10. Training and Education

In a learning organisation, training and education must support the principles of organisational learning. Training and educational efforts must focus on helping people to learn from their experiences and those of others, to become more creative and better problem solvers, and to improve their on - the - job performance. Training efforts also must focus on key performance issues and not try to be all things to all people.

4.11. Rewards and Recognition

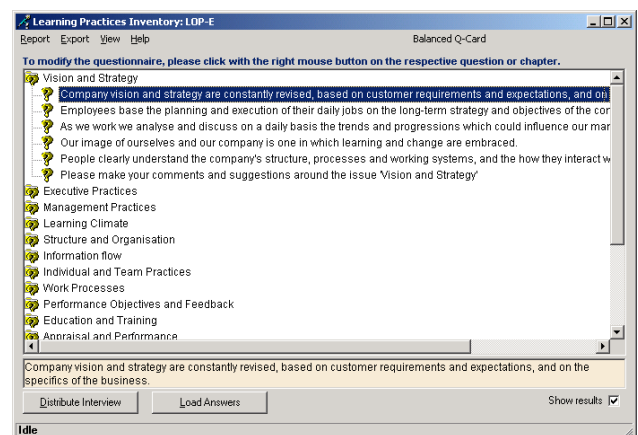
The behaviours and types of thinking that an organisation recognizes and rewards are what the organisation will see in its members. Therefore, this key subsystem must be set up to support the philosophy and practices of organisational learning. In a learning organisation, people are recognized and rewarded for continuous learning and change, for taking risks, for developing themselves and others, and for solving problems and meeting challenges. They are not blamed or punished for making mistakes.

4.12. Individual and Team Development

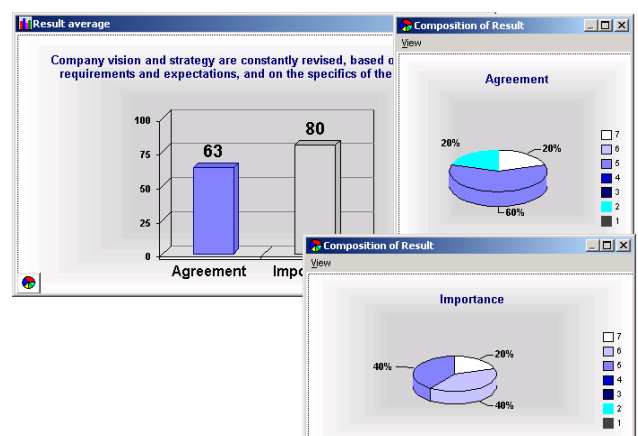
Learning organisations want their people to grow and develop continually, and effective organisations support this by providing individual and team development opportunities on a regular basis. Such organisations structure the work setting so that people learn directly from their work experiences. These organisations support individual and team development through high - quality development plans that include both formal and on-the-job learning opportunities.

B - A Software Support to LOP Profiling

Based on the described methodology, a knowledge base was developed and implemented as part of the GOA²-WorkBench™ software. The starting point is a catalogue of questions reflecting the 12 subsystems. These questions can be changed and adapted according to the specific needs of each organization.

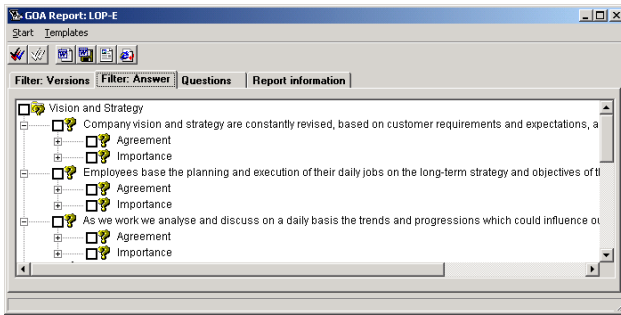


The catalogue is multilingual, allowing the interviews of assessment process to be adapted to the needs of a multicultural organisation. Interviews can be conducted in two or three languages in parallel. GOA allows the distribution of the questionnaires either in a paper based version, electronically or via the Web. The returning answers are read and analysed automatically by the tool.



Numerous reporting functions allow the generation of documents in any required depth.

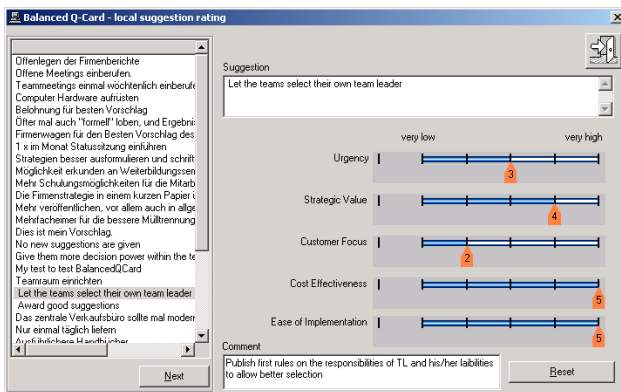
² GOA - the Group Opinion Analyser



An important part of the feed back from this kind of survey lies in the information gathered from the answers to the open questions included in the questionnaires. In order to allow an optimal use of this qualitative data, GOA offers the Balanced Q-Card module (BQC), joining aspects of the Balanced Scorecard approach with the concept of Continuous Improvement.

The basic idea is a systematic approach in order to prioritise suggested improvement items that lead to a rated and ranked action list for deployment, coupled with the possibility to include all members and stakeholders of an organisation in this process – which may raise the employee's motivation and improves the acceptance of the proposed changes.

The Balanced Q-Card allows to aggregate all collected suggestions and to publish them on the company net for discussion – company stakeholders may rate them according to five dimensions.



In addition to these ratings, the company can reflect its strategy by giving individual weights to each of these five rating dimensions – or even to rename them prior to the distribution to better reflect the company terminology.

This joint use of rating improvement suggestions by the employees and weighting the rating dimension by the company leaders allows a ranking of the action items following both company strategy and the individual wishes of all stakeholders, thus generating an optimal and motivated climate for implementing the results.

The BQC also allows planning the implementation steps, including definition of task/process ownership, deadlines, implementation comments and status reporting.

The end result can be viewed via charts or be reported by either HTML or word based documents, with the possibility

to select various details and depth of data for the document.

C - Conclusions

Developing organisational learning capacity involves looking at where an organisation is right now in terms of organisational learning principles and practices. Only by identifying the current reality can the organisation identify the changes that need to be made and the direction in which it will travel. The *Learning Company Practices Profile* allows managers and human resource professionals to examine the proposed twelve subsystems that affect organisational learning. The main objective of using GOA workbench is to facilitate the diagnostic process by which an organisation can measure its capacity as a learning organisation. GOA Workbench allows systematic assessments by reducing the length and the use of necessary resources (human, financial). Once the profile results are compiled, the organisation will have an excellent picture of how well its subsystems support continuous learning and which ones provide the best opportunities in order to obtain great achievements in the journey of becoming a Learning Organisation.

About GOA-WorkBench®

GOA-WorkBench® (GOA stands for: Group Opinion Analyser) is a toolbox for all kind of assessment and survey based management techniques. This includes analytical surveys in HRM as well als Customer Satisfaction Analysis, as well as self assessments for EFQM, ISO9000 or LOP. The respective knowledge bases ar consistent with the supported methods and norms. GOA is licensed by the European Foundation for Quality Management (EFQM).

GOA supports at this moment about a dozen management techniques, is available in 7 languages and costs – depending on the number and type of knowledge bases selected – between 680 and 6.400 Euro (+ VAT).

A free 30 days test version is available from www.ibk-group.com (or www.ibk-group.de). This version can later be opened via a license key to a full installation, so that data collected during the testing period can be used further.

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