



THE LEARNING ORGANIZATION REVISITED

BY ROBERT FRITZ



As cycles and fads move, the learning organization had its time on the stage, and then, like many such innovations, it faded in popular currency. It's telling that something can come into vogue and then pass into seeming irrelevance. What it tells is how, too often, people are looking for that magic bullet, that secret to success, that key insight, the game changer, the riddle solved. The notion is that there is a trick, and once found, success is assured.

We can see this in how the quality movement went from something ignored, to something embraced, to something worshiped, to something old fashioned in light of new fads, to something ignored again. And yet the principle of building quality into a manufacturing line rather than relying on quality assurance after the fact is hardly arguable as a sensible process for manufacturing just about anything.

But the pattern is the same with these things. Take something that might be very good, try to make it popular by turning it into mindless forms that totally miss the point, see how the watered-down version fails to work as promised, and then abandon it. With quality, the downward trend began when it was turned into bureaucracies such as ISO 9000 and, in America, the Baldrige Award. Dr. Deming's innovation had to do with those close to the situation using their creativity and experience to generate often radical changes in the systems in which they were working. The key was *mindfulness*. Yet, when it became popular, the trend was to render it mindless with forms that ignored the basic principles that would have made it work.

This is just one of many examples of the pattern. I know there are those who would argue with me about my view of the history of the Quality Movement. But please notice that in the 1980s at the height of its popularity, many companies had senior vice presidents of Quality. Hard to find a company that still has this position in its reporting matrix.

Is quality still a good thing? Yes, of course. But the real thing is seldom practiced as it was first intended and executed. That's

why it doesn't have the same track record that it once had.

So, all I am saying is that too often good things come into vogue, but because they are misunderstood or dumbed down or made to seem more complex than they are, the real value is lost. And that can be sad.

Organizational learning, as a topic of fad, was one such victim of the pattern. At its height, people loved the idea because it made a lot of sense. But then something happened as it often does with anything that's in vogue. Rather than understand and master the principles, people tried to adapt the notion to their own various methodologies they were selling. If you were a consulting company that offered the XY and Z process (just using a fictitious example), then XY and Z was what the company needed to learn. To be a "learning organization," you had to do XY and Z, at least that's what the company's marketing materials proclaimed with great authority that made it seem like a fact of science.

The definition of the learning organization became a little foggy over time. Some people generalized the idea to mean that any learning that was going on within the organization, even if it had to do with subjects not connected to anything the company did, was an example of a learning organization. So companies began to put their people through classes in ballroom dancing and horseback riding, hoping that the learning would somehow rub off on their professional orientation.

Naturally, with an idea as easily claimed by so many diverse and assorted vested interests to bolster their marketing, the learning organization as a principle lost its way. Not its fault really—just what happens in the pattern.

The reality of organizational learning is still one of the most powerful and important principles any organization can have. Let me make a few distinctions so we're on the same page about what we are talking about.

What Is Organizational Learning?

What exactly is organizational learning? There are two words in the phrase: *organization* and *learning*. Who and what is actually doing the learning? There may be a lot of learning going on in a company that

TEAM TIP

Review your organization's policies and practices to ensure they support the spread and institutionalization of learning.



may not be organizational learning. One tech support team, for example, was made up of engineers who loved to learn. So much so that they would never ask for help when they were trying to sort out a customer problem, even if it had been figured out many times before. They loved the technical challenge. Lots of personal learning, but not organizational.

The organization is an entity in and of itself. The entity is so strong that when new people join, they begin to behave in ways that are consistent with the structure, norms, culture, and general understanding that the entity has in place. These factors are so powerful that they are hard to go against. Somehow, even as people go and new ones come into the organization, traditions prevail. Ten years later, a very different cast of characters may be acting exactly the way their predecessors did. So, we need to understand that the organization is not an abstraction of a collective noun, but something that somehow is able to exist independently of the actual individuals who might be involved at any given moment. That means that the organization itself is capable of learning. Of course, this can only happen through individuals learning. But it is so much more than individuals learning within the context of an organization.

To begin with, someone or some group within the organization learns something, how to develop better processes, how to drive technology forward, how to bring a product to a new market, how to build greater management skills and teamwork. So far, this is not on the level of organizational learning even though it is a nice thing.

What happens next is that these people do two important things with their learning: they spread the learning, and they institutionalize the learning. The first move is easier than the second. The new group that learns broadens the number of individuals within the organization who now know the new understanding or process. If all of them left that day (maybe to start their own company), the organization would not retain the learning. It is when the new learning is built into the fabric of the company that it becomes organizational. Now it spreads in a number of ways. People use the new learning directly. Management encourages and rewards the use of the learning. Those things that contradict the learning are rejected and replaced. Policies are designed to support the use of the learning. People are trained. People are coached as they apply the new learning.

Once learned, the organization has it, no matter who comes and goes. Over time, that becomes a true competitive advantage because the scope and execution of the learning is hard to duplicate, hard to imitate, and hard to catch up to, especially if organizational learning is ongoing.

What is the alternative to organizational learning? The famous Peter Principle, which states that everyone will eventually be promoted to his or her

level of incompetence. The notion is that you keep getting promoted because of the good work you do, but then, finally, you get into a position that is beyond your talents and abilities, so there you will stay, no longer promoted and unable to perform well. The Peter Principle is predicated on the idea that people are unable to learn.

Now, that's about people. There is a Peter Principle for organizations too, as they reach points that are beyond their level of competence. That is when they begin to lose market share and customer loyalty. Those organizations that are learning the ways of the new world are outperforming the ones that can't learn.

Management and Learning

Too often, managers fail to see the wisdom of learning. Too often, they are overly busy, up against capacity limitations, up against aggressive deadlines, short of people, with those in higher management positions breathing down their necks. To ask a manager who is having that kind of experience to invest in learning processes seems like heresy and insanity. But things aren't going to get better for such a manager. Learning is the most cost-effective way to add capacity because you can take the very same people, and because new learning has been added, they become more effective. And while there may always be a drum solo of activities going on, by not rethinking, learning, developing new approaches, etc., things will only get worse.

Of course, to understand the power of the learning organization, one must think in longer terms than the quarterly report. But if learning has gone on for a year or more, here before you know it, the organization begins to perform better than it ever has. It is capable of growth in volume, products, markets, and profits. It begins to have an economy of means rather than a strained resource base where everyone feels he or she just can't keep up.

Organizational learning is unlikely to succeed without:

- Senior management support and senior management learning
- The orientation of a learning culture
- The discipline of putting learning into practice and then adjusting as needed
- Systems in place to spread the learning
- Trainings that are relevant to the learning as needed

Vicarious Learning

One last thing a learning organization must have is the ability to learn vicariously. Experiential learning is good. But it is limited. We can expand our under-



standing more easily if we can learn vicariously through the experiences of others. That's why we have books and libraries. That's why the Internet has been so useful in spreading the "how tos" of everything from cooking to using software to knowing how to regulate your car to growing roses well.

Within the organization, vicarious learning makes it possible for a group who had experienced a learning process to spread that learning to the rest of the organization.

Therefore...

So, here's the point. Organizational learning has had a lot of misconceptions surrounding it. But still, the real thing, actual ORGANIZATIONAL learning is one of the few ways a company can truly succeed, especially as the world becomes more complex. If

your company isn't a learning organization, you can bet other companies in your industry will be, and they will outthink and outperform you by virtue of "outlearning" you. Organizational learning gives a company a chance to build in long-term sustainability and competitiveness without major investments. And in fact, without the learning component, other types of investments won't provide what they might have. It's time to rethink the proposition of organizational learning as a critical strategic dimension. ■

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