



Learning Organizations

Come Alive

HERE'S HOW TO GIVE LIFE TO THE CONCEPT
OF THE LEARNING ORGANIZATION—PLUS
A LOOK INSIDE SOME ACTUAL LEARNING
ORGANIZATIONS TO SEE HOW THEY THRIVE.

Since the publication of Peter Senge's *The Fifth Discipline* and *The Learning Company* by Mike Pedler, Tom Burgoyne, and Tom Boydell in the early 1990s, there has been a proliferation of advice on *the learning organization*.

Almost every day, new approaches and tools appear, promising to help companies become learning organizations. The present level of interest in learning organizations in the United States and worldwide is unparalleled.

BY MARTHA A. GEPHART, VICTORIA J. MARSICK, MARK E. VAN BUREN, AND MICHELLE S. SPIRO

For instance, in the 1995 National HRD Executive Survey, conducted by the American Society for Training and Development, 94 percent of respondents said that it is important to build a learning organization. A 1996 survey of almost 200 German companies, conducted by DEKRA Akademie with the Maisberger and Partner consulting firm, found that 90 percent consider themselves to be a learning organization, or in the process of becoming one.

Last year, ASTD began reviewing the state of knowledge and practice regarding learning organizations. To assess and compare current approaches to becoming a learning organization, ASTD's research department developed an assessment tool, The Learning Organization Assessment Framework. (See The Learning Organization Assessment Framework on page 41.)

The framework identifies three levels or orientations of learning: individual, team or group, and organizational. It also identifies organizational systems that facilitate learning. The framework was used to collect data from international experts on the characteristics and behaviors that might be found in a learning organization, for each level of learning and organizational system.

Not all aspects of learning organizations are new; some are things that companies have been doing for years. This article relies particularly on examples from *The Global Learning Organization* by Michael Marquardt and Angus Reynolds (Irwin, 1994); *Sculpting the Learning Organization* by Karen E. Watkins and Victoria J. Marsick (Jossey-Bass, 1993); and *In Action: Creating the Learning Organization*, edited by Watkins and Marsick (ASTD, 1996).

A definition

All organizations learn, but not always for the better. A learning organization is an organization that has an enhanced capacity to learn, adapt, and change. It's an organization in which learning processes are analyzed, monitored, developed, managed, and aligned with improvement and innovation goals. Its vision, strategy, leaders, values, structures, sys-

LEADING LEARNING ORGANIZATIONS

By Peter M. Senge

No significant change will occur unless it is driven from the top.

Why do we cling to the view that only the top can initiate significant change? Is it just our unwillingness to give up a familiar mental model? Is it the fear of stepping out of line without the imprimatur of the hierarchy? Perhaps, also, there is the comfort of being able to hold someone else, namely top management, responsible for the lack of effective leadership.

Consider another view: Little significant change can occur if it is driven from the top. Top management buy-in is a poor substitute for genuine commitment at many levels, and it can make such commitment less rather than more likely.

There are several reasons to take a new view of top management. One is the cynicism that exists in most of our organizations after years of management fads. A second reason is the difference between compliance and commitment. When genuine commitment is needed, hierarchical authority becomes problematic. A third reason is that top-management initiatives often backfire and end up moving organizations backward, not forward.

While top management can move some changes quickly, it can also slow down or undermine other types of change. While people often want the support of top management, they also don't want it telling them what to do. Resolving these dilemmas requires fundamental shifts in our traditional thinking about leadership.

For several years, a group of us at MIT, working with a number of corporations, have tried to demonstrate what is possible when people in organizations work together over years to integrate new learning capabilities into work settings. In helping to build these communities of commitment, sometimes labeled learning organizations, we are coming to believe that "leaders" are people who are genuinely committed to deep change in themselves and in their organizations. They lead through developing new

skills, capabilities, and understandings. And they come from many places in an organization. We have come to think of three essential types of leaders:

Local line leaders. These leaders can undertake meaningful organizational experiments to test whether new learning capabilities lead to improved business results.

Executive leaders. These leaders provide support for line leaders, develop learning infrastructures, and lead by example in the gradual process of evolving the norms and behaviors of a learning culture.

Internal networkers, or community builders. These are the "seed carriers" of the new culture, who can move freely about the organization to find those who are predisposed to bringing about change, help out in organizational experiments, and aid in the diffusion of new learnings.

We see the leader's new work in building learning organizations in terms of three generic roles played by leaders at all levels: designer, teacher, and steward. Here's how we see those generic roles distributed in an organization.

Local line leaders

Local line leaders are individuals with significant business responsibility and bottom-line focus. They head units that are large enough to be meaningful microcosms of the larger organization, and yet they have enough autonomy to be able to undertake meaningful change independent of the larger organization. The key role played by local line leaders is to sanction significant practical experiments and to lead through their active participation in those experiments.

In addition to playing a key role in the design and implementation of new learning processes, local line leaders often become teachers once these learning processes become established. Often the most effective facilitators in learning processes are not professional trainers but line managers themselves. Their substantive

knowledge and practical experience give them unique credibility.

Engaging them may be difficult. As pragmatists, they often find such ideas as systems thinking, mental models, and dialogue—the essentials of learning organizations—too intangible to grasp. But their healthy, open-minded skepticism often makes them the most effective champions of such practices in the end. Because they focus first and foremost on business results, they will commit time and energy to new approaches that will help them enhance results.

The limitations of local line leaders are natural counterparts to their strengths. Because they focus primarily on their business units, they may not think much about learning in the larger organization or about how to diffuse their efforts. When things don't change to match their new ideas of what works, they may start to feel misunderstood and unappreciated.

Despite these limitations, committed local line leadership is essential. At least half the companies we know of that have made significant strides in developing internal learning capabilities and infrastructures have had little or no executive leadership. And we have seen no examples of significant progress made without leadership from local line managers.

Executive leaders

Local line leaders can benefit significantly from executive champions who can be protectors, mentors, and thinking partners. They can help connect local line leaders with other like-minded people and help them communicate their ideas and accomplishments to those who have not been involved.

Part of the problem in appreciating effective executive leadership in learning is that all of us are so used to the ship's captain image of traditional leaders. We are used to thinking of top management as the key decision makers. While some key decisions will always be best made at the top, cultures are not changed through singular decisions, and decision-making power does not produce new learning capabilities. When executives lead as

teachers, stewards, and designers, they fill roles that are much more subtle and long-term than those of power-wielding hierarchical leaders.

Effective executive leaders build an operating environment for learning in several ways. The first is by articulating guiding ideas that bring the energy of aspiration and imagination together. A second way is to pay conscious attention to learning infrastructure—the ways that learning spreads. Who studies innovations? How are they documented? What learning processes should others follow? Who is responsible for them? A third way is through the executives themselves. It is important that executives see that they too must change, and that the skills that made them successful in the past can actively inhibit learning.

Internal networkers

The most unappreciated leadership role is that of internal networker. They are effective for the very reasons that top-management efforts at change can backfire. Because they have no positional authority, internal networkers are free to move about large organizations relatively unnoticed. When they begin to inquire who is genuinely interested in changing the way things work, the only ones likely to respond are those who are genuinely interested. The only authority internal networkers possess comes from the strength of their convictions and the clarity of their ideas.

It is very difficult to identify internal networkers because they can be people in many different organizational positions. What is important is that they are able to move freely around the organization. They understand the informal networks that spread information and innovative practices. Effective internal networkers are seen as credible, knowledgeable, committed people who are not a threat to anyone.

The first vital function they play is to identify local line managers who have the power to take action and who are predisposed to developing new learning capabilities. Internal networkers can also serve as project managers, cofacilitators, learning his-

torians, and especially as "seed carriers" connecting people of like minds.

The limitations of internal networkers are not hard to identify. Because they have little formal authority, they can do little to counter hierarchical authority. They have no authority to change organizational structures or processes. So even though they are essential, they will be most effective in concert with local line leaders and executive leaders.

Conclusion

The leadership challenges in building learning organizations are a microcosm of *the* leadership challenge of our time: how human communities, be they multinational corporations or societies, productively confront complex, systemic issues where hierarchical authority is inadequate for change.

There are no simple causes and no simple fixes for societal or organizational challenges. Significant change will require imagination, perseverance, dialogue, deep caring, and a willingness to change on the part of millions of people. I believe it is also the challenge posed in building learning organizations.

The challenges of systemic change where hierarchy is inadequate will push us to new views of leadership based on new principles. These challenges cannot be met by isolated heroic leaders. They will require a unique mix of different people, in different positions, who lead in different ways. Although the picture sketched above is tentative and will undoubtedly evolve, I doubt that it understates the changes that will be required in traditional leadership models.

Peter Senge is the author of *The Fifth Discipline: The Art and Practice of The Learning Organization*. This article is adapted with permission from *Leading Learning Organizations from the MIT Center for Organizational Learning*. For further information regarding organizations' learning initiatives, contact *The Learning Center* at 508/371-8818. Or e-mail tlcmailbox@aol.com.

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THE ESSENCE OF A LEARNING ORGANIZATION

Here are some essential features of a learning organization.

Continuous learning at the systems level. Individuals share their learning in ways that enable an organization to learn by transferring knowledge across it and by integrating learning into organizational routines and actions.

Knowledge generation and sharing. Emphasis is placed on creating, capturing, and moving knowledge rapidly and easily so that the people that need it can access and use it quickly.

Critical, systemic thinking. People are encouraged to think in new ways and use productive reasoning

skills *systemically* in order to see links and feedback loops, and *critically* in order to identify assumptions.

A culture of learning. Learning and creativity are rewarded, supported, and promoted through various performance systems from the top down.

A spirit of flexibility and experimentation. People are free to take risks, experiment, innovate, explore new ideas, and generate new work processes and products.

People-centered. A learning organization provides a caring community that nurtures, values, and supports the well-being, development, and learning of every individual.

tems, processes, and practices all work to foster people's learning and development and to accelerate systems-level learning. (See the box, The Essence of a Learning Organization.)

Systems-level learning. In any organization, learning occurs at multiple levels: individual, group, and organizational. Although individuals and teams or groups are the agents through which organizational learning occurs, learning organizations focus primarily on systems-level organizational learning.

Systems-level learning is more than the sum of employees' intellectual capital and learning. It occurs when organizations synthesize and then institutionalize people's intellectual

capital and learning that are housed in their memories—their cultures, knowledge systems, and routines—and in their core competencies.

Employees may come and go, and leadership may change. But an organization's memories preserve behaviors, norms, values, and "mental maps" over time. As an organization addresses and solves problems of survival, it builds a culture that becomes the repository for lessons learned.

■ *A firm's culture often becomes the repository for lessons learned* ■

And it creates core competencies that represent the collective learning of its employees, past and present. As members of the organization leave and new ones join and are socialized, knowledge and competence are transferred across generations of learning.

Organizations exhibit diverse styles and ways of systems-level learning. In other words, they learn differently de-

pending on their business context: the time demands, resources, and competitive constraints that employees face. The contextual factors influencing learning styles include competitive strategies, organizational culture, industry- and product-life cycles, and technology. The

sources and focus of learning can also vary with cycles related to the industry, technology, and product life.

Researchers Paul Woolner and Alex Lowy of Woolner, Lowy, and Associates and John Redding of the Institute for Strategic Learning say that learning styles reflect a particular stage of an organization's development. As an organization passes through each stage, learning moves from being unintentional, individual-

istic, and unintegrated to being formalized, expanded, and connected—until it is a collective, strongly integrated, and daily part of the whole organization.

Research conducted at Electricite de France, Fiat Auto Company, Mutual Investment Corporation, and Motorola—by Anthony DiBella, Ed Nevis, and Janet Gould at the Organizational Learning Center of the Massachusetts Institute of Technology—found that organizational learning styles also depend on whether

▶ the primary source of an organization's knowledge is internal or external

▶ knowledge investments are made in particular products and services or in the processes through which products and services are developed, made, and delivered

▶ personal or public modes are used to document learning

▶ formal or informal mechanisms are used to disseminate learning and knowledge

▶ an organization's learning occurs in increments or as a transformation

▶ an organization's values focus on the design or the delivery of products and services

▶ skill development focuses on individuals or groups.

Interrelated systems

An increasingly popular way to view a learning organization is as a set of interrelated systems. Studies show that to understand systems-level learning, it's essential to focus on the organizational structures, processes, and systems that facilitate learning. Interactions among those elements shape the nature and extent of productive organizational learning. Learning organizations ensure that individual and team learning contribute to systems-level organizational learning and that organizational learning leads to productive action.

Research using ASTD's Learning Organization Assessment Framework indicates that most models of a learning organization emphasize these elements: leadership and management; culture; and systems for communication, information, and knowledge. Less emphasis is placed on organizational structure and the systems for

facilitating and implementing change, including technology, and support systems for performance and performance management.

Leadership and management. In learning organizations, leaders and managers at all levels provide critical support to the learning and development of individuals and teams by

- ▶ modeling learning behavior
- ▶ providing systems that facilitate learning
- ▶ encouraging people to contribute new ideas
- ▶ ensuring the dissemination of knowledge and learning
- ▶ freeing resources in order to signal the organization's commitment to learning
- ▶ sharing leadership.

At Harley Davidson, for example, almost every employee knows that CEO Rich Teerlink is committed to learning. Not only has he invested in Harley University, Harley Davidson's training arm, but he also talks about learning in almost every presentation.

In another example, former Motorola CEO Bob Galvin showed his commitment to learning by mandating a decision to use a training and development solution to stop falling profits, which led to the establishment of the \$11 million Motorola Training and Education Center in 1980, and to Motorola's steadfast commitment to the learning and development of its employees.

At Intermedics Orthopedics Inc., a small medical-device manufacturing firm, half of the executive team departed to create a start-up company after profit goals were attained and IOI was adrift. CEO Jerry Marlar initiated a renewal effort that focused on organizational learning. Throughout, Marlar modeled learning. He and the other remaining leaders admitted that they didn't know all of the answers. But they showed that they were willing to learn how to ask the right questions.

Managers at IOI also defined core competencies and created systems for assessing employees' skills and development.

Leaders and managers have considerable power to create an effective learning environment. They can provide the systems that encourage

learning. They can also enable employees' development of knowledge, skills, and abilities through personal-development plans and through job rotations and assignments across several divisions.

And they can create positive consequences for learning by including learning actions and outcomes in performance appraisals and by rewarding employees for learning from mistakes.

In a learning organization, managers encourage people to contribute ideas. They constantly solicit employees' input on problems and provide feedback on their ideas.

Honda has implemented so many valuable suggestions from employees that it has a saying: "There is more knowledge on the factory floor than in the office."

Managers can also be vital links for disseminating knowledge and learning—by seeking solutions from different areas of the organization and by sharing successes and failures with other managers. When best practices are shared regularly across an organization's functions and divisions, people's commitment to learning strengthens.

A case in point: General Electric's Corporate Executive Council, made up of the heads of 12 business units, meets quarterly—not to review financial data but to share information. At 3M, similar councils also meet regularly to examine best practices within and outside the company. The councils share ideas and concerns, and they bring in experts to stimulate broad-range thinking.

Watkins and Marsick have defined leadership as a shared function, saying that it doesn't belong just to managers. People in learning organizations are often empowered to lead from whatever positions they hold. Or, leadership may come from union

representatives.

For example, Union leaders of the Service Employees International Union Local 767, working with the management of Cape Cod Hospital, created a system of education, training, and development that links more than 100 jobs to in-house training and mentoring programs.

The culture. Culture is the glue that holds an organization together. Its culture encompasses basic, often-un-

examined assumptions about how things are done, as well as the norms and values that guide employees' behavior.

A learning organization's culture

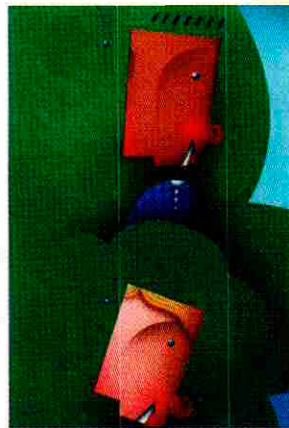
- ▶ supports and rewards learning and innovation
- ▶ promotes inquiry, dialogue, risk taking, and experimentation
- ▶ allows mistakes to be shared and viewed as opportunities for learning
- ▶ values the well-being of all employees.

A culture of trust and openness encourages the inquiry and dialog needed to challenge assumptions. At Harley Davidson, "intellectual curiosity" is one of five

core values. Employees are encouraged to question why things are done the way they are and to seek ways to improve.

In another example, Analog Devices, after 15 years of steady growth, failed to meet its five-year goals in 1982 and 1987—even though it had the largest share of the linear integrated-circuit market, the best designers and technologists, and a committed workforce. CEO Ray Stata realized that there must be a problem with the way the company was being managed. During a period of reassessment, Stata joined other organization leaders in Peter Senge's New Management Style Project.

To encourage organizational learning, Analog formed 15 product, market, and technology task forces, which



■ *Sharing best practices strengthens people's commitment to learning* ■

met for months to address problems and seek solutions. With teamwork as a new goal and openness as a new value, the task forces challenged Analog's decentralized structure and divisional autonomy, which had long been unquestioned.

An open, trusting culture in which there is no blame creates the freedom for people to take risks and express their views. In *The Global Learning Organization*, Marquardt and Reynolds describe an employee-involvement program at General Electric called Work Out, which is transforming its climate from one of distrust between workers and management to one of mutual respect and cooperation.

Work Out is a little like a three-day town meeting. Teams meet without their bosses for two days to develop solutions to assigned problems. On Day three, team spokespersons present their proposals at a meeting. Their bosses must make one of three on-the-spot responses: agree, say no, or ask for more information and charter a team to get it by an agreed-upon date. The bosses must make their decisions alone, even if their own bosses are in the room. Work Out helps foster an open, trusting culture and employees' enthusiastic involvement in solving problems at GE.

But all learning organizations don't focus just on learning and innovation. Some also value employees' well-being. Such learning organizations appreciate diverse lifestyles and values because they offer a variety of perspectives and lead to new ideas. Ideally, a balance exists between the learning and development needs of individual employees and the needs of the organization.

Motorola exemplifies a culture that values employees and their diversity. Its training aims to improve the company, jobs, and employees. Motorola

University's global design-and-delivery system engenders respect for people from diverse cultures—according to great importance to being sensitive to employees' cultural, religious, political, and social differences.

Communication and knowledge systems. The lifeblood of a learning organization is a free and open system for communicating information and knowledge.

Such communication systems

- ▶ create practical new knowledge
- ▶ provide access to pertinent business and strategic information
- ▶ facilitate external scanning (tapping sources outside the organization for information)
- ▶ facilitate the dissemination of information to the appropriate areas of the organization
- ▶ support and reinforce each other.

At Corning, a training and development process called *tecknowledge* pinpoints, captures, and transfers the knowledge of technical experts about complex processes involving specialized know-how in several disciplines. That broadening of the process-knowledge base has enabled Corning to expand multi-shift and multistage operations and has prevented its manufacturing processes from being weakened by the loss of key workers.

The type and sophistication of an organization's information systems can be powerful influences that can encourage or discourage the diffusion and institutionalization of individual learning.

Arthur Andersen's Knowledge X-Change system captures, stores, enhances, and disseminates knowledge capital. It also provides a communications infrastructure and fosters a sense of cohesion among consultants organized into "communities of practice." The consultants form virtual relationships all over the world with people

working on similar projects. They share information, develop new applications relevant to their communities of practice, and make contributions to Andersen's knowledge system.

Also important are systems that facilitate external scanning and the dissemination of knowledge. Events at General Electric illustrate why. GE sent people to visit companies that had achieved and sustained faster productivity growth. The GE representatives asked the companies to share their secrets for success. Then, GE turned the best practices of those companies into a course. GE leaders from across the globe met to review course content and share their own best practices.

In a learning organization, all employees have access to relevant business and strategic information, and the organization provides them with the skills and resources for accessing and using that information. Simply put, information systems that provide fast feedback on an organization's performance as a whole and on its various parts enable learning. Walmart is a leader in that kind of information flow. It owns a satellite communications system connected to every supplier and to every point of sale in its stores. Store employees have immediate access to financial data for decision making, and suppliers have point-of-sale data for cost-effective ordering and inventory control.

At Federal Express, communication, information, and knowledge-management systems support and reinforce each other. Performance-management technology monitors the complete history of every package, as well as billing and unanswered phone calls. Any employee can provide up-to-date information to customers.

FedEx's service-quality performance index gives the daily average of service quality on 12 critical customer complaints so that employees know how well they're satisfying customers every day. A survey-feedback-action program serves as employees' report card on their managers' leadership capabilities and as a way to prescribe solutions to management problems.



■ *An open culture in which there's no blame allows people to take risks* ■

Together, those systems provide ongoing feedback that enables FedEx and all of its employees to identify areas for learning and improvement.

The structure. The structure of a learning organization

- ▶ overcomes internal divisions and rigidities
- ▶ facilitates work and learning across external boundaries
- ▶ captures and shares learning.

Overcoming the barriers of different functions and divisions is a major challenge in many companies trying to become learning organizations. In a learning organization, roles are flexible, and work is done in cross-functional teams that bring together perspectives from across the organization. Cross-training, cross-divisional job assignments, and job rotations all make for a flexible workforce.

At the conclusion of the visioning process at Intermedics Orthopedics, expectations were high. But so were the frustrations. IOI's structures, systems, and processes were inadequate for working cross-functionally. For example, departments worked in isolation to conceptualize potential ways to speed up product development. Recognizing the lack of cooperation across departments led to a redesign of cross-functional processes and reorganization of structures to support better integration.

For an example of how flat, decentralized organizational structures can enable productive organizational learning, look to Hewlett-Packard. The key to its transition from a lumbering bureaucracy to its present agile state was creating small teams to develop new products. Now, HP's new products go to market faster.

Clearly, work and learning take place across external and internal boundaries. Corning and Motorola both demonstrate how joint ventures and strategic alliances are efficient vehicles for transporting learning across external boundaries.

At Corning, such ventures and alliances provide the means to leverage research strength, bring products to

market quickly, and enter new markets more readily.

Motorola develops partnerships with its suppliers, gives them training through the Motorola Supplier Institute, and requires them to upgrade production systems and apply for the Baldrige Award. Through surveys, suppliers evaluate Motorola's performance as a customer, making the partnerships opportunities for two-way learning.

In a learning organization, structures must be developed to capture and share learning. As an example, the structure at Asea Brown Boveri, a Zurich-based industrial firm, is designed to capture and share learning and knowledge systematically. With \$30 billion in annual sales and nearly 200,000 employees, ABB is made up of 5,000 autonomous profit centers averaging 50 employees each. Employees at

each profit center are divided into 10-person multifunctional teams.

The centers capture knowledge through contacts with customers, and the structure of 65 business areas supports and coordinates learning and sharing. The result is a rapid transfer of information to empowered employees engaged in teamwork and networking on a global scale.

Support systems. Sound systems for performance support and performance management provide rewards that promote learning and knowledge by

- ▶ providing indicators of the organization's progress
- ▶ identifying areas for improvement
- ▶ tracking employees' individual development and contributions.

But such systems are only as good as the measures they track. The systems need performance and learning measures that can help demonstrate organizational progress, identify areas for improvement, and track processes. Effective measurement systems enable individuals and teams to identify their contributions to business goals and to monitor their competencies and development.

At Corning, a quality learning

THE LEARNING ORGANIZATION ASSESSMENT FRAMEWORK

Created by the research department of the American Society for Training and Development

Learning Orientations

- ▶ Individual
- ▶ Group or team
- ▶ Organizational

Facilitative Organizational Systems

- ▶ Vision and strategy
- ▶ Leadership and management
- ▶ Culture
- ▶ Structure
- ▶ Change management
- ▶ Systems and Processes
 - Communication, information, and knowledge systems
 - Performance management and support systems
 - Technology

curve charts new territory by focusing on customer requirements, employee empowerment, and zero defects. Goals become directional signs to higher goals.

Analog Devices added teamwork, openness, and objectivity to its performance appraisals, enabling managers to track the competencies and development employees need in order to succeed.

At GE, using process measures helped build commitment to learning. Recording the cycle time in such areas as payables and receivables enabled employees to track their ability to respond and learn.

The technology. Nowhere has technology fundamentally altered the nature of work and learning more than in learning organizations. Technology

- ▶ provides universal access to business and strategic information
- ▶ permits more effective learning techniques and processes
- ▶ promotes group learning.

It enables the fast, free flow of information, and it enables people to learn more effectively.

At FedEx, interactive video-instruction systems help customer service

■ *Systems for performance support provide rewards that promote learning* ■

employees keep up-to-date on rapidly changing product information. American Express Financial Services cut terminations by clients in half after implementing a new software system that integrated the expertise of its best account managers.

Technology can also promote group learning during decision making. At IOI, the use of groupware technology during the visioning process got all parties to agree on key strategies more easily. The technology made it possible to display people's votes so that they could work through their disagreements.

Three perspectives

Becoming a learning organization implies a proactive shift from letting events unfold toward putting in place a course of action to enhance systems-level learning. Instead of a single prescription for success, learning organizations use many different approaches.

DiBella at MIT's Organizational Learning Center identifies three perspectives on learning and change: normative, developmental, and capability. Those perspectives shape the approaches that companies take to become a learning organization.

Although the perspectives can be intertwined in practice, one often dominates.

Normative and developmental perspectives assume that organizations learn only when certain conditions are met. Normative-based approaches are probably the most common. Typically, companies using such approaches begin by deciding to leverage learning in pursuit of a particular business goal. Leaders play a key role by setting the tone, establishing the vision, and creating the supporting structure and systems. Internal task forces test for people's buy-in, help identify present and future condi-

tions, measure and prioritize gaps, and make decisions about where and how to intervene.

Normative approaches are characterized by a willingness to experiment. The results of new initiatives are checked constantly and used to adjust interventions, launch new project phases, and periodically assess the learning-organization strategy.

Developmental approaches, which share some features with normative approaches, assume that companies become learning organizations in stages. Consequently, developmental approaches take a long view: They seek fundamental changes in an entire system and favor multipronged, organizational-development efforts.

Developmental approaches begin with recognizing that the company isn't meeting business needs as well as desired. Typically, an internal or external consultant "partners" with the company's leaders to conduct an assessment using diagnostic tools to gauge progress through each stage. The transition from one stage to the next isn't always even; different people or parts of the organization may move forward at different rates.

In contrast, capability-based approaches assume that organizations learn naturally as they respond to change, no matter what the conditions are. Such approaches also assume that no form of learning is superior to another. What's needed to improve learning is to discover, affirm, and enhance the current patterns of learning. Leaders need to identify those patterns so that they can make informed decisions about what to learn, who should learn it, and when and where learning should happen. Without a predefined ideal, capability approaches to learning organizations aren't proactive; they unfold as journeys of discovery in which

the guiding leaders and consultants uncover insights into the kind of learning at which they're best.

Diagnostic tools

There are a variety of useful diagnostic tools or instruments that reflect, to different degrees, the three perspectives—normative, developmental, and capability. These tools can help companies become learning organizations.

ASTD recently compared many such instruments. Its summary shows that they vary in content and how they're used. (For more information on each instrument, call ASTD Customer Service at 703/683-8100. For a copy of *ASTD's Guide to Learning Organization Assessment Instruments*, request order code REGL.)

All of the tools emphasize organizational learning. Some focus only on individual and team learning. Most measure learning at two or three levels. Most emphasize the systems and processes for facilitating the flow of information between employees, for managing knowledge, and for rewarding learning in performance appraisals. Most also emphasize a culture that encourages learning and cares about employees' well-being.

Differences in the tools have to do with the degree to which they stress these areas:

- ▶ the ability to measure the link between learning organizations and performance
- ▶ the importance of executive leadership, change management, and organizational structure in learning
- ▶ the role of technology.

Some instruments can be used as self-assessments; others must be administered and scored by outside experts. Some can be completed within an organization; others must be analyzed by a third party. The time frames for completion vary from a few hours to several weeks. Most are intended to be used as part of a large-scale change effort, such as business process redesign or quality improvement.

Real-life learning organizations

Here are some real-world examples of how diagnostic tools can be used to facilitate different approaches to becoming a learning organization.



■ *Instead of a single prescription for success, learning organizations use many* ■

Case study I: the Readiness Questionnaire.

The Readiness for a Learning Organization Questionnaire, developed by Watkins and Marsick, is a tool for assessing the gap between where a company is and where it would like to be on seven learning-organization dimensions. The dimensions describe what individuals, teams, leaders, and the organization as a whole must do to create a learning organization.

The dimensions are

- ▶ providing continuous learning
- ▶ providing strategic leadership
- ▶ promoting inquiry and dialogue
- ▶ encouraging collaboration and team learning
- ▶ creating embedded structures for capturing and sharing learning
- ▶ empowering people toward a shared vision
- ▶ making systemic connections.

The Readiness Questionnaire, an organizational climate assessment, can create a map of a company's learning environment, which evolves as it implements learning-organization strategies. The assessment is administered to all employees or a sampling, and then used to design the learning-organization initiative. Repeat administrations are used to monitor progress and measure results.

A major hotel chain recently used the Readiness Questionnaire as part of work to reach its strategic goal to become a learning organization. It began its initiative by interviewing top managers in one region on their vision of a learning organization. Then, it assembled a steering team of 16 leaders that represented the new vision to lead the change. During a day-long session, team members met with external consultants, who introduced them to learning-organization concepts. As part of the session, the leaders completed the questionnaire to identify where their hotel stood on the learning-organization dimensions.

In a second session, the team worked with the external consultants to develop a vision to become a learning organization and to plan the change effort. One of the instrument's authors was present to interpret results, compare responses to those of other organizations, and share what other organizations with

TRAINING AND TRAINERS IN A LEARNING ORGANIZATION

Training doesn't disappear in a learning organization; it becomes one of several modes of learning.

In a learning organization, learning occurs as part of work, often between peers and co-workers. Responsibility for learning belongs to many different stakeholders: individuals, teams, management, and the organization as a whole. The responsibility for training is usually delegated to the HRD department and management. Training is organized with a specific agenda; learning is more fluid. Training usually requires materials and the skills of another person; learning can be done by one person without materials—for example, by someone reflecting on his or her actions.

Training is a tool for learning; learning—and, ultimately, performance—are the desired outcomes of training.

In a learning organization, a trainer's role changes. As work becomes the primary learning vehicle, trainers become learning facilitators. They acquire a strategic role with the responsibility to tie learning to the organization's goals and improve performance.

Specifically, trainers in a learning organization identify the desired competencies. Then, they identify the learning that will foster those competencies. Trainers ensure that systems are designed to encourage, maximize, and coordinate learning across all levels of the organization and that employees have opportunities to reflect on what they learn.

Trainers in a learning organization provide mechanisms for cross-training between peers, and they provide compensation systems that reward people for acquiring new

skills. Trainers must develop new systems to capture and share learning. And they must promote a climate for learning in which experimentation and risk taking are permitted at all levels of the organization.

Trainers in a learning organization also need new skills in critical systems-thinking, performance-support design, and change management. They also need to understand the business as a whole. In addition, their role in performance improvement interven-

tions requires strong needs assessment skills.

Trainers in a learning organization must have a good command of new learning theories and the ability to identify promising new learning tools and technology. Their career development should emphasize facilitation, on-the-job learning, reflective thinking, performance analy-

sis and intervention, and opportunities to learn about new information technologies

With those new skills and tools, trainers and other performance professionals can help their organizations maximize learning at all levels by

- ▶ creating forums for people to share learning and best practices
- ▶ promoting employees that demonstrate a capacity to learn
- ▶ developing performance appraisals that assess learning activities and outcomes
- ▶ enabling people to take responsibility for their own learning budgets and opportunities
- ▶ rewarding people for being flexible, taking risks, and sponsoring new initiatives.

■ *In a learning organization, trainers have a responsibility to tie learning to goals and improve performance* ■

similar needs were doing. The assessment revealed gaps in the hotel's capacity to create embedded structures for providing continuous learning and for capturing and sharing that learning.

To ensure that company leaders would continue to support the effort, the team decided to measure the effectiveness of ideas that actually had been implemented with the characteristics of a learning organization.

The steering team identified four projects that addressed the critical business issues for becoming a learning organization.

The projects would aim to

- ▶ create a vision and mission statement
- ▶ change employees' behaviors to support a learning organization
- ▶ develop technological support systems
- ▶ communicate a change in the company's culture by integrating human and technical systems.

To date, that region of the hotel chain has created a set of learning-organization leadership competencies for use with a 360-degree-feedback tool, and it is looking at using LotusNotes to capture ideas from other areas of the hotel industry. Within a year, it expects to have implemented parts of all four projects. Then, the Readiness Questionnaire will be administered to a wider sampling of employees to check progress.

Case study 2: a five-stage survey. *The Learning Organization: 5 Stage Diagnostic Survey*—developed by Woolner, Lowy, and Redding—is an instrument based on a model from highly successful new-venture companies.

According to the model, organizations pass through these five stages on their way to becoming a learning organization:

- ▶ Stage 1: the Forming Organization
- ▶ Stage 2: the Developing Organization
- ▶ Stage 3: the Maturing Organization
- ▶ Stage 4: the Adapting Organization
- ▶ Stage 5: the Learning Organization.

This diagnostic survey is used to rate an organization from Stages 1 through 5 in three learning domains: individual learning, team learning, and strategic learning. Then, the organization develops and implements

goals and strategies for each domain. The survey, administered periodically to check progress, is being used by large, established companies like Glaxo-Wellcome in Canada, that seek the same flexibility and responsiveness of newer, successful start-up companies.

Interactive Media Group, a technology-driven services firm, has used the same survey in its journey to becoming a learning organization. In 1990, IMG's founders set a goal to become a learning organization, using the stage-five model as a guide. IMG's organizational development team used the survey to identify key initiatives and benchmark progress.

One initiative involved integrating work and learning at the individual level. IMG identified the core leadership competencies and skills for rapid growth in a global, high-technology market. In addition, the company's founders have been involved personally in a companywide effort to certify the leadership team.

Another initiative was to enhance team learning and contributions. Now, teams help set IMG's annual

business strategy and translate it into team goals. They're rewarded for becoming self-regulated and managing their own collective learning and development. The compensation system includes team bonuses for achieving business results and for creating and using new knowledge and skills.

A third initiative turned the strategic planning process into a planned cycle of organizational learning, which begins by questioning key business assumptions. Then, using inquiry and discovery, IMG takes new actions and reflects on what it learns from the results. As a part of that process, team members from across the organization provide input on renewing IMG's vision and values.

When asked whether those learning-organization efforts made a difference at IMG, founding partner Nicholas Paine said, "Comparing ourselves to publicly available rankings, we rate ourselves among the top five percent fastest-growing firms in Canada. We are expanding most rapidly in the United States and then globally. I think our learning-organization

ADDITIONAL RESOURCES

Here's some additional reading on learning organizations.

▶ "16 Steps to Becoming a Learning Organization," *INFO-LINE* No. 9602 (ASTD, February 1996).

▶ *Working Wisdom: Timeless Skills and Vanguard Strategies for Learning Organizations* by R. Aubrey and P.M. Cohen (Jossey-Bass, 1995).

▶ *Profit From Experience: How To Make the Most of Your Learning and Your Life* by M. O'Brien and L. Shook (Bard and Stephen, 1995).

▶ "Charting a Corporate Learning Strategy" by M. Darling and G. Hennessy (*The Systems Thinker*, December 1995/January 1996).

▶ "Understanding Organizations as Learning Systems" by A.J. DiBella,

J.M. Gould, and E.C. Nevis (*Sloan Management Review*, Winter 1995).

▶ *Strategic Readiness: The Making of The Learning Organization* by R.F. Catalanello and J. Redding (Jossey-Bass, 1994).

▶ *The Organizational Learning Cycle* by N. Dixon (McGraw-Hill, 1994).

▶ "The Building Blocks of the Learning Organization" by J. K. Bennett and M.J. O'Brien (*Training*, June 1994).

▶ "Building a Learning Organization" by D.A. Garvin (*Harvard Business Review*, July-August, 1993).

▶ "Learning Organizations: The Trainer's Role," *INFO-LINE* No. 9306 (ASTD, June 1993).

efforts have made significant contributions to our success.”

Outcomes

A primary purpose of organizational learning is to make companies more adaptive and more capable of altering functions and departments in response to poor performance or changes in the work environment. Whether that purpose is realized depends on the factors that link organizational learning to actions and that link actions to targeted outcomes.

The link between organizational learning and actions isn't always easy to make. An organization might not be able to act on its learning due to resource limitations, political constraints, legal sanctions, implementation problems, or inertia. A close relationship between organizational learning and people's behaviors is likely only when there are abundant resources, a supportive reward system, and organizational flexibility.

Regarding the success of learning organizations, researchers Nevis, DiBella, and Gould point to these factors:

- ▶ well-developed core competencies that serve as launch points for new products and services
- ▶ an attitude that supports continuous, value-added improvement
- ▶ the ability to renew or revitalize at a fundamental level, such as when an already successful company markets a new product line.

Research at the Center for Effective Organizations at the University of Southern California shows that organizational learning has had a positive effect on the perceived and actual financial performance of companies in the center's study. For individual employees, organizational learning has had a significant effect on employee-performance measures in such areas

as continuous improvement, customer focus, employee commitment, and overall work performance.

A 1992 survey of 1,532 executives in 411 companies worldwide—conducted by researchers Arthur Yeung, Steve Nason, Dave Ulrich, and Mary Ann Von Glinow—shows the effect of organizational learning on innovation and competitiveness. The survey found that experimentation significantly enhances innovation but not competitiveness; continuous improvement and knowledge acquisition enhance competitiveness, but not innovation.

Case studies also shed light on the results of becoming a learning organization. In *In Action: Creating the Learning Organization*, Tom Boydell reports the results from the learning-organization efforts of British Insulated Callendar Cable between 1992 and 1994.

Here are some of the outcomes:

- ▶ Employee productivity increased 113 percent.
- ▶ Absenteeism fell by 58 percent.
- ▶ Scrap reduced by 50 percent.
- ▶ Market share rose from 17 to 40 percent.
- ▶ The on-time delivery rate became the highest ever.

The financial benefits of becoming a learning organization are just beginning to

emerge. Still, it's clear that many leading companies—Motorola, Ford Motor, 3M, and FedEx, to name a few—have made systems-level learning an explicit part of their business strategies. They recognize the importance of being a learning organization to enhance their flexibility and their capacity to adapt and change in turbulent times.

Enhanced capacity is perhaps best-exemplified by Royal Dutch Shell, one of the first widely recog-

nized learning organizations. Royal Dutch Shell pioneered the use of scenario planning as a method of systems learning.

Two years before the oil crisis of 1986, Shell's planning department developed responses to a hypothetical scenario in which oil would cost \$15 a barrel, even though the price at the time was \$28 a barrel. When the actual price drop happened, Shell was far ahead of other oil companies in managing the crisis. In effect, learning-based strategic planning enabled Shell to develop the organizational capacity to respond to sudden changes in its environment.

Remember: Becoming a learning organization is a journey, not a destination. An excellent and well-known example is Motorola's pursuit of a six-sigma error rate in its hardware. Not content to rest on its laurels, Motorola is now engaged in an effort to apply the same learning process to software development. It created a "software solution team" to identify key events from the hardware effort, such as when "islands of excellence" began to appear.

Based on what employees and the firm learned during the six-sigma initiative, Motorola set a goal to complete its software effort in half the time. Like other learning organizations, Motorola knows that learning is a never-ending journey, just as change and competition never cease. ■

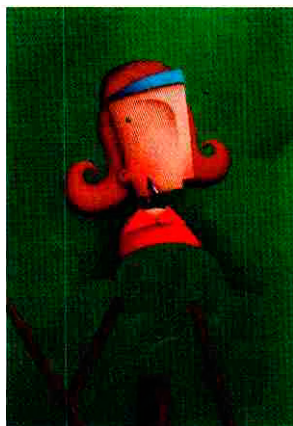
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■ **Remember this caveat: Becoming a learning organization is truly a journey, not a destination** ■