

THE LEARNING ORGANISATION CONCEPT TO DEVELOP ORGANISATIONAL LEARNING AND CHANGE

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ABSTRACT

This critical study of a new idea for organisational learning named Learning Organisation (LO) aims at contributing for the understanding of the managerial thinking, the developing of managers and researchers conscious practice and for an integrated grounded theory construction and managerial education.

LO idea seems to be based onto upon developing an organic systems worldview that doesn't prevail neither in organisational management theory nor in organisational learning research and practice -only receptive to adaptive change.

If implementers and researchers don't realise that this LO idea can't be completely understood within the prevalent business and organisational theory paradigm and do not understand the required concomitant cognitive change for a learning organisation to develop, this would not actually occur.

This research will evaluate the transformational capacity of the LO idea comparing its ontology and epistemology with the perception of implementers so they can use the adequate learning and change logic in an effective way.

KEY WORDS

organisational learning – learning organisations - adaptive change – transformational change - organisational and individual epistemology.

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“If the wrong man uses the correct medium, the correct medium would act in the wrong way”.

(Chinese proverb)

1. INTRODUCTION

The Learning Organisation (LO) concept that appeared as a new buzzword in 1990, would represent an evolution of the organisational learning perspective because of its embedded potential to develop transformational change in firms and also to re-conceptualise an organisation. It would mean a new way of thinking and relationships within organisations based upon an organic systems cosmivision, non mechanistic, and where human being is not considered in a deterministic way, as an object. Instead, he is considered as a subject, creative and capable of choices, a proactive actor able to produce individual and social change.

But, managers who intended to implement this LO concept apparently didn't realise that this new idea can't be completely understood within the prevailing business and organisational theory paradigm because it is only receptive to adaptive learning and change.

Learning involves much more than information transfer, that is why it is ineffective to present this LO concept as only another training technique. Learning and LO concept can't be imposed, it requires an internal desire to learn and change. Additionally, learning, knowing and changing are complex and interdependent phenomena that will require researchers and managers to understand the logic embedded in the LO idea before its implementation.

The kind of understanding of the LO idea by the ones who intend to implement it in organisations will directly influence the kind of change obtained. If they do not understand nor accept the transforming potential embedded in this idea, they might only be relating this new idea to an old functionalistic, positivistic vision in a nomothetic way. So, possible changes would be superficial and still reactive ones, not sustainable in the long term.

To overcome this limited understanding and obtain the full transformational potential embedded in LO idea it is necessary to examine its nature, its paradigmatic orientation, its ontology and its epistemology in order to identify the necessary world view and cognition learning and change processes compatible with this transformational idea.

For this to occur it is essential to exist a conscious desire to change the way of thinking and relating within organisations as much as to explicitly point out prevailing individual and organisational assumptions that might impede transformational or generative change within managers.

Assumptions developed by the prevailing functionalist paradigm -not concerned about transformational change- do not understand the required concomitant cognitive change - *metanoia*- for a learning organisation to develop, so this would not actually occur whenever implemented as another “success receipt”.

The afore mentioned partial understanding may also be provoked by the prescriptive orientation of its authors and the absence of previous explanation of its scientific support. LO idea is still presented in an speculative basis and with poor density in its empirical results.

This paper discusses a conceptual problem of Learning Organisation idea and examines, yet on a preliminary basis, some obstacles to its implementation. Initial reflections about the nature of the existing obstacles to the adoption of this pre - conceptual system -topic for future research- are presented. These reflections will come after a brief analysis about the conditions in which the concept emerged.

2. PREVAILING BUSINESS AND ORGANISATIONAL THEORY PARADIGM

Functionalism is a regulator paradigm, not worried with a change in establishment. It understands that the only possible change is an adaptive one, that is, a change that reacts to environmental changes without modifying neither its mental model, cosmovision nor its *status quo*. This kind of limited change has been generating partial and repetitive solutions, fads unable to introduce substantive solutions to business problems. Change in organisations has been treated in literature and in business management practice in a functionalistic and instrumental way.

In Hegel's terms, this is a result of an exclusively technical, uncritical, ethically fragile way of thinking that only considers change in order to "*continue the way it is*", as understood in social-technical perspective experiences that used mechanistic systems and organisational development (OD) theories. The urge on analysis and knowledge has been substituted by the urge on prescription -materialised as an obsessively pragmatic and short term results context.

Functionalism theories based on positivistic assumptions, ideologically engaged only with the capital's interest, revealed techniques and models not interested in solving human problems -considered only as "dysfunction's". Authors as Robert Denhart's (1999) "In the shadow of organisation" demonstrates how organisations produce systematically conflicting ideology and that managerial action benefits the organisation's survival and not their workers' and executives' wellness. Christophe Dejours, Nicole Aubert, Kets de Vries, Laurent Lapierre, also had discussed different forms of suffering in organisations.

Adaptation-oriented traditional theory neglected delicate problems in the ideology and power context – because it announces itself as "neutral" science and as founded on the "technical" wisdom myth. The capital's authoritarian ideology disregarded workers interests which are expected to be "solved" by the market law and the logic of profit. Problems related to conflict and other aspects of well-being and personal achievement in work, continue disassociated from the organisational theory and practice.

Unquestionably firms must be lucrative, but not at the price of their workers suffering and environmental degradation costs (Aktouf, 1996). Capitalism does need creative people to serve the capital and consumer interests and also security -a zone where conflict is not permanent- because tired, exhausted, revolted or poor unemployed people disorganises the system (Boltanski & Chiapello,1999). Yet, present production system is pressing everybody to demonstrate their force and to merchandise everything, due to an hypertrophy of prevailing ethically unworried economic instrumental thinking.

The seven crucial top management errors mentioned by Argyris (1992), are still present and include interpersonal relationship and hostile work environment. One of these mistakes is

the inefficiency of team working, crucial aspect for the now called knowledge economy. This top management perspective -that gives hegemony to capital and technology in social organisations and submits personal and work interests upon the firm's-, had stimulated reaction of researchers belonging to the radical humanist paradigm. They propose the adoption of a transforming change concept, also known as “generative or evolutionary” change, with a non-deterministic and voluntaristic cosmovision. This is a healthy reaction considering the effects of the productivity ideology also examined in recent World Bank reports, that alerted on poverty increase, unemployment, violence and nature destruction in the planet.

3. THE DEVELOPMENT OF LO CONCEPT

3.1 Organisational learning concept

Argyris & Schon (1978) who considered OL as a process by which organisations perceive, interpret and manage its experience and their components', alerted that fragmented perspectives of OL would need to be transformed into a productive synthesis to integrate it to organisational theory. Hedberg (1981) also believes that OL doesn't constitute a linear process and it permeates strategy, structure and knowledge in organisations.

Lant & Mezias (1990) distinguished different perspectives emerging from these OL studies. An adaptive learning one that considers organisations as objective-oriented, with routine based systems, so change will only happen if some previous behaviour failure occurs, because success leads to stability. Differently, the knowledge development perspective emphasises the significance produced by learning and by processes through which theories-in-use (Argyris & Schon, 1978) are communicated and institutionalised. This perspective concentrates in the cognitive associations patterns between environment, structure, processes and results as learned by the individuals or organisations (Attenwell, 1992). Additionally, Kim (1993) recognises that it exists t “know how” and “know why” abilities that relates thinking and action in his OL definition.

Learning theories offered a positive alternative to the rational choice assumptions demonstrating how knowledge structures and actions affect and are affected by less rational but not least important institutional processes (Cohen & Sproull, 1991). However, OL concepts are criticised because its literature is considered fragmented, lacking cumulative and integrative studies, without a clear direction and too widely considered concepts (Mc Gill & Slocum, 1993) and also because theorists didn't use previous research results to project or interpret their own ones (Huber, 1991).

In sum, the organisational learning concept as it has happened with the learning organisation concept, reveals lack of theoretical systematisation that injures its scientific knowledge status.

3.2 Beginning to define LO

Peter Senge's proposal emerges certainly influenced by the knowledge development perspective. Senge (1990) affirms that organisational learning occurs within LOs defined as, “*a place where people continually expand their capacity of creating results they really want, where patterns of thinking are broadened and nurtured, where collective aspiration is free*

and where people are continually learning to learn". Implying that, for learning to occur, new relationships in organisations are to be developed too which will introduce a new productive organisations profile. Senge also provides tools to implement its five disciplines for destroying the illusion that world was created by separable and unrelated forces and permitting LO's development. Koffman & Senge (1993) consider that they're articulating a vision which involves observers and observed in a common system.

This is, without doubts, an uncommon discourse, unfamiliar to the present management world that has accepted that "a *good competitor is a dead competitor*" rather than principles of co-operation, mutual respect, humility, restricted only to big religious traditions. Koffman & Senge (1993) and Swieringa & Wierdsma (1992) declare a LO different because its emphasis in collective knowledge (Romme & Dillen,1997). Additionally, Mc Gill and Slocum Jr.(1993) consider learning organisations as "*self-conscious, introspective, tracers of their organisational environment*". According to them, the new concept would only apply to firms that are willing to "*unlearn*" their own organisation and prescribe seven steps to develop a LO.

It is implicit in authors that worked with the LO idea that this is in itself a organisational change concept because "continuous learning" means constant transformation, because learning means transforming through a continuous process of constructing firm's identity through its interactions with the environment. (Leitão & Martins, 1998). Change is, in this way, the nature of the learning concept.

4. PARADIGMATIC CHANGE IN ORGANISATIONS

4.1 The paradigmatic concept of change

Burrell's & Morgan's (1982) classified four sociological paradigms that oriented human and social science studies particularly in management: functionalist, interpretative, radical humanist and radical structuralism. The first one dominates in organisational theories field. Functionalist and interpretive paradigms are considered stability oriented unworried with change unless it has a purely environmental adaptive character.

Radical humanism paradigm is the one with most transformational potential, because it not only has radical change as his aim as well as it is also subjectivist. Its social world vision is nominalist, antipositivistic, voluntarist and ideographic. It imagines a society that tries to overcome its social arrangements existing limitations. Radical humanism claims that human conscience is dominated by ideological superstructures with whom it interacts, alienating, giving a false conscience that impedes human fulfilment, its major preoccupation is in freed men from the limitations that the prevailing social arrays impose. Theorists aligned with this paradigm critic *status quo*, consider present society as dehumanised and try to articulate way of freeing from the prevailing social patterns in order to achieve human potential. They propose to change society in its way of cognition, in its conscience.

There are aspects that approximate LO concept to humanism although paradigmatic alignment is not explicit neither in Senge's work nor in his collaborators'. Curiously, LO concept was born within American functionalism centre -MIT and Harvard. Hence it proves

worth it to ask whether this concept represents a paradigmatic transition and has transformational potential.

4.2 Signs of potential for transformational change

An initial effort to interpret Senge's text meaning and its intention in the elaboration of the concept can suggest some traces about its humanist posture in management. The study of the change nature embedded in LO concept requires questioning its epistemology. A new reflection is here made in this sense, after prior effort to examine the possibility that LO concept can be enriched and strengthened by living systems theory (Leitão & Martins, 1998).

Senge is presented as a representative author of this particular moment of western post-modern culture where relegated Eastern and Gnostic thinking seem to increase its influence (Gonzales, 1994). Gonzales analyses six subjects embedded in LO concept and considers that the two last ones contain bigger potential for a transformational change. The first four subjects are: systems thinking as a way of changing individuals too; mystical and communitarian rationality; use of metaphors as tools of knowledge and action orientation; recognition of a "new science".

The fifth subject relates to learning and culture, Senge inspired himself in studies about artificial intelligence, cognitive psychology, neuroscience's as well as in strategic thinking from which he utilised studies about mental models and scenario methods as a way to revise assumptions and mental models. He also questions intuition as a complementary knowledge to the rational one.

The sixth subject is related to nature, human being and organisation. Nature is a whole not compounded by parts, but by wholes. A whole where there are others wholes, without real limits but only arbitrary. Here, Senge seems to assume a pantheistic perspective. Things, including human being are not independent circumstances, only determinations or forms of manifestation of the absolute. Considered empirically, things differ from one another but in its deep existence, metaphysical level, they identify between themselves with God as Whole-One theory.

Remarkably, holistic conception also shares these concepts. The whole is the Universe; universe is considered a living complex system. Organisation would be a whole of this whole without a precise limit to distinguish it, because limiting would result in the lack of the total connection (Weil, 1991; Brandão & Crema, 1991).

Senge rejects evolutionism where something "out" influences something "in", because limits are considered mere points of view. Change and disorder would be apparent, over and above chaos it would be produced new structures, new orders. It would be up to human being to discover them. For this to be done, Senge suggests to think in a non-linear, complex and circular way, where the cause and the effect are not near. The cause is understood as the system interaction and the effect as a symptom, his interaction expression. System is not a prison, instead, it can be influenced by the "leverage" principle.

Relating organisations, Senge believe in social nature of human beings, in the possibility to learn with teams where leaders work is not to force but being an example, creating a positive environment for collective learning. From this emerges a brotherhood idea,

compassion and engagement with the whole, that would lead to overcome the particular and strengthens unity.

Ethics in Senge is based in the universal confraternisation of all the subsystems, joined although the apparent diversity. The common vision, the organisational unity is possible because there is a real unity above the differences. This real unity has nothing to do with the manipulating sense of top management, it has to do with his optimistic view of human nature, where political conflicts are only one misfortuned accident overcome by the correct common vision and by learning.

Additionally, this set of LO conceptual fundamentals coexist with functionalistic elements from predominant organisations theory that uses systems thinking for constant self-criticism, change of conscience levels and social construction of reality which are integrated characteristics of a transformational humanism. Some key-words help to identify this Senge's posture: brotherhood sense, compassion, personal mastery, union with God, holistic Being, social Being, critical conscience, truth practice.

5. SOME OBSTACLES FOR TRANSFORMATIONAL CHANGE

“Thinking molds its own world where it is all. It reifies itself and imagines that there is nothing else than what it...thinks”
(David Bohm)

5.1 Organisational assumptions

Organisational assumptions, sometimes unconscious, constitutes a point of departure to understanding how we theorise and act professionally because they are subjacent to all theory and action.

Charles Tart (1991) affirms that because we do not perceive our assumptions, we do not question them so we act as robots, without awareness of what we think and what we do. Astley & Van de Ven (1983) remember that *“subjacent values and bias act as accepted assumptions of true world vision that orients theorisation and constitutes paradigms that direct attention in specific directions, impeding the investigation of other theoretical, ideological and practical spheres”*. It is up to the theorist to realise how he knows his study object because this way of knowing will reinforce or develop implicit organisational assumptions in different theories that influence managerial practice.

Organisations, on the other hand, are part of a whole and are intimately connected to society where they operate feeding its values, its ideology and power structure. Although they can act in their own interest, this provokes tension between the parts and the whole, and this is why changes in the organisational assumptions always imply difficulties. It is up to change managers knowing the assumptions they support, its limitations as well as the ones of the assumptions that they intend to adopt.

Research must examine compatibility between organisational assumptions contained in LO concept and the ones of the managers that intends to implement organisational changes.

Both need to be revealed in order to define the transformation degree that this concept would admit.

5.2 Individual assumptions

Assumptions, understood as our taken for granted interpretations about the individual and collective life, influence our thoughts and actions constituting convictions that automates our behaviour. These are more unconscious than the organisational ones. They influence what we focus and how we interpret our experiences, having a significant relation in our judgement, value judgements and important implications with all decision process (Brown ,1990).

Along our lifetime we accumulate these assumptions that become our personal truths because of past experiences, familiar and cultural restrictions. These convictions structures, modifies and hide themselves in unconsciousness thus becoming more and more complex until they become an inseparable web to our own personality because emotional components superpose to the ones originated from experience and reason,. In this way, assumptions origin and condition majority of our attitudes, actions and values.

Individual assumptions interact with the social ones and serve as a support to our interpretations of social reality forming a cultural support along with the shared assumptions and becoming social values. Social paradigms, as functionalism, are also a set of assumptions about organisational phenomena nature and its knowledge, embodied in the decisions carried out within organisations. Changing them involves difficulties that theoretical research must help to overcome.

6. CONCLUSION

In this context, the emergent concept of Learning Organisation (LO) appears as a promising alternative. It contains potential to provide transforming changes in firms even to reconceptualize a business organisation (Leitão & Martins, 1998). While representing a hope for innovation in organisational theory it also represents a risk, if its development is limited to the uncritical modernist functional assumptions, that are unable to discover existing internal contradictions between a substantive rationality – originated from Senge's Buddhist influence – and the instrumental rationality hypertrophy which has been provoking increasing moral and ethical problems in business world. Without a paradigmatically shift in cosmovision and thinking, this LO concept might be lost as a praxis and might return to the utopia field so, it's important to investigate its origins.

The risk is also given by the fragility of the concept, which was born with a prescriptive-orientation, that is, applying it before developing a theoretical formalization that concedes scientific status to the abstraction "*an organisation that learn to learn*". In this sense, LO with its five "disciplines" is still a "pre-concept", a conceptual pre-system that needs more theoretical foundation though it has already being implemented partially and experimentally in some American firms by MIT teams co-ordinated by Peter Senge as consultants. The lack of scientific density has been substituted, by and increasing prescriptive literature with great variety of definitions (Ulrich & Von Glinow, 1993).

Furthermore, without examining empirically its multiple obstacles (Carvalho & Leitão, 1999), LO idea risks to be aborted before constituting an organisational theory for transformation change. The LO concept requires theoretical development because it involves epistemological obstacles for learning, knowing and changing are complex and associated phenomena (Kim, 1993) which can't be imposed in a nomothetic way. It is desirable that academic research penetrate the existing contradictions between assumptions that emerge from the managers because such assumptions by themselves are barriers to learning.

Senge assumes that his conceptual pre-system - the "five disciplines" - will be apprehended during the action itself, during the pilot projects practice. From an academic point of view, here defended, this involves considerable risk in the measure that this proposal gets to be considered theoretically premature. We are convinced that LO conception as it is available in literature, has no conditions for immediate application by consultants, especially by the ones that were not their authors, because this matter require more empirical research and analysis.

Probably nothing is more intriguing for the management research than developing this pre-conceptual system up to a theory of change. In future research we'll compare its implementation in firms loyal to the old productivity assumptions and Communion Economy movement firms . This movement that acts in Brazil in Aracelli – São Paulo has completed nine years of transforming practice. These firms are operating in Brazil and in European countries as Italy where already exist some academic studies about their philosophical and operational characteristics.

It seems promising for organisational research -considering this stagnation environment where organisational research and particularly the organisational change theories are immersed in. Moreover, for recuperating the ethics sense -inherent to a substantive rationality which business world is close to forget.

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