Chapter 52
Learning Organizations: Connections between Diversity and Innovation

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ABSTRACT

Learning organizations are environments promoting individual and team learning capabilities. A growing number of organizations throughout the world are embracing these concepts as strategies for competing in dynamic economic environments. Globally, leaders across varying industries continue to strive to build learning organizations to improve effectiveness, and continuously evolve. Learning organizations depend on effective communication; a chief component of leadership influence. They also require thinking from as many perspectives as possible, in order to change and grow in response to anticipated and existing external pressures. These perspectives emerge from the variety of experiences coming from diverse individuals, and leaders must recognize these as critical resources in organizations' ability to learn, manage change and facilitate innovation. The present analysis explores learning organization variables, arguing that diversity and leadership communication are important co-factors in successfully implementing learning organization principles leading to innovation.

INTRODUCTION

Twenty-five years ago, with the publication of the book, *The Fifth Discipline*, Senge (1990) introduced the business management community to the concept of the "learning organization:" an organization "that is continually expanding its capacity to create its future" and is "engaged in a deep learning cycle" (Senge, 1990, p. 14). Since that time, numerous organizations, not just those in the business sector, have embraced the idea of tapping into their existing knowledge, while at the same time leveraging members' creativity and critical thinking skills to adapt to the many challenges wrought by globalization and other environmental changes (Kearney & Zuber-Skerritt, 2012).

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The learning organization concept incorporated ideas pertaining to organizational learning from "pioneering work conducted by Chris Argyris at Harvard University and Donald Schon at MIT" (Morgan, 1997, p. 88). Argyris was also influenced by Schein's (1997) works, "one of the founders of the field of organizational psychology" (Hesselbein, Goldsmith & Beckhard, 1996, p. 59), and author of *Organizational Culture and Leadership* (Schein, 1997), as well as the ideas of Arie De Geus, "coordinator of worldwide planning at Royal Dutch Shell" (Fulmer, Gibbs & Keys, 1998, p. 8), who explored learning from an institutional perspective.

Senge (1990), influenced by their collective ideas about organizational management, organizational culture and organizational learning, made those ideas accessible to business managers and leaders by combining them into one concept: the learning organization. *The Fifth Discipline* "popularized the notion" (Yeo, 2005, p. 369) that learning is fundamental to contemporary organizational survival and growth, and that organizations' future viability clearly depends on their ability to learn. This thinking remains today, as the research on learning organizations has expanded to include other diverse factors such as e-learning (Yoo & Huang, 2013), entrepreneurship (Nezad, Abbaszadeh, Hassani, & Bernousi, 2012) and communities of learning (Kearney & Zuber-Skerritt, 2012). Research on learning organization concepts is found using related keywords and terms, including the phrases, organizational learning, knowledge management, or learning culture and climate. These yield research conducted in business, hospital, military, and university settings in Australia, Iran, Korea, and South Africa (Carron & Basson; Kearney & Zuber-Skerritt, 2012; K, 2013; Nezad, Abbaszadeh, Hassani, & Bernousi, 2012; Yoo & Huang, 2013; & Tsai, 2014).

The present work extends the understanding of organizational innovation processes (Lopuch & Davis, 2014), particularly those used within learning organizations. Innovation is often defined in terms of an ability to find new solutions to given challenges, or improving process by finding *different* ways of approaching a situation, rather than "improvement" that incrementally changes the efficiency of a process or product (Davila, Epstein & Shelton, 2006; Salge & Vera, 2012). Although innovation has historically been viewed as an outcome of creative organizational processing (Rogers, 1962), innovation can only occur during the presence of diverse perspectives, and at the organizational level, an appreciation, if not celebration, of that diversity. Perhaps more directly, Khan (1989) notes that innovation is greatly dependent on the organizational culture. Carrim and Basson (2013) agree, contending that the values system of a learning culture, one that supports continuous learning, promotes members' desire to contribute to organizations achieving their strategic goals. As such, learning organizations are *inherently* more innovative than organizations not possessing learning organization elements.

The Learning Organization

Since its introduction as a construct in the 1960's (Weldy & Gillis, 2010) and its later popularization by Senge (1990), the learning organization concept has captured the interest of organizations needing to use learning to compete in an increasingly global economy (Argyris, 1991, 1994; De Geus, 1988; Drucker, 1997; Fulmer, Gibbs & Keys, 1998; Garvin, 1993; Kontoghiorghes, Awbrey & Feurig, 2005; Senge, Kleiner, Roberts, Ross & Smith, 1994). Over the ensuing years, technology advances and the resultant shift to information based knowledge economies has heightened the demand for organizational leaders to seek faster and better ways to leverage their existing intellectual capital (Hannah & Lester, 2009; Lu & Ramamurthy, 2011). The exploitation of technology to amass and share knowledge, enabling "useful knowledge to travel better across the boundaries of individual working groups" (Senge, Roberts, Ross,