Learning Organisation:
An Effect on Organisational Performance

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INTRODUCTION

A learning organization is an institution, which has the skills to change behaviour in order to form new information and understanding through the creation, gathering and transfer of information based on a continuous learning cycle. Organizations that could shed light on the future are those with learning capacity and enthusiasm and are able to form and use valid and reliable information. It is essential for the staff of an organization to be open to innovation and learning, in order to increase service quality, and convey the impact of being a learning organization to the forefront. Similar to the growing importance of being learning organizations in all fields and institutions, it is also gaining importance in educational institutions in terms of reforming information and adapting to change (Volante, 2010). Especially, gaining awareness of the characteristics of learning organizations can result in dynamism and innovation, as well as increased motivation and enthusiasm in the institutions (Tasargöl, 2013).

Organizations include multiple and intricate networks of relationships, which are sustained through communication and other forms of feedback with varying degrees of inter-dependence. With the rapid pace of growth, organizations face some challenges in training and retaining the intellectual capital of their workforce. First, due to the rapidly changing technologies, there is a need for continuous adaptation and retraining of the employees. Second, the training has to address a wide range of people with different backgrounds and abilities, ranging spectrum of needs and availability of time to study, etc. Further, as these learners are adults with considerable experience and awareness of what they would like to learn, training methods need to evolve to meet the needs of a modern knowledge society (Minch & Tabor, 2003). In addition, organizations are facing a number of key changes that focus attention on efficiency in relation to delivery methods. New opportunities are being offered by information technology (IT) which could facilitate major changes in the delivery of training and provide greater flexibility for learning (Littejohn & Watson, 2004).

In the digital age where information is regarded as the most important power, learning can be considered as an effective process of collecting, developing and transferring information (Alipour & Karimi, 2011). The concept of the learning organization has been linked to innovation and performance in organizations (Power & Waddell, 2004). The capacity for change and continuous improvement to meet the challenges in the environment in which organizations operate has been associated with the capability of these organizations to learn (Armstrong & Foley, 2003). Thus, organizations that learn will be able to keep abreast with developments and improvements in the business environment to operate successfully.

Organizations of the future will not survive without becoming communities of learning. It is absolutely essential for organizations to learn from their environments, to continually adjust to new and changing market dynamics, and just as is the case with the individual, to learn how to learn from an uncertain and

unpredictable future. Continuous improvement requires a commitment to learning. Solving a problem, introducing a product, and reengineering a process all require seeing the world in a new light and acting accordingly. In the absence of learning, organizations and individuals simply repeat old practices. Change remains cosmetic, and improvements are either fortuitous or short-lived.

BACKGROUND

The learning organization perspective is perhaps the most popular within the management and business at the moment. Senge (2006) suggests that the most successful organizations are learning organizations and that the ability to learn faster than competitors is the only sustainable advantage. It might, therefore, be reasonable to assume that being a learning organization would manifest itself in an excellent performance, given that this must be a key area of competitive advantage. Senge (1990, 1996) developed five interrelated dimensions that are considered vital to building organizations that can truly learn known as 'Five Disciplines'. These disciplines include mental models, personal mastery, shared vision, team learning, and systems thinking. The five disciplines have remained as the core elements of the learning organization.

Pedler, et al. (1997) argued that there has been a shift within the field away from looking at the learning organization as the 'panacea' for any organizational improvement, towards a more pragmatic emphasis on the process of the learning organization. The learning organization is referred to as a journey with a number of maturity stages based on eleven characteristics that need to be developed on the way. These eleven characteristics include learning approach to strategy, participative policymaking, informative, formative accounting and control, internal exchange, reward flexibility, enabling structures, boundary workers as environmental scanners, inter-company learning, a learning climate, and self-development opportunities for all.

Watkins & Marsick (1993) viewed the learning organization as an integrative model, where learning is a continuous process, used strategically, and is integrated with overall work processes. This model integrated both structure and people as they are focusing on leveraging learning on three levels like the individual, team and organizational or system learning (Watkins & Marsick, 1996). At the individual level, continuous learning opportunities need to be created, allowing members in the organization to acquire knowledge and skills. At the team level, individuals learn as teams, focusing on collaboration and teamwork. This is followed by learning at the organization level incorporating individual and group learning and capture all in standard operating procedures, work processes, operations manuals, information systems, and the organizational culture. Learning at the organizational level is described as the most difficult, and least practised by companies as it requires the establishment of effective systems to capture and share learning, and gaining organizational consensus and commitment from all employees through empowering them toward a collective vision, resulting in increase in organizational performance (Watkins & Marsick, 2003).

Örtenblad (2002) developed a typology of the idea of a learning organization. He suggested that there are four understandings of the learning organization concept. The first is the old learning organization perspective, which focuses on the storage of knowledge in the organizational mind. Learning is viewed as applications of knowledge at different levels. The second type is the learning at work perspective, which sees a learning organization as an organization where individuals learn at the workplace. The third is the learning climate perspective, which sees the learning organization as one that facilitates the learning of its employees. The fourth is the learning structure perspective, which regards the learning

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