Chapter 13
Comparing Learning Organizations with Static Organizations

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ABSTRACT
A major challenge for organizations is remaining competitive in today’s global society where sustainability is the most pressing problem (Ramirez, 2012). This chapter compares the characteristics of static and learning organizations, explains the systems thinking (the root of learning organizations), identifies the components required for transition from a static organization to a learning organization, considers two examples of learning organizations, and explores various critiques organizational leaders should consider. Leaders who strive to turn static organizations into learning organizations by changing corporate leaders’ and employees’ mindsets (Bennis, 1989; Bennis & Nanus, 1997) should consider the transitional process of that change. Learning organizations can permeate various social systems and industries including those that seem to need static traits such as construction. Organizational leaders should consider benefits and critiques as they develop a strategic approach to sustainability and growth.

INTRODUCTION
In today’s organizations, corporate leaders use strategies such as “downsizing,” “restructuring,” and “merging” in an effort to prevent an organization from collapsing or going bankrupt. Organizations that go through these processes wish to say goodbye to their past, which may qualify themselves as what we call static organizations. To depart from static organizations, today’s organizations must strive to become what we call learning organizations in order to remain competitive in a global economy (Petty & Brewer, 2005). Learning organizations are drastically different from static organizations in terms of structure, atmosphere, management philosophy, decision-making and communication. Instead of seeing the business as individual pieces, leaders strive to see it as a whole interactive system with intertwined processes. Rummler and Brache (1995) indicated “the great-
est opportunities for performance improvement often lie in the functional interfaces—those points at which the baton...is being passed from one department to another” (p. 9). Addressing these indispensable aspects may lead to the rise or fall of an organization in today’s competitive global society where sustainability is the most pressing problem (Ramirez, 2012).

BACKGROUND

Both scholars and practitioners have pointed out that learning organizations are born of static organizations just like the saying, “failure is the mother of success.” To better understand the attributes of learning organizations, some important aspects of static organizations must be discussed first. Numerous studies (Arends & Arends, 1977; Baldridge & Dean, 1975; Bennis, Benne, & Chin, 1968; Goodlad, 1975; Greiner, 1971) have indicated that static organizations possess some dimensions that are worth the attention of corporate leaders, Human Resource Development (HRD) and Human Resource Management (HRM) practitioners. Without the knowledge of static organizations, it will be challenging for organizational leaders, HRD consultants and HRM practitioners to transform them into learning organizations. Static organizations are, first of all, rigid (Knowles, 1978). In these organizations, much energy is given to maintaining permanent departments, and committees. Respect is given to tradition, constitution, and by-laws. These organizations are hierarchical; they adhere to a chain of command. Employees’ roles are defined rather narrowly. Both organizational leaders and employees are doers mainly focused on tasks (Hersey & Blanchard, 1969). The organizational atmosphere is impersonal, cold, formal, reserved and suspicious. Personnel are managed through coercive power, which is “influencing others to do something against their will and may include manipulating penalties and rewards in their work environment” (Northouse, 2010, p. 9). Employees are discouraged from thinking, cautious, and low risk-taking. They tend to avoid errors. It is not an open system (McGregor, 1960), where members are aware of the organizational environment (Griffin, 2012). Instead, static organizations feature closed systems, which Griffin (2012) defined as one that “does not interact with its environment” (p. 19). Therefore, resources are hoarded and protected in a static organization (closed system). There is little tolerance for ambiguity. In static organizations, there is high participation at the top, but low participation at the bottom. Employees are reserved and do not work wholeheartedly for organizational goals. There is a clear distinction between policy-making and policy-execution. It is worth noting that decisions are made by legal mechanisms and that any decisions made are considered final. Communication is one-way or downward where the natural flow of information is restricted. Feelings are repressed or hidden. These are the basic characteristics of static organizations that prevent today’s organizations from remaining competitive in a global economy and society. Because static organizations reveal these unproductive practices, HRD and HRM consultants constantly seek to solve these problems. These problems are manifold and solving one problem does not lead to stopping static organizations from collapsing. The best solution is to transform these static organizations into learning organizations that will embrace these problems in a way that these organizations can be reinvigorated again in this global economy (Cramer & Wasiak, 2006). A pertinent question to ask is “what are learning organizations?”

PROMOTING LEARNING ORGANIZATIONS

The concept of a learning organization is rooted in the work conducted by Peter Senge (Chinowsky, Molenaar, & Realph, 2007, p. 28). Senge (1990) described a learning organization as one that “is continually expanding its capacity to create its