Learning in Organizations: 
Some Observations from the Practice

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ABSTRACT

The authors find that learning in organizations that employ innovation and technology in their operations is fostered and incorporated in work environment for enhancing innovation while maintaining peak competitiveness. It is divided across several segments, which include but are not limited to experimentation, risk tolerance, interaction with the external environment, dialogue, and decision-making. Conversely, this paper also examines several instances in which organizations failed to adopt a learning environment. Research illustrates that companies that fail continuously to improve fail because they can no longer competitively operate in today’s global marketplace by holding onto the way work was once accomplished. Today’s work environment is more demanding and less structured than in the past and, therefore, companies must adopt or they will become irrelevant. This paper also illustrates how learning actually occurs. Furthermore, the authors attempt to show the nascent relationship between learning and brain/mind principles at a cursory level. The paper also shows how the same basic principles utilized in educational learning can be applied to enhance corporate learning among adult learners.

KEYWORDS

Brain/Mind Principles, Innovation, Learning, Organizations, Technology

INTRODUCTION

The rise of technology and knowledge as a production factor in organizations has not only changed the rules of managing organizations, it is also rewriting the learning processes in organizations, especially in the knowledge-intensive organizations as they depend heavily on information and communication technology (ICT). Chadha and Saini (2014), for example, find that knowledge is enhanced by information technology (IT). IT, used as a learning tool, has also been found to benefit organizational learning and financial performance. However, when we look at the past, we find that most executives of the traditional organizations achieved good performance by practicing relentless execution by focusing on efficient production and delivery of goods and services because then that was the sure path to please customers and achieve raving financial results. Those managers who did not focus on execution even briefly faced peril (Edmondson, 2008). Today, however, in the knowledge environment, organizations that create new knowledge, constantly update it, and diffuse it throughout the organization for application in everything they do are more effective than organizations that simply promote and implement the execution model (Garvin, Edmondson, & Gino, 2008; Rao & Argote, 2006). Organizational learning and knowledge creation play a substantial role in innovation. Facilitation of learning will lead to significantly higher innovation levels within the firm. Unfortunately, in contemporary organizations, failures far outnumber successes, and improvement

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rates remain distressingly low because most companies fail to grasp that continuous improvement requires a commitment to learning (Garvin, et al., 2008).

**Failure to Learn and Innovate Fails Organizations: Contrasting GM and GE**

Peter Senge (2006) who coined the term learning organizations describes them as organizations where “people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together”. Today’s competitive landscape offers little room for organizations to rest on their laurels and become complacent. Years later, many organizations, including the once highly mighty ones, such as General Motors (GM), found themselves on the precipice of collapse for failing to adapt to the emergence of a new business environment. In a knowledge-intensive organization, even perfect execution would not guarantee enduring success because the influx of new knowledge will surely make it easy to fall behind (Edmondson, 2008). Take GM, for example, the largest and the most profitable company in the world in the early 1970s that failed to adapt and advance the work environment of success in a knowledge economy because, while it engaged in organizational learning, it poorly incorporated this learning into its corporation to turn it into a learning organization where innovation could flourish. It remained stuck in its outmoded safe competency in centralized control and mass execution. Consequently, GM continuously lost ground in the decades following and, in 2007, had a record loss of $38.7 billion. Just as other dominant organizations in the industrial era, GM had failed to understand that great execution is not going to be sustained, not because workers will stop learning and working hard, but because the managerial style that gives rise to efficient execution takes away employees’ ability to turn their learning into innovation, which is very essential for a knowledge-intensive organization. GM failed to be a learning organization, because either management can have a full focus on getting things done, and done right and crowd out the experimentation and reflection vital to sustainable success (Edmondson, 2008) or allow for risk taking and learning new things that are essential for competing successfully in a changing economy. GM has been an iconic example of how a company fails to see the need for learning and turning into a learning organization that brings out significant innovation. It allowed its structure to become ossified by not considering change (Kanter, 2009).

By continuing to think of high-volume execution in its narrow sense, organizations fall into the self-sabotaging traps, which stops critical ideas and information reaching the top; workers do not get enough time to learn; unhealthy competition among workers arises; and organizations think that they can’t do anything wrong (Edmonson, 2008). Let’s go back to General Motors; while it was focusing on the execution efficiencies, its archrival Toyota was taking a different route. Toyota was focusing on bottom-up process improvements that permitted employees who witnessed a small or large problem to stop the production line. It turned itself into a learning organization. On the other hand, GM could not survive just by redoubling its effort on efficiency and low costs. Kanter (2009) states that a company needs to dramatically rethink its entire organizational model and related assumptions. Peter Drucker predicated trouble ahead for GM because of its deep-seated culture that would not let it do things in fundamentally new ways—operating industrial company by embracing ambiguity in the information age. Their challenge was to create an organization that could thrive in a rapidly changing world, where mixed signals make agility a minimum requirement and innovation a key to success (Kanter, 2009). Learning cannot be based on need dictated by the economy or the competitors’ moves, but has to be proactive which, while Toyota had, GM did not.

Conversely, another American iconic company, General Electric (GE), presents an example of how a company learns and adapts to the dynamism of its environment for its benefit. GE has a long
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