Chapter 15
Ethical Evaluation of Learning Organizations: A Conceptual Framework

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ABSTRACT

A key assumption for recognizing knowledge society is the existence of learning organizations. As a result, literature has been fruitful in engaging a wide debate concerning its characteristics, dimensions, evolution, evaluation procedures, or ethical behaviour. Likewise, it is interesting to denote that research appears to pay little regard to the impacts of existing ethical and social dilemmas about knowledge creation, retention/use and sharing within organizational contexts. Therefore, the key purpose of this manuscript is to present a conceptual framework that denotes these dilemmas and their impacts in organizational strategy. For that, this contribution resumes an ongoing research project which intends to approach ethical and social dilemmas in learning organizations. Moreover, it suggests that these dilemmas impact on organizational strategy, as well as that existing evaluation models for learning organizations do not promote the ethical evaluation.

INTRODUCTION

Complexity is probably the most significant distinctive feature of our civilization (Pinha e Cunha, Fonseca & Gonçalves, 2001). As technical and economic progresses allow production, transportation and communication to be further efficient, individuals interrelate with a growing number of other individuals, institutions, systems and objects. Concurrently, while this network of connections develops and spreads around the world, the miscellaneous systems become reciprocally dependent.

Accordingly, 21st management requirements compel a collaborative approach in order to capitalize dissimilar workers perceptions, instead of the traditional authoritarian, command and control philosophies. People are considered as a “natural” resource and an organizational asset to promote sustainable competitive advantage. Hence, the
novel managing orientation is also embracing innovation as a key element for success and competitiveness (Liyanage & Poon, 2002). This involves expanding the innovative potential of the organization by nurturing new ideas, harnessing people’s creativity and keenness, tapping the innovative potential of workers, and encouraging the dissemination of autonomy and entrepreneurship (Black & Porter, 2000).

Nevertheless, new ideas (knowledge) creation, retention/use and sharing in organizations have simultaneously shaped crucial dilemmas for managers given their key role in promoting creativity and innovation inside an organization. Despite Roth & Kleiner (1998) argument that learning organizations have been recognized for decades, the truth is that knowledge society have strengthen several inner ethical and social dilemmas that impact organizational strategy. Thus, this manuscript suggests that these dilemmas, as well their impacts have been neglected as regards to evaluate learning organizations ethical behaviour.

**DISCLOSURE INFORMATION**

Following The Free Dictionary (2010), disclosure is the act or process of revealing or uncovering, as well as to make a revelation. Given the overall argument of this chapter, is the author intention to shed some light as regards the concept of an ethical learning organization. For analytical purposes, refers to the recognition of the ethical and social dilemmas that resume knowledge creation, retention/use and sharing within organizational contexts (access to organizational knowledge, autonomy, dignity, privacy, intellectual property, faire compensation and trust). In spite of being a complex reality, because it depends on the moral values of each agent (Moraga, 2006) it is reasonable to claim that managers need to identify and develop idiosyncratic virtues strategically recognized by the society (Gowri, 2007). As a result, to promote an ethical learning organization is necessary that managers recognize these existing dilemmas in order to minimize their organizational impacts.

**LEARNING ORGANIZATIONS: “WHO”, “WHAT”, “HOW” AND “WHY”!**

Literature, at least main stream, is approaching managers’ latest responsibilities’ within organizations (“who”), “what” is a learning organization or even its dimensions (“how”). However, the “why” has been almost neglected which resumes a paradox, due to the importance of the ethical and social dilemmas that arise throughout the knowledge flow (Costa & Silva, 2007). So, the author argues that the “why” is the missing link!

**Managers Responsibilities’ (“Who”)**

CEO character is an imperative because these enable organizational values, culture, and performance. The range of outcomes in a virtuous or vicious cycle may be a function of the length of time that an individual is a CEO, which can influence positively or negatively an organization, depending on its character (Gowri, 2007). As a result, the CEO is a key “building block” for setting up an ethical climate. In addition a numerical constraint occurs in this process, since few individuals generate at some extent organizational commitment.

Furthermore, if an organization’s unique features are aligned with ethical values will permit to differentiate from other competitors, and thereby produce competitive advantage (Chun, 2005), being a truthfully positive organization (Verbos et al., 2007), as well as transparent one (Costa, Prior & Rogerson, 2008a). Although, to obtain an ethical corporate background is compulsory to verify the subsequent settings (Gilmartin, 2003): managers ought to “embrace the right tone”; formal guidance in ethics and standards of conduct is an organizational imperative; and, the organization should
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