Learning Organization in Business Research: A Review of Literature

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Abstract: Learning organization (LO) is a concept that has evolved for decades; but, it was popularized by the book "Fifth discipline" by Peter Senge. There are many literatures in relation to the idea of "learning organization"; however, most tend to respond to the issue of how to make it work. This article reviews existing literatures to assess the evolution, empirical assessment and critique of the concept in business research. This study confirms limited empirical work in relation to LO and complexity of the concept. There is evidence of lack of understanding of the concept and how to effectively apply it to one's organization. This research recommends for the concept to be further revisited and that more empirical work be done to give more flesh to the concept, more especially in developing countries, bearing in mind the diversities of national cultures in places like Africa, in order to validate the principles and claims of LO.

Keywords: Learning organization, systems thinking, organizational learning, team-learning, mental models.
JEL Classification L2, L22, M53

1. Introduction

A learning organization (LO) is described as an organization where individuals continuously stretch their capacity to make the result they really desire, where patterns of thinking that are new and beyond easy reach are reared, where collective ambition is released, and also where persons are constantly thinking out ways to learn the whole altogether (Senge, 1990). The learning association: the learning organization is seen as a structure that makes achievement of competitive advantage an easy one, that empowers workers, strengthens and improves the experience of clients and the cooperation they have with major

business associates, and ultimately enhances the performance of the organization (Aly, 2016).

A great deal has been written, in relation to the idea of "learning organization", however, most tend to respond to the issue of how to make it work. In concession to this statement, many researchers including Phillips (2003) and Kiedrowski (2006) did state that empirical research that looks into the practicality of the disciplines given by Senge (1990) and consequent results are limited. This study researches into existing literatures to assess the evolution, empirical work and critique of the concept in business research.

2. Literature Review
2.1 The Evolution of the Concept
Though the concept "Learning organization" was made popular in 1990 by Peter M. Senge, there had been many previous activities and publication that contributed to the learning organization we have today, which is still evolving. According to Senge (1990), five disciplines are necessary for the formation of a learning organization. These include: (i) Personal Mastery – developing one's personality. (ii) Mental Models – firmly fixed assumptions that determine how people perceive their environment and take actions. (iii) A Shared Vision – the capability to form a shared identity that generates the right focus and energy for learning. (iv) Team-learning – collection of individual learning. (v) Systems Thinking – Scientific method of assessing the performance of organizations as a whole with data, and not assumptions. However, these concepts evolved from earlier works.

The history of the learning organization is traced to the 1920s, with researches into learning systems and organisms (Coulson–Thomas, 1996). According to Stuart (2001), in 1938 John Dewey published a book "Experience and Education", where he gave publicity to the idea of "experiential learning" as a continuous loop of activity. In 1940s, Margaret Mead, Lawrence Kubie and Gregory Bateson publicized "system thinking in the Macy conferences before a group of intellectuals. According to Ashby (1956), the scientific process of observing carefully, reflecting, creating hypothesis, experimenting, reflecting deeply, matured act and yet reflecting deeper, coupled with systematic arrangement and followed by dissemination to other parties that are interested, created the foundation for the present "systems thinking". Also in 1940s, Kenneth Craik formed the concept "mental models". Again in 1946, Kurt Lewin, the theory founder of National Training Laboratories, suggested the concept of "creative tension" between individual conviction and reality.

According to Garratt (1999), the study of Revans, Schumacher, and Bronowski, under the support of Sir, Geoffrey Vickers by the end of Second World War (1945), at the "Intelligence Unit" of the newly-nationalized National Coal Board of United kingdom, created an all-round system that launched the "action learning" activity, which is the center of operation that drives learning organizations. Cangelosi and Dill in 1965 introduced the concept of "organizational learning" to the management stock of words. They examined critically the learning procedures of a team of seven and made clearer the "mechanisms of adaption and learning" inside a corporation. And Argyris' concept of "double loop

learning" contributed highly to the design of learning organization.

In 1982, Senge, Arie de Geus, O'Brien and Stata, and some others formed the learning organization study group. In 1989, a series of event occurred; Bill Isaacs presented the idea of dialogue as a channel for team building capacity to Senge, Charles Handy's "the Age of Unreason" was published and the Center for Organizational Learning was established at MIT, headed by Senge. By 1980s and early 1990s, the terms "learning organization" and "organizational learning" were usually used interchangeably. Then, by 1990, Senge's book, "The Fifth Discipline" was published. This book drew resources from various notions: "system dynamics" and "personal mastery" from Fritz's study, the idea of "creative tension", "mental models" from Wack's and Argyris's research, "shared vision" from the research performed at the consulting firm (Innovation Associates), and "team learning" from David Bohm's notions.

All these researches, seminars, conferences, activities and publications all contributed in one way or the other to what we understand by learning organization today.

2.2 The Nexus between Learning organisation and Entrepreneurial organisation

According to Gibb (1997) learning is a vital characteristic in entrepreneurship, because it entails the acquisition or modification of business expertise, habits, knowledge and attitudes. A LO manages to identify and correct mistakes, distinguishes and chooses opportunities, and enhances abilities to achieve organizational objectives. Learning organizations encourage their workers to perform as intrapreneurs.

Also, the learning organization permits the entrepreneur to incorporate new elements of knowledge and to create new relationships between them (Franco & Haase, 2009). Hence, the key skill that the entrepreneur requires is the capacity to learn how to apprehend new notions and strategies to increase organizational performance. This is achievable through learning organization which encourages and enables individual and organizational learning, and the articulation of implicit knowledge (Rowley, 2000). Therefore, it can be upheld that for organizations to nurture intrapreneurship so as to improve organizational performance, they need to aim at becoming learning organizations.

2.3 Empirical Assessment of the Concept and Proposition Development

In an empirical study carried out by Thakur and Chaudhuri (2015), which focused on determining the barriers to becoming a learning organization faced by Indian banks, they discovered that learning environment and employee empowerment were the most barriers encountered by these India banks. Thakur & Chaudhuri concluded that the dimension 'learning environment' which consists of help, experimentation, openness and time for reflection and employee empowerment needed to be attended to by the banks as soon as possible if they want to become LO.

In a case study carried out by Steiner (1998) of a Swedish firm (manufacturer of tools) that attempted to develop a learning organization, certain barriers to learning were discovered. These barriers were as a result of the differences between the individual's mental models and metaphors, and the

management's mental models and metaphors. According to Steiner, there was difficulty in changing from the old Taylor-inspired organization to the new ideology. Based on the findings from extant literature, this study therefore came up with the following proposition;

Proposition 1: Conservative model is negatively related to the practice of learning organization

Dobbs (2000) in his article, "Simple Moments of Learning" gave an account of an informal learning organization – Reflexite North America's New Britain, CT, plant. Reflexite rearranged its plant in such a way that the employees could see the product from start to finish, enabling them to know how the organization functions and the impact of their individual contributions on the financial performance of the organization. Workers were made to function in small teams and to informally cross-train one another in their assignments.

Mercy Corps organization is said to be committed to developing into a learning organization. According to the record of 2008, since 2003, knowledge generation and sharing, team development, and information management, have been the three main areas of agency that they have greatly invested in, to enhance their staff program results and effectiveness. They embarked on certain initiatives that dramatically decreased malnutrition in Indonesia, 40 interns were placed in 30 field offices worldwide as a result of the university partnerships, developed e-learning courses, and made transfer and sharing of knowledge easier.

Jamali, Sidani and Zouein, (2009) carried out a survey of all the measurement instruments of the learning organization available to identify which one is to be considered the most appropriate tool for measuring how progressive two sectors of the Lebanese economy are towards being LO, after which Dimensions of the LO Questionnaire (DLOQ) was adopted. The sectors considered include: information technology (IT) and banking. The findings suggested that LO best practices were integrated in both sectors with the IT sector showing good progress and evolution towards learning organization.

Hussein, Omar, Noordin and Ishak (2016) in their study of 40 scholars in a Public Institution of Higher Education in Malaysia (PIHE), explored the level of the culture of learning organization and its relationship with organizational innovativeness and organizational performance. From the findings, learning organization culture was found to be moderate among the firms. Furthermore, organizational innovativeness and organizational performance were observed to be moderate. Continuous learning, followed by team learning and collaboration were discovered to be strongly related to the performance of the organization.

An exploratory study was conducted by Ellinger, Yang and Ellinger (2000) to determine the relationship between financial performance of the organization and the dimensions of the learning organization. They used Watkins and Marsick's DLOQ instrument and the measures of secondary financial data and firm performance, which was taken from the Stern Stewart Performance 1000 financial databases and "COMPUSTAT" to conduct this assessment. According to them, their

findings propose that learning organization may have positive relationship with the performance of the firm.

Proposition 2: LO is positively related to firm performance

Dekouloua and Trivellasb (2015) investigated the Learning Organization pattern in relationship with job satisfaction and job performance. Their findings showed that an important predictor of both individual performance and employee job satisfaction is learning-oriented operation, and a mediator of the relationship between learning organization and job performance is job satisfaction.

Goh (2001) carried out a research to articulate a learning organization archetype and to suggest a structure plan for gaining deeper insight on the notion of a learning organization from the perspective of normativeness. The introductory conclusion was that LO generally have organizational structure that is highly formalized and not hierarchical, and are relatively organic and flexible. The findings revealed that private organizations do better on LO attributes, confirmed job satisfaction as one of the benefits of a LO and experimentation - most significant attribute of LO.

Proposition 3: LO is positively related to job satisfaction

Jamali and Sidani (2008) study aimed at analysing the performance of some Lebanese firms through some of learning organization's core dimensions pointed out in the literature. The dimensions that seemed most salient and relevant in the context of the Lebanese were their main focus. This study led to the conclusion that different cultures receive different dimensions of learning organization and so measurement instruments peculiar to each culture should be used to derive the correct insight that will add value.

According to the research done by Kuşcua, Yenerb and Gürbüzc (2015) where the culture of a leading, global white goods producer, was investigated using exploratory case study method, the company was seen as portraying learning organization. The results were examined using the fifth discipline model by Senge and were grouped in line with espoused values and organizational cultural levels of artefacts by Schein, and it was discovered that the firm exhibits a number of learning organization characteristics.

Proposition 4: Culture affects the application of learning organization in an organization.

3. Methodology

The approach adopted archival research method. This method involved surfing the online education databases like EBSCO, ERIC and Science Direct, for relevant academic literature on learning organization. These databases were picked because they cover wide range of disciplines and different publishers support them, and they provide access to a variety of academic publications and academic journals. A few books, conference papers and websites were also consulted. The literature review was restricted to English publications.

The research used as early as 1956 publications because of the evolution part of the work and empirical works were between 1998 and 2015. Eleven empirical works on learning organization were mentioned and arranged according to the prositions. In all, thirty-seven documents were

consulted, mostly journals. The number of documents was enough for the work, which includes the description, evolution, empirical assessment and a critique of learning organization.

4. Discussion

The notion of learning Organization (LO) looks as a promising ideal for companies. As Villardi and Leitão (2008) quoting Leitao & Martins (1998) stated, LO has the potential to furnish transforming changes in organization to the point of re-conceptualizing a business organization. It is a concept that has awakened many organizations to the power of learning in building a competitive edge over their competitors and in adapting to change and their environment. Emphasis is laid on building the levels of learning capacity of individuals, teams and organization. However, writers and researchers have criticized the theory saying that it is still a "pre-concept" that still needs more theoretical foundation, (Villardi & Leitão, 2008). They said it is fragile, being born of prescriptive-orientation, that is, it is being applied before a theoretical formalization is developed that concedes scientific status to the abstraction "an organization that learn to learn". LO requires more work to be done on it before it can be generally accepted as an organizational theory for transformation of change.

According to Ulrich and Glinow (1993), its lack of scientific density has been replaced with many different definitions by and increasing prescriptive literature, yet without any agreement on any single definition. This lack of consensus points out that there is still ambiguity as to what a learning organization really is or is expected to be (Jamali, Sidani &

Zouein, 2009). Villardi and Leitão (2008) argued that LO notion cannot be fully apprehended within the obtainable business and organizational theory framework given that it is only acceptable by adaptive learning and change. According to them, if implementers and researchers don't recognize this fact, and do not apprehend the change in concomitant cognition required for a learning organization to form, it will not occur.

In line with Smith (2008) perspective, the idea of learning organization has established itself as a durable but vague concept. According to him, it is a prescriptive initiative and could have lasted this long because of its ambiguity, which has somewhat caused managers, practitioners of all fields, researchers, editors, and students great opportunities to conclude on it what they desired. For instance, the expression of the concept of LO in some ways provides managers with the raw materials for ideologies which have the potentials to constrain the actions of other workers and their meanings, in order to have the interests of the dominant coalition supported (Coopey, 1995). Furthermore, Learning which can be used by employees to ward off layoff or cutbacks, is also seen as a tool in the hands of management for firing workers, downsizing, invasion of privacy and restructuring (Fenwick, 1995)

The concept of learning organization has attracted so much literature on it yet it lacks the critical analysis of a theoretical framework, a lot is still missing on the link between individual and organizational learning, how the individual benefits, detailed scenario under which LO is achievable, the type of companies that should not bother

with LO model and the consequence of imposing it on the unwilling, (Jacobs, 1995; West, 1994). However, even with the lack of enough flesh to cover the concept, Kuchinke (1995) assumes that the notion is being over-rated as a one-off solution for a wide range of organizational issues.

Concerning leadership and learning, Caldwell (2011), argues that the LO concept is critically defective, because organization practices lack the theories that enable "learning to lead and leading to learn" to be disseminated in organizations. And so, Senge's under-theorized attention on distribution of leadership, tend to consistently neglect problems of practices and power, and the likelihood of political activity being seen in learning organizations, which may pose as a deterrent to the learning aims, (Coopey, 1995).

Senge associates system theory with a one sided view of the world and a specific political outlook. Barrett (2007), though agreeing with Senge's view, argues that if "systems thinking" is really a scientific tool, it should not align with a specific political outlook. This is because having a specific worldview and political outlook will turn away those who do not share the same view from "systems thinking".

Another criticism of learning organization is that researchers and sociologists in community and adult education, and also in the training and vocational education community, (for example in Germany), see the concept as having foundation in a prescriptive or normative business-school management notion that is rooted in economic principles of organizational effectiveness in American/Anglo-Saxon (Fischer, 2003). They also criticized the fact that modern management used

psychological theories and sophisticated cultural concepts to greatly increase the gains for the company without paying much attention to ensure that employees get personal learning benefits too, (Nyhan, Cressey, Tomassini, Kelleher & Poell, 2003).

Finally, the lack of adequate empirical evidences of organizations implementing this learning organization concept is of a major issue with the critics. It is seen as merely a decontextualized theory that has been made popular as a formula for immediate success in management literature (Nyhan et al., 2003; Barrett, 2007). The theory of learning organization is seen as being in the development stage still, since no empirical research of longitudinal form is available to uphold the assertions that it improves the effectiveness of organizations over a period of time (Worrell, 1995).

5. Conclusion and Recommendation

Learning Organization is a concept aimed at addressing the learning culture of organizations through personal development of employees, team work, sharing of knowledge and vision, and systems thinking, with the goal of improving the organizational performance. The concept has been evolving over the decades but was made popular in 1990 by Peter Senge through his book "The Fifth Discipline". It is a concept that enhances the use of learning for the sustenance of an organization's competitive edge over its rivals. However, it is still struggling with its definition and the process of implementation. This has affected the interpretations given by researchers, authors and practitioners. Everyone is

interpreting and implementing it as he or she deems fit. Some have established a measure of success with it while some have failed. Critics have seen it as a concept without strong theoretical foundation which has left so many questions unanswered. It is seen as a tool to avoid being laid-off by employees and at the same a tool for managers to fire, retrench or force employees to support the actions of the dominant party.

As such the following recommendations are stated:

i. From the initial challenges from the mentorship program by Pillay and Pillay (2012), it is vital that employees in a business organization aspiring to be a learning organization should be adequately educated of the purpose and benefits of learning organization before commencement of the concept. This will enable them to be fully involved and not be skeptical of the whole process, and any doubts and fears for the jobs will be fully dissolved.

ii. Also, the organization management and executives should be fully involved in the process to foster unity and acceptance of the notion. They should enact policies and procedures which encourage learning in the organization and enhance the learning environment.

iii. Furthermore, the study recommends that innovative orientation should be employed thereby promoting continuous learning and conscious desire to change the way of thinking and relating among the employees.

iv. Equally important is the need to identify clearly certain individual and organizational assumptions, which may hinder the reforms and changes desired by management.

v. Again, it is vital that businesses, which are aspiring to become

vi. learning organizations, recognize that LO is not an end but an on-going process which demands time, energy, empowerment of employees and commitment by all.

vii. In addition, human resource management strategies such as job rotation should be encouraged in order to facilitate learning among the employees.

viii. Finally, in-spite of the challenges and complexities associated with learning organization, it is still a worthwhile venture which is to develop the participants and set the organization on the path of improved organizational performance if the process is well structured. Therefore, this study recommends that more empirical work be done to give more flesh to the concept and provide adequate empirical evidences of successful implementation of the learning organization concept, which can serve as reference points. This should be done more especially in developing countries, bearing in mind the diversities of national cultures in places like in Africa, in order to validate the principles and claims of LO.

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