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STRATEGIC ASPECTS OF LEARNING ORGANIZATIONS

Summary. *Knowledge economy uses knowledge as the highest quality goods, i.e. as the means of production and modus of competitive advantage on a market. Contemporary companies do not have either time or assets to educate new personnel. Employers look for employees on the labour market who are able to accept changes and willing to educate permanently. The aim of this paper is to present characteristics of the main cell of knowledge economy – learning organisation. Moreover, the authors offer possible implementation strategies of the learning organisation elements in contemporary organisations. Finally, elements of organisational learning, through the "dialogue" with contemporary authors, will be presented.*

Keywords: learning organization, organizational learning, leadership in the learning organization

CHARACTERISTICS OF THE LEARNING ORGANIZATION

The concept of learning organization arises from ideas long represented by the leaders of organizational development and dynamics of the system. One of the specific contributions of organizational development is its focus on the humanistic side of the organization. "These disciplines differ from the more prominent management disciplines by being "personal". Peter Senge describes the way we think, what we sincerely want, and how we act in interaction and learning."[1]

Different authors define a learning organization and its performance in a variety of ways. Therefore, we consider it very important to look at several different definitions from the existing literature in this field:

"Learning organizations are those organizations where employees are constantly expanding their capacity to produce results they truly want to achieve, fostering new expansive thinking patterns and the freedom of collective aspiration in which people are constantly learning how to learn together." [1]

"The learning organization is an organization that is skilled in creating, accepting and transferring knowledge and changing its behavior to reflect new knowledge and culture." [2]

"Creating an environment in which stimulated behaviors and practices are actively involved in continuous development." [2]

"The learning organization is the one that easily demonstrates its knowledge by understanding itself in the environment over time and making use of the learning of its members." (Thurbin, 1994, according to Janicijevic) [2]

"The learning organization attracts professionals and users, and therefore connects, i.e. combines the abilities and effects of "attractive" forces between professional personnel and users."[3]

According to Jeff Staes, the learning organization dominates the following characteristics: it is intuitive — unconsciously competent, the instinct gained through the use of experience and knowledge is able to determine its role on the market, position it, it is able to grow and to supply itself selflessly and it is chaotic — everyone works and everyone changes, a creative chaos. [4]

ORGANIZATIONAL LEARNING

Organizational learning is a combination of discovering new things and acting with new principles that allow organizations to adapt to change in the environment and thus maintaining or improving their competitiveness. [5] By providing the services and products in which the designers involved themselves, consumers can enable them to survive on the market.

Certain organizations do not have to be burdened with the process of continuous learning and adapting to the market because they operate in stable conditions. In an economy like ours, the transitional one, this applies to public companies that are, in most cases, monopolistic companies regionally positioned. By simply doing business in "a stable conditions" these organizations can survive, and even do business successfully, and at the same time demonstrate a low level of organizational learning. However, the number of organizations that fit into these criteria is small and is getting smaller. Most organizations are complex enough, and they face relatively insecure market conditions and are forced to learn and to apply new working modes. The survival of organizations that are not able to apply new working methods and adapt to constant learning can be compromised. However, indifference of managers can lead to perception of certain problems, so the expressive way to the learning organization is often a waste of time.

The researchers noted that organizations are involved in two levels of learning. Chris Argyris calls this type of learning a single or double loop. [6] The first level of learning involves “theory of action” and the second level of learning encompass “a double loop” when learning solves the problem in its origin. In other words, the double loop of learning requires continuous review and adjustment of the basic guidelines and goals that shape the way the organization works. The basic question in the organization is whether the managers themselves are ready to learn or not. Also, the degree of readiness must be measurable for the environment, otherwise there is no effect. Stephen Covey, an expert in the field of leadership, cites a similar note of learning levels, using different metaphors. [7]. He says that one level of learning, which fits well with the management, could be compared with climbing ladders, but a higher level of learning, the one that demands leadership, involves the following question: Do the lads interfere with the right wall or not? It should be said that faculties are also learning organizations which propel the labor market that do not propel the labor market. In such conditions, the question of ownership of references of workers at faculties is raised, on the basis of which faculties are accredited, and it is clear that professors are not stimulated due to references, but they are paid according to the number of hours held.

Covey identified this degree of change as a need to build leadership in organizations, not just well-organized management. Management theory is suitable for managing single-loop learning, while leadership is needed in order to successfully implement the transformation of a single into a double learning loop. John Huey concluded that in the type of organizations that are emerging today, corporate leaders “will face two tasks: first, to develop and articulate exactly what the company is trying to accomplish, and secondly, to create an environment in which employees can understand what needs to be done and how to get the job done.” [8] Using this statement, Huey states the most important thought of this topic — The leader must successfully set up the guidelines for discovering the actions that the learning organizations demand. In the organizations interested in the learning process, there is not only the possibility of already needing leadership in the entire organization. In other words, leadership is the influence of others that strives towards the goal, and not necessarily the function of a specific job. It is often spoke about leaders in leadership positions, and the existence of parallels that can be applied throughout the organization. However, there is a segment of leadership that is underutilized and which is often emphasized: a charisma. The definition of "charisma" according to the vocabulary is as follows: "A quality or power attributed to people who have demonstrated extraordinary leadership ability, as well as ensuring the commitment of a large number of people." This definition indicates two things about "charisma". First, it is a "rare" and "exceptional" phenomenon. Secondly, although we are not sure what the "quality or power" actually imply, a large number of people are ready to dedicate themselves to their work for the sake of mutual benefit. Danah Zohar, in her "booklet" entitled "Wealth for a Sustainable Future" says that big leaders usually serve great goals, they want to invest their life and work into something, want to make some change in their lives. Such people are attracted by politics, medicine, research, education. They can rarely be found at the top of large corporations. Many of those who have been at such positions are abandoning these places and leaving to work in non-profit organizations. [9] This critical disadvantage of the big leaders is bad for the job, concludes Danah Zohar. Without desire to argue, the category of small and great leaders is obviously introduced, and we prefer small leaders, because the big ones are lost for the job, as the text claims.

Although we agree that charisma is real and powerful, none of the two insights gained from this definition suggest that charisma is useful to the basis of leadership. Bearing in mind the broad need for leadership in the process of transformation of our organizations, we cannot afford to have the whole process dependent on something that is extremely rare and exceptional. Nor can we hope that charisma briefly defined as "quality or power" can be taught. Instead of focusing on charisma as the key to leadership, a phenomenon that is inherently difficult to define, it is important to focus on the elements of leadership that are simpler to apply. We think that leadership is not a secret art that can be overcome by only a few selected ones. Leadership is a managerial discipline that can be learned. Simply put, the leader is a good manager with a high EQ. Such a leadership perspective focuses on concrete actions that can be taught, unlike the personality traits that cannot. Charisma is not enough for the effect of changing big systems. Charismatic leaders must instrumentalize leadership through detailed roles, competencies, structures, and rewards. As the most important, we highlight: (1) the fact that management implies a wide range of activities that are instrumental and contribute to making changes, (2) leadership that can be found across the organization.

ELEMENTS OF ORGANIZATIONAL LEARNING

In the previous section, we introduced two approaches for the strategy implementation. We explained that organizational learning is more than an adequate strategic programming when it is not possible to accurately predict what will work before applying different options. In such situations, the strategy formulation becomes intertwined with the implementation of the strategy, and the result is formed by two factors: innovation and operation. Innovation is an intellectual part of learning — an abstract mental and conceptual process by which we can act on our mind, thoughts and opinions, management, products and processes. The action is the effective side of learning, that is, the process when we apply knowledge as a result of the something new — innovation. Of the two factors mentioned above, innovation is closer to strategy formulation, while action is more like the implementation of the strategy. As we emphasized, both innovation/formulation and action/implementation are essential for organizational learning.

INNOVATION

What organizations should try in order to innovate in the field of the learning process? In fact, we are not talking about discovering new bases and principles. We are talking about eternal principles, such as the principles of the "basis forcompromise" shown in the table below this paragraph. People have been organizing, leading and managing centuries ago, and it is really rare that a completely new principle of management or organization is being discovered today. This does not mean that the science of management has not progressed over the past few decades. The essence is that the basic issues in this field exist for a long time and there will be an even longer period of time, and the search for fundamental new ideas is not the most useful focus for applying organizational learning. A better focus is to consider how these basic issues can be addressed to specific organizations. Understanding the questions of "what is useful" sounds simply unusable. In practice, this is actually a very complex and challenging process. The challenge is a discovery that involves developing an understanding of the simple connections between inputs and outputs. Input management (e.g., program management, activities and efforts without focusing on results) and results-based management (e.g. management emphasizes the effectiveness of the results with the resources taken into account). The type of discovery we are focusing on is the answer to disadvantages that require only input and output factors, but not the simple connection between these two factors. In other words, understanding means that the cause X is associated with the outcome of Y.

Looking for the relationship between causes and effects may sound as if it has more to do with a scientific method than with strategic management; however, significant parallels between these two factors are visible. When it comes to part of the organizational learning of "innovation", it is difficult to find more suitable models than experimental models, which have emerged as the most effective way of making scientific progress, the scientific method, shown in the diagram below. It is clear that each process, even this one, starts with the theory. It is certain that the above conclusion can entail confusion and open the space for this attitude, starting from the practicality postulate, that there is little room for theory in something practical, such as an organization that tries to discover what it actually is and where it is moving. However, experienced management theorists believe that theories can be both helpful and practical for leaders who are trying to implement organizational changes. For example, Peter Drucker argued that each business is managed on the basis of a theory that reflects assumptions about factors such as environment, mission, and competencies needed to fulfill their mission. Senge refers to such decisions and behaviors as the process of forming the assumptions of the mental model. Regardless of the term used, the point is that adapting of the theory or mental business model can have a huge potential for reorienting the organization's thinking and its future prospects.

Considering the nature of innovation paradigm, we can discover completely new ways of thinking about basic concepts, as well as competition, management and organization. But even for great innovation, the most effective process of acquiring new knowledge is still very similar to basic methods of scientific theory, hypothesis, experimentation, results, and conclusions. This is a process that provides information on how pragmatic organizations need to change its actions. Companies usually do not have enough funding to be good at everything. Each positioning strategy requires a different organizational culture and management system. Mike Tracy and Fred Wiersema [10] proposed a spiral system: from a leading company in products, through a company that perfectly operates to a company that is close to customers.

However, it is really difficult to be the best in all three areas, even in two. Three value disciplines require different systems and management positions that are often in conflict. Companies that perfectly do business can hardly be the first by product. The regular introduction of the new product interrupts the unobstructed functioning of the system. Each value discipline requires systems, processes, organization and management culture. This is where the leaders steps in.

THE ROLE OF LEADERSHIP IN BUILDING LEARNING ORGANIZATIONS

Learning organizations look and behave fundamentally differently from other organizations. The characteristics of the learning organization do not develop by chance. They are the result of leadership that (1) aggressively starts in the desire to build an organization that is capable of learning, and (2) actively works to make this happen.

DEVELOPING THE VISION OF THE FUTURE

Leaders like to play the visions of the organizations they work for. Many visions are more grandiose statements made on the basis of abstract thoughts, then an applicable reality. Regardless of the term used, the point is that a vision or prediction must be of practical importance in order for a vision to be of real applicable value. This should help direct actions across the organization. A selection of options for developing a vision is described as a series of five steps: 1. Saying: "Here is our vision! Be excited as much as we do, or consider the opportunity to work elsewhere". 2. Sale: "We think this is the best answer. Have we attracted you as a buyer?" 3. Survey: "What excites you about this vision? What do you think, what is not working according to you?" 4. Consulting: "What is your recommendation for the motto of our vision?" 5. Co-creation: This approach seeks to include a creative contribution as many people as possible. "Let's identify the organizational future that we all together can strive excitedly."

Each of these approaches has its advantages and disadvantages. Individual organizations should use different approaches to generate employees' commitment into different instances.

Experimentation by definition is the process of trial and error. Not every innovation is always applicable and does not bring profit. In retail, only 20 percentages of product innovations persist on the market, and in industrial innovations, this percentage goes up to 70. The answer is simple, in the second case the direct users are involved in innovation. A man tries to do something in a certain way, and if he receives the wrong result, he repeats the operation after removing the error that had previously resulted in a negative result. However, it is rarely happened that someone take the responsibility of error risk, if the error is enormous. However, without trial and error methods it would not be possible for different organizations to develop and progress in their biggest challenges. Let's take TQM as an example. One of the most important principles of TQM is the no defect concept, the perfect, errorless business. The irony is that an organization is not able to establish this situation in search of business without error and production without defects without a huge conducted research that requires many questions, many attempts and many mistakes. Therefore, the only way that one organization becomes perfect is to make a lot of mistakes before that. So, leaders are looking for performance errors by their employees and they should support experimenting with innovations and forgive mistakes because these mistakes are the source of finding a more efficient way of doing business. If the experiment results in major changes across the organization, top management should support these changes. Research has shown that organizations are capable of placing major internal changes that often result from a number of minor changes, which do not require much experimentation, but still just enough to test and verify the results.

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